

ALMOND HOUSING ASSOCIATION LIMITED

**REPORT OF THE BOARD OF MANAGEMENT AND
FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2025

SCOTTISH CHARITY REGISTRATION NUMBER
SCOTTISH HOUSING REGULATOR
FINANCIAL CONDUCT AUTHORITY
SCOTTISH PROPERTY FACTOR NUMBER

SC031696
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REPORT OF THE BOARD OF MANAGEMENT AND FINANCIAL STATEMENTS

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ADVISORS

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Nationwide Building Society
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T C Young
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External Auditors:

CT Audit Limited
61 Dublin Street
Edinburgh
EH3 6NL

Internal Auditors:

Wbg
168 Bath Street
Glasgow
G2 4TP

REPORT OF THE BOARD OF MANAGEMENT

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

Principal activities

Almond Housing Association Limited ('the Association') is a not-for-profit Registered Social Landlord (RSL) governed by a voluntary Board of Management. The Association's principal activities are the development and management of affordable housing.

Legal structure

The Association is established under the Co-operative and Community Benefit Societies Act 2014 and is incorporated in Scotland, for the purpose of providing housing and any associated amenities for persons in necessitous circumstances. The Association is a registered Scottish Charity and is registered as a Scottish property factor. The Financial Conduct Authority has granted the Association exemption from the requirement to prepare group financial statements, including its subsidiary company Almond Enterprises Limited, due to its immateriality.

Business review

Details of the Association's performance for the year and future plans, are set out in the Operating and Financial Review that follows this Board of Management report. The financial statements for the year ended 31 March 2025 have been prepared in accordance with the Financial Reporting Standard 102 ('FRS 102') and the Statement of Recommended Practice for Registered Social Landlords 2018.

Treasury Management

A comprehensive Treasury Management Policy is in place. The main aim of the strategy is to control the associated risks to the Association of borrowing and investing activities, thus minimising risk before maximising return.

Asset Management

The Association is dedicated to upholding the highest standards in property maintenance and meeting the aspirations of our tenants by implementing regular programmes of cyclical and major repair works. The major repairs programme is developed based on an independent Stock Condition Survey conducted every 4-5 years, complemented by in-house surveys. Our repair programmes meticulously consider legislative changes, including the Energy Efficiency Standard for Social Housing post-2020 (EESH2): guidance of which is to be replaced with the Scottish Housing Net Zero Standard (SHNZ) in the near future. Furthermore, these programmes are guided by our Asset Management Strategy and supported by the data currently held on Aareon QL software package.

Rental Income

The Association's Rent Policy is a points system based on the size, type and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties. The point values are reviewed annually to ensure that the rents are both affordable and cover the required costs. This policy follows generally accepted practice/principles within the housing sector.

Donations

The Association contributed £159,219 to increase the community food supply, offer money/benefit advice and implement energy-saving measures, helping our tenants overcome soaring energy bills and the cost-of-living crisis. The Scottish Government contributed £102,726 towards these initiatives, with a further £25,019 received from Energy Action Scotland.

The Association provided £19,279 (2024: £2,870), directly to local community projects and initiatives, with no political donations made.

Creditor payment policy

In line with government guidance, our policy is to pay purchase invoices within 30 days of receipt, or earlier if agreed with the supplier. The average number of days between receipt and payment of purchase invoices this year was 19 (2024: 20).

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

Board of Management

Members of the Board of Management who have served during the year and up to the date of approval of these financial statements, are set out below.

Mr M Joyce*	Mr C Morton*
Mr J N Tulloch (resigned 18/04/24)	Mr C Boyle
Mr A Turner* (Chairman)	Ms V Bluck*
Ms T Hill (resigned 06/01/25)	Mr D Lewis
Ms J Riley	Mr S Davies (Co-opted 18/04/24)
Mrs Natalie Cryans (Co-opted 18/04/24)	Mr J Rillie (Co-opted 05/06/25)
Mr T G Hay (Casual vacancy 05/06/25)	

* Member of the Audit and Finance Sub-Committee at 31st July 2025.

The Association's affairs are run by the Board of Management, which has up to 15 Members and meets at least eight times a year. Eligible members can stand for election to the Board by submitting a written nomination prior to the AGM. Where there are more members standing for election than there are vacant places, those present at the AGM will vote to elect members onto the Board. Some of the detailed work of the Board of Management is delegated to Sub-Committees (Audit and Finance, Allocations, Staffing and Asset Management), or to "short life" working groups with a specific remit such as the Development Working Group and Pension Working Group.

The Board of Management is drawn from a wide background bringing together professional, commercial and local experience. The current skill levels of Board Members are assessed on an ongoing basis and via annual appraisals, with necessary training provided as and when required. Association insurance policies indemnify members of the Board of Management and officers against liability when acting for the Association.

Employees

The Association's ability to achieve its objectives and fulfil its commitment to tenants relies on the collective contribution and calibre of its employees. The Association shares information on its objectives, progress, and activities through regular office and departmental meetings involving Board of Management members, the Senior Management Team, and wider colleagues. We are committed to promoting equal opportunities and fostering a diverse workforce through inclusive recruitment and retention practices. We routinely monitor key indicators such as employee turnover, sickness absence, and workforce composition by ethnicity, gender, and age. These metrics form an integral part of our annual reporting to the Scottish Housing Regulator.

Organisational Structure, Service Contracts and Benefits

The Chief Executive and Directors make up the Senior Management Team, which is also considered key management personnel alongside the Board. They convene regularly to review progress on priorities, coordinate day-to-day operations, and develop proposals for the Board of Management.

John Davidson - Chief Executive
Sandy Young - Director of Housing Management
Iona Taylor - Director of Asset Management
Craig Porter - Director of Finance and Business Support

The Senior Management Team is employed on the same terms as other employees, with notice periods ranging from three to six months. They were all members of the SHAPS Defined Contribution Pension Scheme at the year-end and participate in the scheme (to which the Association also contributes) on equal terms with all other eligible employees. For further details regarding the remuneration of key management personnel, please refer to note 8 in the financial statements.

Pension

On 30th September 2015, existing members were transferred from the Defined Benefit Scheme into the Scottish Housing Association Defined Contribution Pension Scheme (SHAPS), with all other eligible employees being automatically enrolled as well. As at 31st March 2025, the defined benefit scheme's liability equalled £554K, with modest actual investment losses during the year offset by higher anticipated future returns. Further details in relation to this pension scheme are included in the accounting policy on page 27 and note 18 to the financial statements.

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

Health and Safety

The Board of Management is aware of its responsibilities on all matters relating to health and safety. The Association has a robust Health & Safety Framework and benefits from external guidance and updates through our affiliation with Employer's in Voluntary Housing (EVH), which ensures the ongoing relevance and strength of our program.

Internal financial controls assurance

The Board of Management is ultimately responsible for ensuring the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to provide reasonable assurance regarding:

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

The Board of Management acknowledge their responsibility to establish and maintain the systems of internal financial control which provide reasonable and not absolute assurance against material financial misstatement or loss. Key procedures that have been established and are designed to provide effective internal financial control are:

Control environment – the Association has an organisational structure with clearly defined lines of responsibility, job descriptions and delegation of authority, which allow the monitoring of controls and restrict unauthorised use of the Association's assets. Experienced and suitably qualified employees take responsibility for important business functions and procedures are in place to maintain standards of performance. These are set out in accordance with the Association's Standing Orders and Policy and Procedure Manuals.

Control procedures – policies and procedures are maintained for all areas of operations. In particular, there are clearly defined policies for development projects and capital expenditure as well as new business initiatives. Large or unusual capital expenditure projects require Board of Management approval. The Association's treasury and investment policies have been approved by the Board of Management. All regulatory returns are prepared, authorised and reviewed prior to being submitted to the relevant regulatory bodies.

Risk management – the Board of Management and senior personnel have a clear responsibility for identifying risks facing the Association and for putting in place procedures to mitigate and monitor risks. Major risks are formally assessed every year through a process involving the Board of Management and senior personnel, in accordance with the risk management policy. See page 12 for an analysis of the key risks to our strategic objectives.

Monitoring of financial performance – the Association has a comprehensive system of financial reporting. The annual budget and 30-year projections are approved by the Board of Management. Actual results are regularly reported against budget and any significant adverse variances are examined by management and remedial action taken. There are monthly and 30-year cash flow projections. The revised budget forecasts reflecting the prior half yearly results, are considered as at 30 September each year.

Audit – The Association contracted Wbg (previously Wylie & Bisset LLP), for the provision of internal audit services during the current financial year. A Strategic Audit Plan has been prepared and approved by the Board of Management to ensure that all major risk areas are examined, and any improvement areas are identified, and appropriate action is agreed. As part of our external audit, the auditors raise any weaknesses identified during the audit within their audit findings reports (Management Letter) and appropriate action is agreed.

Monitoring systems – the Audit and Finance Sub-Committee reviews reports from management, internal audit and external audit to provide reasonable assurance that control procedures are in place and are being followed. Formal procedures have been established for instituting appropriate action to address weaknesses identified in the above reports. The membership of Audit and Finance Sub-Committee is shown on page 3.

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association 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 the financial statements or in the auditors report on the financial statements.

STATEMENT OF BOARD OF MANAGEMENT'S RESPONSIBILITIES

The Co-operative and Community Benefits Society 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 RSL and of the surplus or deficit for that period. In preparing these financial statements, the Board is required to:

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the RSL and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefits Society Act 2014, Housing (Scotland) Act 2010 and the Registered Housing Associations Determination of Accounting Requirements – February 2024. It has general responsibility for taking reasonable steps to safeguard the assets of the RSL and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the website in relation to the contents of the financial statements is the responsibility of the Board of Management. The work carried out by the auditors does not involve consideration of these matters and, accordingly, they accept no responsibility for any changes that may have occurred in the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Annual general meeting

The annual general meeting will be held on Thursday 4th September 2025.

Statement as to disclosure of information to auditors

The Board Members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Board Members have confirmed that they have taken all the steps that they ought to have taken as Board Members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

External auditors

CT Audit Limited were appointed on a five-year contract subject to annual reappointment at the AGM in September. A resolution proposing their appointment for 2025/26 and to authorise the Board of Management to fix their remuneration will be proposed at the forthcoming annual general meeting.

The report of the Board of Management is approved by the Board of Management and signed on its behalf by:

Registered Office:
New Almond House
44, Etive Walk
Craigshill
Livingston
West Lothian
EH54 5AB

Mr J Davidson
Secretary

Date: 7/8/25

OPERATING AND FINANCIAL REVIEW

BACKGROUND

Activities

Almond Housing Association was set up in March 1994 to provide Livingston tenants with the opportunity of continuity in the provision of housing services following the wind up of Livingston Development Corporation (LDC). In the 1996 ballot for LDC housing stock we were successful in two of the three areas under our management and became the second largest landlord in West Lothian, after West Lothian Council (WLC), with 2,323 properties and 654 garages.

Our overall mission ever since has been to provide Homes, People and Communities to be proud of, where we endeavour to promote the interests of tenants and provide other opportunities for local people to work together for the benefit of our community. The Association's head office is based in Craigshill, Livingston and its properties are primarily in Livingston and the nearby surrounding areas of West Lothian. The Association is accountable to its members and at 31 March 2025 there were 80 active members.

In addition to maintaining 2,551 properties, the Association continues to develop and lease new affordable housing, as well as provide specially designed accommodation that serves as a residential care base for older adults or individuals with disabilities. The Association has a subsidiary Almond Enterprises Limited, which provides local cleaning services and strives to create jobs while improving the environment in the community.

Accounting policies

The Association's principal accounting policies are set out on pages 24 to 28 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and include housing depreciation and amortisation of Housing Association Grant.

Value for Money

Value for Money for us represents using our rental income and assets in the best way possible, to deliver quality housing, excellent services and growth. Our tenants are at the heart of everything we do and decisions on how we use our resources, based on achieving the best possible results for them. We are ambitious and believe that driving value and efficiency will free up resources to enable us to develop efficient sustainable homes, increase tenant satisfaction, and ultimately enhance both the community and the life chances of our tenants.

Financial performance

The Association's Statement of Comprehensive Income and Statement of Financial Position are summarised in Table 1 (page 15). The Board of Management budgeted for a surplus of £1.0 million this year to meet its medium-term strategic objectives, and our final surplus for the year (after accounting for pension scheme adjustments) amounted to £0.7 million. The variance resulted partly from an additional £0.4 million of expenditure on the installation of external wall insulation across multiple properties. This investment supports our commitment to energy efficiency, reduced heating demand, and progress towards our net-zero carbon goals through environmentally responsible improvements.

The Association is pleased to report that it met the lenders' loan covenants at all times during the year and possesses sufficient funding resources to meet the anticipated costs of addressing the risk associated with RAAC, and all other anticipated costs, as profiled within our 30-year financial projections.

Cash flows

Net cash outflows during the year amounted to £0.5million (2024: £0.1million outflows), details of which are shown in the cash flow statement (page 22). Cash inflows comprised £3.0million from operating activities. Gross cash outflows included £1.2million of loans repaid and £1.2million of interest payable, with a further £1.6million outflow (net of grants) spent on developments and housing improvements.

Capital structure and treasury policy

By the year end Association borrowings decreased to £23.6million (2024: £24.8million), 60% of which is due to mature by 2036, with the remaining 40% maturing by 2046. Interest was fixed long term (at 3.49% on average) for two thirds of our total borrowings, with the remaining third being variable rate, at a margin of 1.18% on average (above either SONIA or Base Rate). Cash Reserves will be utilised for our profiled development and property improvement programmes, and loan arrangements will be pursued for any additional development opportunities that may arise.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

OBJECTIVES AND STRATEGY

This year, we engaged with our valued customers, employees, and the broader community to enhance the quality of our services and achieve excellence in all aspects of our operations, as we work towards becoming an ever more dynamic and resilient organisation. Our Board of Management updated our Business Strategy for the period 2025 to 2030 and through our dedicated team, we are committed to realising our vision, strategies, and values across our network of contractors and suppliers.

Our key strategic priorities for 2024/25 under the preexisting Business Strategy, are summarised as follows:

HOMES	Know our Bricks and Mortar: Ensure that the information we hold is robust and that we are in a position to make informed decisions in relation to investment and the long-term viability of our homes.	Improve the Energy Efficiency of our Homes: To develop an SHNZ-2032 delivery strategy and commence the work required to make our stock as energy efficient as possible by 2032.	Develop an Almond Standard: To work with our colleagues and customers and develop an Almond Standard to ensure that we are modernising our homes in a consistent and desirable manner.
CUSTOMER EXCELLENCE (SERVICES)	Knowing our customers: To utilise customer insights and thereby deliver proactive and personalised service delivery.	Accessing our services: To ensure our customers are able to access our services at all times and with minimal effort.	Removing barriers: To identify and remove any barriers to effective service delivery for specific customer groups.
PEOPLE	Engagement: To create a workplace that is inspiring, innovative and fulfilling, encouraging all colleagues to engage as One Team.	Development: To complete resource planning projects to ensure objectives are met efficiently, and provide learning experiences developing high performing individuals and teams.	Wellbeing: To ensure all our colleagues are resilient and have the tools and support needed to overcome any challenges and excel in their roles.
DIGITAL	Improvements in Data Management: To assist with the data quality, information management and improvement processes, utilising training and open communications.	Digitally enhance our services: Agree on requirements, select provider, and initiate new housing system development, and digital applications, with efficient interactions and seamless integration.	ICT governance improvements: To improve our infrastructures security, controlling risks and updating and moving technology solutions to cloud-based products.
SUSTAINABILITY	Properties: To make our properties highly energy efficient and minimise the impact of rising energy costs on our customers. To prioritise sustainability and meeting or exceeding national standards wherever possible.	Organisation: To be an organisation that leads by example, by reducing carbon emissions and waste generated by our contractors, colleagues and office operations.	Communities: Review our subsidiary's financial stability, impact, and potential to meet our training and employability goals. To work with our partners in our local communities to create local growing, recycling and carbon reduction projects.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT

Housing properties

At 31 March 2025 the Association owned 2,551 housing properties (2024: 2,551), which are carried in the balance sheet at a cost (after depreciation), of £67.3million (2024: £64.9million). Our total investment in housing improvements and developments this year of £8.4million was funded through a mixture of housing association grant, loan finance and working capital, where we continue to show a strong current asset balance, an important indicator of liquidity.

Homes - Investment Programme, Planned & Cyclical Maintenance

Our planned maintenance programmes are designed to ensure that components are replaced as they reach the end of their lifecycle, thereby reducing repair costs and ensuring that our properties are maintained to a good standard and remain legally compliant. This year we achieved 100% of our planned programme investing £4.7million improving our housing stock. We maintained our focus on increasing the thermal efficiency of our stock by investing £0.9 million in external wall insulation and solar panels, £1.2 million in new windows and doors, and a further £0.5 million in efficient ventilation systems. To meet tenant expectations and maintain housing quality, we also invested £0.4 million in bathrooms, and £0.5 million on full electrical re-wires.

In line with our Stock Condition Surveys (SCS) and compliance with the Scottish Housing Quality Standard (SHQS), virtually 100% of our housing stock now meets the Energy Efficiency Standard for Social Housing (EESH). This achievement reflects the integration of real-time asset data into our strategic investment planning, ensuring that our homes remain safe, modern, energy-efficient, and fit for the future. During the year, we commenced the development of our delivery strategy to align with the forthcoming Scottish Housing Net Zero Standard (SHNZ). This evolving energy and housing policy framework will outline the decarbonisation pathway for social housing in Scotland through to 2032.

We continue to prioritise the enhancement of energy performance, undertaking targeted thermal performance assessments across a representative sample of property types, enabling us to carry out detailed analysis of the thermal resistance of various external wall constructions. In anticipation of the SHNZ and during this policy transition period, we are proactively implementing a fabric-first approach, focusing on improvements to the building envelope, as a fundamental step towards achieving our long-term energy efficiency and sustainability objectives.

New Developments

Following the 2022 fire at our block of flats on Katherine Street, Livingston, reconstruction and improvement works were fully completed this year. We have installed robust fire alarm systems in all our similar blocks and extended our works programme to include redevelopment of the flats in the adjacent ends, enhancing structural integrity and significantly improving the building's environmental sustainability with the installation of air source heat pumps.

In Autumn 2025, we will complete our Blackburn development of twenty properties as part of our strategy to satisfy the waiting list for social housing in the local area. The homes benefit from high levels of insulation, photovoltaic solar cells, modern heating systems, and water-saving fixtures, all of which will result in lower running costs for future tenants. By incorporating modern energy-efficient materials, we have optimised thermal performance and future-proofed the new homes, with our Blackburn development being the first to include a misting sprinkler system in accordance with Building Regulations requirements.

Reinforced Autoclaved Aerated Concrete Roofs (RAAC)

Following the Institute of Structural Engineers' update on the risks associated with RAAC planks, the Association undertook a comprehensive review of all housing stock. RAAC was identified in one specific area, where affected tenants were immediately reassured, structural surveys were commissioned, and mitigation measures were promptly implemented. Drop-in sessions were hosted by our Asset and Housing Management Teams to update tenants and owners and address challenges related to the decanting process, recognising that support needs vary by household.

By early 2024/25, our consultants had completed all outstanding property inspection surveys and concluded that, overall, the panels remained in good condition, with no significant deflection or cracking observed, although some localised issues were identified around openings such as loft hatches. As a precaution, we began rehousing tenants from seven individual properties on one street where RAAC was found in both the ceilings and walls. Fortunately, no other properties with this dual issue were identified. In one particular flat-roofed block containing RAAC, while no immediate structural concerns were observed, a structural ceiling was installed in the common area as an interim safeguard, until a pitched roof replacement fully eliminates the RAAC issue.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT (CONTINUED)

We have now selected a dedicated RAAC Project Manager and support team, and the contract to replace RAAC hatch ceiling panels in all 240 of our remaining affected homes has also been awarded. While RAAC removal in void properties and precautionary safety surveys remain ongoing, the major remedial works in occupied homes began in June 2025. The first stage of this project is expected to span two years and will address the critical works at a cost of £2.7 million. Stage two will extend over the following decade and involve full remediation works at an estimated cost of £6.3 million. All amounts have been fully budgeted and received Board approval.

Sustainability

Following a successful application to the Scottish Government, the Association secured a significant allocation of Net Zero Heat Fund grant funding. This funding has been utilised to undertake substantial (non-insurance) structural upgrades at Katherine Street. The upgrades are specifically designed to reduce carbon emissions, improve the energy efficiency of our homes, and achieve Net Zero carbon in our stock by 2045, and in our operations by 2030.

We have completed a desktop review to assess the Association's preparedness for adopting the Sustainability Reporting Standard for Social Housing. Full adoption of the Standard is planned for the 2026-27 financial year, with comprehensive ESG (Environmental, Social, and Governance) reporting scheduled to commence in October 2027. As part of our broader Net Zero delivery strategy, following the fire at Katherine Street, we took the opportunity to refurbish the entire block to Net Zero standards with the installation of air source heat pumps.

This year alongside our own "Almond Cares" social assistance programme, we utilised £25K of grant funding to provide energy conservation advice, and supply heat reduction and energy resilient furnishings in homes, to enhance comfort and reduce energy bills. We utilised £103k from the Scottish Government to expand the Community Growing Project into a major community food initiative, providing organic produce to those most in need in Craigshill. This initiative has empowered the community to grow and cook their own produce, thereby reducing food poverty.

Customer Excellence (Services)

Excellence in customer service is at the very heart of what we do and to ensure easy, convenient, and complete access to our services, we've introduced automated payment options, improved feedback channels and surveys, capital work progress updates and critical community updates (such as on Katherine Street and RAAC). We have recently begun to assess our practices against the Customer Service Excellence (CSE) standard, as part of our ongoing commitment to delivering high-quality service and continuous improvement for our customers, with a view to working towards formal accreditation in the future.

In recent years, the building and maintenance sector has faced significant challenges, including a shortage of skilled labour and material shortages, which at times have affected our ability to meet tenant expectations. Over the past two years, we have taken proactive steps to address these challenges by enhancing our communication processes with both contractors and tenants, thus increasing the speed and efficiency of our repair services while effectively managing expectations. We are pleased to report that, during the current financial year, repair completion times and customer satisfaction levels have returned to pre-pandemic standards.

Regular monitoring of the Association's performance via risk mapping, performance management, practice reviews, etc, continued, with regular reports provided at key points during the year which were fed into the annual consideration of our compliance by the Board. The overall results have been very positive with the Association achieving the 'ideal' outcome of relatively low cost and top quartile performance, across a broad range of indicators when benchmarked against both our peer group and indeed nationally.

The compilation and submission of the Annual Return on the Charter (ARC) serves to evidence, both to the regulator and to tenants, that the Association complies with the Standards of Governance and Financial Management required by the Scottish Social Housing Charter. Throughout 2024/25, we maintained and compiled a meticulous bank of evidence to demonstrate our compliance with the Regulatory Standards.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT (CONTINUED)

System Performance Governance

The implementation of the new Housing Management System is proceeding in accordance with the established project timeline and has now undergone full configuration and entered the testing phase. This phase is being conducted rigorously to ensure the solutions align with all functional, regulatory, and operational requirements. The new system is anticipated to deliver significant improvements in service delivery, operational efficiency, and data integrity across the organisation. We remain confident that the project will be completed within the approved timeframe and budget, and that it will provide a robust foundation for the long-term enhancement of our Housing Management capabilities.

This year the organisation successfully passed an internal security audit and Cyber 'MOT', demonstrating strong ICT governance and robust cyber defences. Enhanced controls, including Zero Trust models and Managed Detection & Response services, reflect our ongoing commitment to cybersecurity resilience, awareness and readiness against evolving threats.

Repair response times

We are pleased to report that during the year, emergency repairs, urgent repairs, RAAC Inspections and all gas, electrical and safety compliance works were undertaken in a timely and efficient manner. Our dedicated team of contractors and maintenance partners have worked diligently to ensure that all our properties remain safe, secure, and compliant with current legislation and industry standards. Our performance in terms of repairs, has a direct impact on the satisfaction levels tenants have with the Association, and this year we carried out a total of 6,912 reactive repairs (as per the ARC definition).

We are pleased to report that satisfaction has remained high with 91% of those receiving a repair in the last year reporting they were satisfied (per the ARC definition). During the year, we achieved a significant reduction in the time required to complete general repairs. This improvement was facilitated by strengthening our technical and professional relationship with key contractors, who subsequently enhanced their skilled workforces and increased operational capacity. Our performance in repair terms was as follows:

Key Performance Indicator: Average length of time to complete		Target
Emergency repair	2.5 hours (2024: 2.4 hours)	3 hours
Other repair	10.2 days (2024: 12.8 days)	11 days
Right First Time	81.9% (2024: 75%)	85%

Rent losses and arrears

The ongoing cost-of-living crisis has had a devastating impact on our tenants, many of whom are vulnerable either by virtue of age, mental or physical health, or working in less secure forms of employment, and sadly therefore more at risk of unemployment, or sudden unforeseen financial detriment. We have adopted a flexible and supportive arrears management approach to ensure they receive as much support as needed.

Having invested in smarter systems and additional team members, we are well-prepared to prevent arrears through early intervention and alternative payment systems. The excellent work of our tenancy support and money advice services, along with high levels of engagement, has enabled us to further mitigate risks, while maintaining high levels of customer satisfaction and tenancy sustainment during these challenging times.

Gross rent arrears (including former tenant arrears), increased to 3.1% (2024: 2.9%), In line with difficult economic conditions and the ongoing cost of living crisis, though actual rent losses, including bad debts and voids, remained static at 1.0% of rental income receivable (2024: 1.0%). The Association's annual rent loss for void periods has increased to 0.5% of rental income receivable (2024: 0.2%), primarily as a result of carrying out rewires on void properties affected by RAAC where possible, in order to minimise future disruption to residents.

Financial, food equity and social inclusion

This year we continued to support tenants facing financial uncertainty/poverty as we strengthened links with multiple community groups to support financial inclusion. Our Welfare Rights and Benefits Advisor continued to offer an invaluable support and advice service for our tenants this year, helping them recover hundreds of thousands of pounds via assisted claims and successful tribunals outcomes.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT (CONTINUED)

Food poverty remains a persistent issue within our core areas and the food bank based at our offices continues to productively operate. We provided ongoing support to the Community Fridge, with an employee present on-site every Friday to engage directly with tenants, including those we may not have previously worked with. Energy advice and support were offered to our tenants through Changeworks, funded by grants we actively secured. This enabled us to provide tailored guidance, upskill our Tenancy Sustainment Officer in energy advice, and distribute vouchers to those in need, helping them to clear minor debts before they escalated.

Tenant engagement and Community Empowerment

This year Almond reached the significant milestone of 30 years as a Housing Association, and we celebrated alongside our tenants as we carried out a number of community projects and volunteering events to help us connect, reflect, and reimagine our working futures together. This year, we launched a Customer Care Visit programme to ensure our customers are getting the most from their homes. The visits provide support, ensure that customer details are up to date so services can be tailored accordingly, and confirm that properties are being appropriately managed. We also provided targeted aid to families in need, distributing hundreds of Starter Packs, food parcels, and children's Christmas gifts. We also delivered Winter Wellbeing Packs to our elderly and vulnerable tenants during home visits to support their welfare.

With our Community Engagement team, tenant volunteers, community groups, and local charities, we foster a culture of continuous improvement, identifying opportunities for growth and implementing lasting changes that benefit both tenants and the wider community. We repurposed our reception into the 'Big Living Room', a warm, welcoming space for the community and partner organisations to offer energy advice, welfare benefits guidance, skills training, and budget-friendly cooking classes. The excellent response has positioned us as the Craigshill food distribution centre for the West Lothian Foodbank and enabled us to host 'Challenge Poverty Week,' providing meals and access to essential services to support those facing food insecurity.

Finally, our customer care online group passed the aimed for 10% mark with over 250 members. These volunteers contributed to policy and procedure reviews, service questionnaires and even a consultant request for feedback. This allows us to get views of customers faster working alongside more traditional engagement routes from the Tenant Focus Group.

People and organisational development

The Association retains a loyal and dedicated workforce with a wide range of skills and experience. We recognise the importance of investing in our employees to maintain and develop these capabilities. We promote teamwork, provide strong development opportunities, and prioritise employee welfare through a range of mental health and well-being support initiatives, which have received excellent feedback. Alongside our ongoing resource planning review and appraisal programme, these initiatives aim to ensure colleagues are motivated, resilient, and equipped to meet the demands of their roles.

This year we invested £20k in training, including professional qualifications and leadership development, to empower our employees and further our mission and goals. We also recruited a bespoke RAAC removal team of three, to co-ordinate and proactively manage and minimise the disruption of temporarily relocating affected tenants while maintaining service continuity and health and safety standards

As part of our commitment to reducing carbon emissions and waste from our offices, contractors, and colleagues, we promote hybrid working to encourage sustainable travel options and reduce office energy consumption. This approach aligns with our environmental goals, increases productivity, enhances employee well-being, and broadens our recruitment opportunities. Our innovative office remodel created additional space for collaborative projects while incorporating environmental features to support flexible working, enhance working conditions, and facilitate seamless communication.

Following the successful trial of a 9-day fortnight working pattern, which demonstrated improved employee well-being, reduced sickness absence, sustained business performance, and no adverse impact on customer service, we have implemented a 9-day fortnight working pattern to further support team well-being, productivity, and job satisfaction

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT (CONTINUED)

Risks and uncertainties

The Association has developed an organisational structure, a range of policies and procedures, and comprehensive insurances, which together make up our Risk Management Strategy. The Senior Management Team also review specific strategic, operational, financial and compliance risks in regular forums throughout the year, within Senior Management meetings, major programme and project reviews, and at other Key management meetings.

The risks and uncertainties that have been identified as business significant risks for the Association are detailed in the table below. These key risks are formally reviewed four times each year by the Board and discussed in detail by the Audit and Finance Sub-Committee in advance of each of these formal Board reviews. Updates in terms of emerging risks or significant actions undertaken are addressed as and when required at Board meetings. The key risks are determined through an evaluation of likelihood of occurrence and potential impact.

To further strengthen our approach to risk management and ensure it reflects best practice, next year we will be undertaking a review of our overall approach and framework alongside the Board.

Area of risk	Description and examples of mitigating activity
Failure to adequately deliver our Asset Management Strategy or Planned Maintenance resulting in Health & Safety, legal, financial, or service impacts.	We maintain a skilled asset management team for responsive and planned maintenance who conduct regular stock condition surveys to assess labour, material, and supply chain impacts, adjusting project timelines or specifications as needed. We regularly update our stock data profile and ensure our 30-year investment plan aligns with the current Scottish Housing Quality Standard. We regularly review contractor performance and report findings to the board to ensure service continuity and quality.
Failure to successfully manage our IT infrastructure resulting in delays, data loss, compliance issues, and/or reduced efficiency for either our team or customers.	Our skilled ICT team maintain robust systems through multifaceted cybersecurity measures and conduct frequent team awareness events, training and testing. We also continue to fortify IT systems and hardware with built-in protection, regular security updates, and continuous monitoring for optimal operation. With our dedicated project development team, we aim to install a new core Housing Management System during 2025/26, which will facilitate efficient data management and protection. This will enable us to further develop agile customer-focused services, supporting our commitment to connect all our customers to services they value, trust, and benefit from.
Loss of control over income or expenditure, resulting in an inability to maintain affordable rents, meet business needs, enhance stock or fund strategic objectives.	We are acutely aware of the impact of evolving housing standards, persistent price inflation and supply chain challenges. To ensure the viability and resilience of our long-term investment strategy, stock quality, and legislative compliance, we continuously assess their financial impact. Regular monitoring of contract expenditure by budget holders, our management team and the Board is carried out to ensure any disparities (primarily from our major capital works programmes), do not have an adverse impact on our overall financial stability, loan covenants, or result in significant increases in rents or borrowing.
Risk of non-compliance with legal and regulatory obligations, (including net zero requirements), leading to potential penalties and reputational damage.	We maintain strong governance, compliance controls, and performance management measures to identify and address potential non-compliance early and therefore reduce risks and adverse impacts. Our future budget profiles include funding for Net Zero, though evolving regulatory standards create uncertainty regarding timing, component types and thus costing. We will adapt to new requirements through a revised Asset Management Strategy and ongoing sector-wide collaboration to ensure compliance while managing financial constraints.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

FUTURE DEVELOPMENTS

Delivering excellent customer service

As part of the next phase of our Business Plan, the Association will introduce a 24/7 digital customer portal, providing tenants with user-friendly access to key services and information about their homes. To gain a deeper understanding of individual customer needs and aspirations, we will enhance our data collection surveys and management practices, with customer service training and the introduction of a Customer Charter. Our development of a 'Customer Voice' framework will identify and guide priority improvement areas, ensuring our services remain customer aligned. Furthermore, we will seek external validation through Customer Service Excellence (CSE) accreditation to benchmark our service delivery with nationally recognised standards.

The Association is committed to addressing the West Lothian Homeless Emergency, and as we renew our participation in the West Lothian Council Common Housing Register, we will collaborate with our existing partners to deliver our Money Advice and Welfare Benefits projects, which have proven invaluable in helping our tenants manage financial insecurity and maintain household stability. This year we will also explore alternative community uses for the ground floor (currently utilised as emergency workspace for a charity providing vital support to disadvantaged young people).

Empower, develop and engage our colleagues and our communities

We will continue to empower, develop, and engage with both our colleagues and the communities we serve and this year in partnership with our subsidiary, Almond Enterprises Ltd (AEL), we will deliver much needed local training and employment opportunities. This initiative will strengthen community cohesion, support our mission to enhance life experiences, and enable the continued delivery of our estate inspection programme to high environmental standards in a cost-effective manner.

We will work with local community groups and the West Lothian Foodbank to help tenants access emergency food, fuel support, and grants, ensuring those most in need get essential supplies. We will apply £76k of grant obtained from the Investing in Communities Fund, to expand our 'Growing Together' plot-to-plate initiative and in partnership with the Youth Action Group and The Conservation Volunteers, bring local people together to grow, harvest, and cook food. We will also employ £41k from the Fuel Poverty Action Fund to create effective solutions for cold, damp, and expensive-to-heat homes, by providing energy advice and practical energy efficiency measures.

To support our vision and deliver exceptional service, we'll enhance our people offer to attract, develop, and retain key talent. We'll launch development plans, implement a Diversity, Equity, and Inclusion strategy, and align team structures with business goals. We are confident that our redesigned modern office space will enhance morale and collaboration, and that our innovative hub, home, and roam model will maintain sector leadership by situating services at the heart of our community, providing a customer-focused, human-centric, and flexible working environment.

Business Strength / Business Strength and Strategic Objectives

The Association's core strength lies in its robust and effective team, which underpins its ability to deliver excellent service and support ambitious development, regeneration, and RAAC remediation projects. To sustain this strength, ongoing focus is essential, supported by a competent Board and Corporate Team that provide the necessary financial resources, systems, and oversight for continuous improvement.

To achieve these outcomes, we will maintain exemplary governance standards through robust Board appraisal processes, effective succession planning, and full regulatory compliance, with the objective of delivering top-quartile KPI performance. Securing funding for RAAC-related works remains a key priority, and we are confident in our ability to sustain service delivery while exercising sound financial stewardship. A comprehensive Value for Money (VfM) strategy will support our financial resilience, as we secure funding for our ambitious future strategic developments.

Our future strategy will see advancement of the new Housing Management System to drive smarter, more efficient working practices, enabling us to utilise project management software and customer journey mapping to enhance transparency, accountability, and customer experience. Cybersecurity remains paramount, with plans to secure Cyber Essentials Plus accreditation as we migrate the system to a robust, cloud-based infrastructure, ensuring resilience and safeguarding data integrity.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

FUTURE DEVELOPMENTS (CONTINUED)

Homes and places to be proud of

The discovery of Reinforced Aerated Autoclave Concrete (RAAC) in over 240 properties has posed an important challenge, requiring substantial planning and financial resources. A comprehensive RAAC remedial work programme is now well underway though, with a commitment to completing necessary repairs within the required timescales and with minimal disruption to tenants. We have completed all necessary fire risk assessments and installed all requisite safety measures, with £89k of fire alarms and detection equipment installed during the year, bringing the total to £275k.

Providing and maintaining high quality, energy efficient, safe and affordable housing which meets the needs and aspirations of our customers throughout West Lothian, remains our key priority. The establishment of a longer-term Development and Regeneration Strategy, will mark a bold new approach, focusing on social regeneration and the complete replacement of underperforming housing with modern sustainable homes. In doing so, we are responding to the Scottish Housing Net Zero Standard and embedding sustainability across our entire property portfolio.

Furthermore, the Association is committed to sustainability, aligning with the Sustainability Reporting Standard (SRS) and publishing ESG returns to demonstrate environmental responsibility.

Environmental Social and Governance Reporting (ESG) – Our Sustainability Strategy helps us ensure climate resilience is delivered across the Association, by reducing carbon emissions and incorporating energy efficiency and sustainability into everything we build and do. This year we will continue to review and reduce our carbon footprint as an organisation, switch even more of our unused open spaces to community garden schemes, support local recycling projects, and advance our communities' transition to more environmentally friendly means of transport.

As a dedicated social housing provider, we recognise the critical importance of adhering to the Sustainability Reporting Standard for Social Housing (SRS) to ensure decarbonisation and Net Zero targets are achieved and create resilient homes for our tenants. To this end, next year we will conduct a comprehensive desktop review and assessment against the Environmental, Social, and Governance (ESG) criteria outlined by the SRS.

Environmental – Our review will rigorously examine our environmental impact, focusing on energy efficiency, waste management, and carbon footprint reduction. We will utilise IT solutions to identify opportunities for renewable energy implementation and track progress towards our sustainability goals.

As part of this commitment, we are developing a Sustainable Homes and Net Zero (SHNZ) delivery strategy aimed at ensuring all homes achieve an Energy Performance Certificate (EPC) rating of at least Band B, or as close as practicable, by 2032. Our investment programme includes enhancements such as improved insulation, heating system upgrades, and installation of double or triple-glazed windows. We are also piloting advanced energy-efficient technologies to ensure homes are future-proofed in both function and form. To support this, £1.9 million has been allocated in 2025/26 for the replacement of inefficient boilers, windows, solar panels, and other sustainability initiatives. A further £3.6 million is budgeted for wider property improvements, including kitchens, bathrooms and electrical re-wires.

Social – The social aspect of our assessment will address tenant well-being, community engagement, and social inclusivity. Through detailed data analysis and feedback mechanisms, we will evaluate our performance in areas such as tenant satisfaction, health and safety standards, and community support programmes. Our goal is to ensure that our housing services not only meet the basic needs of our tenants but also contribute positively to their quality of life and social cohesion.

Governance – Governance is a cornerstone of our commitment to ethical and transparent operations. Our assessment will review our governance structures, policies, and practices to ensure they align with best practices and regulatory requirements. By implementing robust governance frameworks, we aim to enhance accountability, foster trust with stakeholders, and ensure that our decision-making processes are open and inclusive.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT (CONTINUED)

Statement of compliance

In preparing this Operating and Financial Review, the Board of Management has followed the principles set out in Chapter 4 of the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018.

The Association continues to monitor its high standards of service undertaking regular self-assessment of its service standards. The G8 group (comprised of eight similar RSLs), continued to identify differences and explore efficiencies through the analysis of performance indicators. Our performance against key performance indicators is set out and summarised below.

Table 1 – Annual results and KPI, five-year summary

For the year ended 31 March	2025	2024	2023	2022	2021
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Statement of Comprehensive Income					
Total turnover	15,466	14,536	13,634	13,121	12,857
Income from lettings	13,828	13,140	12,454	12,015	11,790
Operating surplus	1,329	1,805	2,052	2,179	2,767
Surplus for the year transferred to reserves	754	1,020	752	1,530	1,419
Statement of financial Position					
Housing properties, net of depreciation					
HAG and other capital grants	67,289	64,916	65,350	66,195	65,890
Other fixed assets	1,736	1,821	1,908	1,965	2,041
Fixed assets net of depreciation	69,025	66,737	67,258	68,160	67,931
Net currents assets/ (liabilities)	7,814	8,768	8,398	8,168	8,897
Total assets less current liabilities	76,839	75,505	75,656	76,328	76,828
Long term loans and liabilities and Reserves					
Creditors (due over one year)	(48,547)	(47,894)	(49,066)	(50,909)	(52,595)
Pension liability	(554)	(627)	(626)	(208)	(552)
Revenue reserves	(27,738)	(26,984)	(25,964)	(25,211)	(23,681)
Long term loans and liabilities and Reserves	(76,839)	(75,505)	(75,656)	(76,328)	(76,828)
Accommodation figures					
Total housing stock owned at year end (<i>number of dwellings</i>): Social housing	2,551	2,551	2,556	2,531	2,529
Statistics					
Surplus for the year as % of turnover	4.9%	7.0%	5.5%	11.7%	11.0%
Surplus for the year as % of income from lettings	5.5%	7.8%	6.0%	12.7%	12.0%
<u>Rent losses</u> (<i>voids and bad debts as % of rent and service charges receivable</i>)	1.0%	1.0%	1.0%	0.4%	0.4%
<u>Rent arrears</u> (<i>gross arrears as % of rent and service charges receivable</i>)	3.1%	2.9%	2.2%	1.8%	2.1%
<u>Interest cover</u> (<i>surplus before interest payable divided by interest payable</i>)	1.2	1.6	2.2	2.6	3.2
<u>Liquidity</u> (<i>current assets / current liabilities</i>)	2.3	2.6	2.6	2.8	3.1
Total reserves per home owned	£10,873	£10,578	£10,158	£9,961	£9,364

REPORT BY THE AUDITORS TO THE MEMBERS OF ALMOND HOUSING ASSOCIATION ON CORPORATE GOVERNANCE MATTERS

Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Board of Management's statement on page 4 concerning the Association's compliance with the information required by the Regulatory Standards for systematically 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 Association and examination of relevant documents. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the statement on internal financial control on page 4 has provided the disclosures required by the relevant Regulatory Standards for systematically 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.



CT Audit Limited
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Date: 12/8/2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALMOND HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Almond Housing Association ("the Association") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Management'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 Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Management 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 of Management 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALMOND HOUSING ASSOCIATION LIMITED (CONTINUED)

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 the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the financial statements are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Management

As explained more fully in the Statement of Board of Management's Responsibilities as set out on page 5, the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management 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 of Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

In preparing the financial statements, the Board of Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intends to liquidate the Association or to cease operations, or has 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALMOND HOUSING ASSOCIATION LIMITED (CONTINUED)

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 Association operates in and how the Association is complying with the legal and regulatory frameworks;
- inquired of management and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- 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 that the most significant laws and regulations that have a direct impact on the financial statements were, but not limited to, FRS 102, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements 2024, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland Act) 2010. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures against the requirements of the relevant financial reporting standards.

We also performed audit procedures to inquire of management, and those charged with governance whether the Association is in compliance with these laws and regulations, inspected correspondence with regulatory authorities including mandatory submissions to the Regulator, reviewed minutes of meetings of the Board of Management and relevant sub-committees, and reviewed available online information.

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

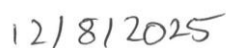
Use of our report

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



CT Audit Limited

Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL



STATEMENT OF COMPREHENSIVE INCOME

	<u>Notes</u>	<u>2025</u> £	<u>2024</u> £
TURNOVER	2	15,466,126	14,535,707
Operating expenditure	2	(14,137,469)	(13,005,029)
Gain on disposal of housing properties		-	274,620
OPERATING SURPLUS	6	1,328,657	1,805,298
Interest receivable	10a	424,129	346,111
Interest and financing costs	10b	(1,101,705)	(1,159,390)
SURPLUS FOR THE YEAR		651,081	992,019
OTHER COMPREHENSIVE INCOME			
		<u>2025</u> £	<u>2024</u> £
Surplus for the year		651,081	992,019
Actuarial gain on pension scheme	18	103,000	28,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>754,081</u>	<u>1,020,019</u>

The results relate wholly to continuing activities.

Approved and authorised for issue by the Board of Management and signed on its behalf:

7/8/25

Mr A Turner
Chairman

Mr C Boyle
Board Member

Mr J Davidson
Secretary

The accompanying notes on pages 24 to 45 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	Notes	£	2025 £	£	2024 £
FIXED ASSETS					
Intangible fixed assets	12a		301		3,071
Housing properties	12b		67,288,747		64,915,358
Other tangible fixed assets	12c		1,736,384		1,818,061
Investment in subsidiary	11		1		1
			<u>69,025,433</u>		<u>66,736,491</u>
CURRENT ASSETS					
Trade and other debtors	13	1,499,249		1,369,279	
Cash and cash equivalents		12,471,922		13,003,043	
			<u>13,971,171</u>	<u>14,372,322</u>	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(6,157,424)		(5,604,183)	
			<u>7,813,747</u>	<u>8,768,139</u>	
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>76,839,180</u>	<u>75,504,630</u>	
LONG TERM LIABILITIES					
Creditors: amounts falling due after more than one year	15		(48,547,359)		(47,893,886)
Pension - defined benefit liability	18		(554,000)		(627,000)
TOTAL NET ASSETS					
			<u>27,737,821</u>	<u>26,983,744</u>	
RESERVES					
Share capital	19		80		84
Revenue reserves (Page 24)			27,737,741		26,983,660
TOTAL RESERVES					
			<u>27,737,821</u>	<u>26,983,744</u>	

Approved and authorised for issue by the Board of Management and signed on its behalf: 7/8/25

Mr A Turner
Chairman

Mr C Boyle
Board Member

Mr J Davidson
Secretary

Date:

The accompanying notes on pages 24 to 45 form part of these financial statements.

STATEMENT OF CASHFLOWS

	<u>Notes</u>	<u>2025</u> £	<u>2024</u> £
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash inflow from operating activities	25	2,977,560	4,082,932
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(4,712,754)	(2,623,774)
Proceeds from sale of tangible fixed assets		-	349,505
Grants received/(reallocated)		3,130,868	12,469
Interest received		430,669	344,773
Net cash outflow) from investing activities		(1,151,217)	(1,917,027)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(1,207,414)	(1,117,774)
New secured loans		-	-
Repayments of borrowings		(1,150,050)	(1,140,752)
Proceeds from issue of shares		-	2
Net cash outflow from financing activities		(2,357,464)	(2,258,524)
NET DECREASE IN CASH		(531,121)	(92,619)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		13,003,043	13,095,662
CASH AND CASH EQUIVALENTS AT END OF YEAR		12,471,922	13,003,043

The accompanying notes on pages 24 to 45 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

	Share <u>Capital</u>	Revenue <u>Reserves</u>	Total <u>Reserves</u>
	£	£	£
Balance at 1 April 2023	90	25,963,641	25,963,731
Total comprehensive income for the year	-	1,020,019	1,020,019
Shares issued during the year	2	-	2
Cancelled shares during the year	(8)	-	(8)
Balance at 31 March 2024	84	26,983,660	26,983,744
Balance At 1 April 2024	84	26,983,660	26,983,744
Total comprehensive income for the year	-	754,081	754,081
Shares issued during the year	-	-	-
Cancelled shares during the year	(4)	-	(4)
Balance at 31 March 2025	80	27,737,741	27,737,821

The accompanying notes on pages 24 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Legal status

Almond Housing Association Limited constitutes a public benefit entity as defined by FRS 102. The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010 (Registered Number: HAL 285). The Association's principal activities are the development and management of affordable housing. The address of the Association's registered office and principal place of business is New Almond House, 44, Etive Walk, Craigshill, Livingston, West Lothian, EH54 5AB.

The Association holds formal permission from the Financial Conduct Authority, to exclude its subsidiary from inclusion or consolidation into its group financial statements, due to the immateriality of the amounts involved. These financial statements therefore present information about the Association as an individual undertaking and not about its group.

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 they comply with the Determination of Accounting Requirements 2019, and under the historical cost convention, modified to include certain financial instruments at fair value.

The financial statements are prepared in sterling, which is the functional currency of the Association. Monetary amounts in these financial statements are rounded to the nearest £. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

The Association's business activities, its current financial position and factors likely to affect its future development are set out within the Board of Management Report. The Association has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Association's day to day operations. The Association also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

The Association regularly updates its assumptions, budgets, and stress tests its models across diverse scenarios to take account of changing economic variables, such as interest rates, inflation volatility and regulatory changes. Based on current assessments, we confirm the Association will maintain sufficient liquidity to meet its obligations as they fall due. On this basis, the Board has a reasonable expectation that the Association retains adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

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 18). The net defined benefit pension liability as at 31 March 2025 was £554k (2024: £627k).

Management judgement is applied in determining the extent to which the risks and benefits are transferred to the association when considering the income to be recognised. All grant income receivable this year has been recognised this financial year, which comprises £102,726 (Investing in Communities Fund), £25,019 (EAS-Advice for Vulnerable Households: Scotland 2 project) and £10,662 (Supporting Communities Fund).

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Components of housing properties - The useful life of housing properties and their components has been estimated using a combination of the National Housing Federation matrix of property components and key management experience in planned maintenance. The carrying value of the assets is available within note 12b. Disposals of both components and properties are regarded as part of Almond's standard operating activities and therefore gains and losses are recorded in the Statement of Comprehensive Income as part of the Operating Surplus.

Categorisation of housing properties as investment property or property, plant and equipment - Properties held for social housing lets are considered to be property, plant and equipment. Other lets are assessed based on the characteristics of the lease and classified as property, plant and equipment or investment property as appropriate. At present management have classified all properties as property, plant and equipment.

Rental and other trade debtors – Due to government measures to support renters during the ongoing cost of living crisis and our balanced recovery approach, a small number of our tenants have built up higher arrears than usual. The Association has closely monitored and evaluated the recoverability of rental debtors as at the reporting date and up to the date of signing, with conservative provisions made for bad debts in line with our established write off policy.

Turnover and revenue recognition

Turnover represents rental and service charge income receivable, income from factoring fees, sale of properties built for resale, grants of a revenue nature from local authorities and the Scottish Government and amortisation of capital grant income. Turnover is recognised when amounts fall due and when income has been earned.

Government grants

Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset under the accruals model.

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate, once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets or liabilities.

Other grants

Grants received from non-government sources are recognised using the performance model. A grant that does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. However, a grant that imposes specified future performance-related conditions on the Association is recognised only when these conditions are met. Where a grant is received before the revenue recognition criteria are satisfied, it is recognised as deferred income.

Taxation

The Association has charitable status and is registered with the Office of Scottish Charities Regulator and is therefore exempt from paying Corporation Tax on charitable activities.

VAT

The Association is registered for VAT and is part of a VAT group with its subsidiary Almond Enterprises Limited. A large proportion of group income, namely rents, is exempt for VAT purposes giving rise to a Partial Exemption calculation and as a result expenditure is shown inclusive of VAT.

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Housing properties

Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. These properties are principally available for rent and 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. Borrowing costs are expensed as incurred.

The Association's policy and practice is to maintain properties to a high standard by implementing a continuing programme of refurbishment and maintenance. 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 enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property. Works to existing properties which fail to meet the above criteria are charged to the Statement of Comprehensive Income.

Depreciation of housing properties

The Association 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:

Structure	50 years
Roofs	50 years
Bathrooms	33 years
Electrics	35 years
Kitchens	20 years
Central heating systems - Boilers	17 years
Central heating systems - Carcasses	30 years
Freehold land or assets under construction are not depreciated.	

Housing properties are assessed for impairment indicators annually. Where indicators are identified, an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell.

Other tangible fixed assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. The policy is to capitalise items greater than £1,000. 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:

Office property - by component, consistent with the Housing properties component lives	
Furniture, fixtures and fittings	4 years
Computer Hardware and office equipment	4 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

Intangible Fixed Assets

Computer software is recognised as an intangible fixed asset, stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is included within Management & Maintenance administration costs (note 3). Amortisation is provided for evenly on the cost of intangible fixed assets, to write them down to their estimated residual values over their expected useful lives, as follows:

Computer Software	4 years
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NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Properties held for sale

Property under construction for outright sale is valued at the lower of cost and net realisable value, and disclosed net of Housing Association grants received. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Investment in subsidiary undertaking

Almond Housing Association Limited owns 1 ordinary £1 shares in Almond Enterprises Limited. This represents a 100% shareholding in Almond Enterprises Limited, a company registered in Scotland, whose principal activity is that of hygiene and cleaning services.

Related Party Transactions

Some members of the Board of Management are occasionally tenants. Their tenancies are on the Association's normal tenancy terms, and they cannot use their position to their personal advantage. Transactions with the Board of Management members are included in note 21. Related party transactions with Almond Enterprises Limited, the Association's fully owned subsidiary, can also be found in note 21.

Retirement benefits

The majority of employees are members of the Scottish Housing Associations Pension Scheme (SHAPS), a defined contribution scheme. The contributions paid into this scheme are charged to the Statement of Comprehensive Income as incurred. The Association previously participated in the SHAPS defined benefit scheme, which provided benefits based on final pensionable pay. The Association closed the defined benefit element of the scheme to current employees on 30 September 2015 but continues to provide for its obligation to previous members.

The Association was able to identify its share of the scheme assets and scheme liabilities from 1 April 2018 and therefore applied defined benefit accounting from this date onwards. The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. This has been recognised within the defined benefit pension liability on the face of the statement of financial position. As at the year ended 31 March 2025, the net defined benefit pension deficit liability was £554k (2024: £627k).

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 18 for more details.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Operating leases

All leases are regarded as operating leases and the payments made under them are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Employee benefits

The Association recognises a provision for exceptional unused annual leave and over-time pay accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Insurance income (settlements) and insurance works expenditure

Insurance recoveries are recognised only when virtually certain and with respect to the fire damage at Katherine Street, full Insurance cover was in place, policy indemnity has been formally confirmed, and the claim has been valued at £2.85M. The block is due to be fully reinstated by 2025/26. Insurance income (settlements) and matching insurance work expenditure for this year of £1,721,281 are netted off under the heading 'Reactive maintenance costs' in note 3. The total spend (and insurance income) to date equals £2,777,431.

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial assets - Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument, with the value provided for as a bad debt.

A provision for impairment of debtors 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 debtor 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 income and expenditure.

Financial liabilities - Creditors

Creditors 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 creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Financial liabilities - Borrowings

Borrowings are initially recognised at the transaction price. Interest expense is recognised on the basis of the actual interest due within the period and is included in interest payable and other similar charges. Commitments to receive a loan are measured at cost less impairment. Financial liabilities are derecognised when, and only when, the Association's obligations are discharged, cancelled, or they expire.

Provisions for liabilities

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in income and expenditure in the period it arises.

2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	Note	Turnover £	Operating costs £	Operating surplus/ (loss) 2025 £	Operating surplus/ (loss) 2024 £
Affordable letting activities	3	14,647,799	(13,548,423)	1,099,376	1,639,627
Other activities	4	818,327	(589,046)	299,281	(108,949)
		<u>15,466,126</u>	<u>(14,137,469)</u>	<u>1,328,657</u>	<u>1,530,678</u>
Gain on disposal of housing properties		-	-	-	274,620
Total		<u>15,466,126</u>	<u>(14,137,469)</u>	<u>1,328,657</u>	<u>1,805,298</u>
Total for previous period of account		<u>14,810,327</u>	<u>(13,005,029)</u>	<u>1,805,298</u>	

NOTES TO THE FINANCIAL STATEMENTS

3 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Supported Housing £	Total 2025 £	2024 £
Rent receivable net of service charges	13,828,289	32,850	13,861,139	13,140,387
Service charges receivable	188,336	1,196	189,532	140,718
Gross income from rent and service charges	14,016,625	34,046	14,050,671	13,281,105
Less Voids	(70,008)	-	(70,008)	(31,817)
Net income from rents and service charges	13,946,617	34,046	13,980,663	13,249,288
Grants released from deferred income	665,819	1,317	667,136	667,562
Total turnover from affordable letting activities	14,612,436	35,363	14,647,799	13,916,850
Management & Maintenance administration costs	4,167,792	9,909	4,177,701	3,465,428
Service costs	160,083	381	160,464	147,615
Planned & cyclical maintenance	3,989,526	3,585	3,993,111	3,513,951
Reactive maintenance costs	2,604,404	4,416	2,608,820	2,474,715
Bad debts – rents and service charges	64,280	-	64,280	96,850
Depreciation of affordable let properties	2,454,559	5,929	2,460,488	2,450,797
Deficit on disposal tangible fixed assets	83,559	-	83,559	127,867
Operating costs for affordable letting activities	13,524,203	24,220	13,548,423	12,277,223
Operating surplus/(loss) for affordable letting activities	1,088,233	11,143	1,099,376	1,639,627
Operating surplus or deficit for affordable letting activities for previous reporting period	1,615,017	24,610	1,639,627	

NOTES TO THE FINANCIAL STATEMENTS

4 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM OTHER ACTIVITIES

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total turnover	Operating costs – bad debts	Other operating costs	Operating (deficit) or surplus 2025	Operating (deficit) or surplus 2024
	£	£	£	£	£	£	£	£	£
Wider role activities	102,726	25,019	10,662	-	138,407	-	(183,327)	(44,920)	(108,515)
Care and repair of property	101,900	-	-	107,406	209,306	-	(197,208)	12,098	8,225
Investment property activities	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	161,272	161,272	-	(145,708)	15,564	14,214
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Contracted out services undertaken for RSLs	-	-	-	-	-	-	-	-	-
Contracted out services undertaken for other organisations	-	-	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to other organisations	-	-	-	-	-	-	-	-	-
Uncapitalised development income/(costs)	-	-	-	251,829	251,829	-	(62,803)	189,026	(57,148)
Other activities (includes £37k Gift Aid in 2025, (2024: £30k Gift Aid))	-	-	-	57,513	57,513	-	-	57,513	34,275
Total from other activities	204,626	25,019	10,662	578,020	818,327	-	(589,046)	229,281	(108,949)
Total from other activities for the previous period of account	258,672	136,645	178	223,362	618,857	-	(727,806)	(108,949)	

NOTES TO THE FINANCIAL STATEMENTS

5 ACCOMMODATION IN MANAGEMENT

The number of units in Management at 31 March was as follows:	<u>2025</u>	<u>2024</u>
General needs housing – units owned and managed	2,542	2,541
Supported housing – units, owned and managed	9	10
Total	<u>2,551</u>	<u>2,551</u>

6 OPERATING SURPLUS

	<u>2025</u>	<u>2024</u>
	£	£
The operating surplus is arrived at after charging/(crediting):		
Depreciation of housing properties (note 12b)	2,460,488	2,450,797
Depreciation of other tangible fixed assets (note 12c)	81,677	86,731
Amortisation of intangible fixed assets (note 12a)	2,464	6,406
Operating lease rentals	44,991	12,099
Audit services - statutory audit of the Association	17,760	16,770

7 DEFICIT ON DISPOSAL OF FIXED ASSETS – HOUSING PROPERTIES

	<u>2025</u>	<u>2024</u>
	£	£
Disposal proceeds	-	-
Carrying value of fixed assets	(83,559)	(127,867)
Total Deficit on disposal of replaced components	<u>(83,559)</u>	<u>(127,867)</u>

The previous year 'Total Deficit on disposal of replaced components' includes a written down value of £66,295 for seven unique build properties on one single street, where RAAC panels had been incorporated into both the walls and roof, and it was considered that these properties were no longer viable as income-generating units.

NOTES TO THE FINANCIAL STATEMENTS

8 KEY MANAGEMENT PERSONNEL

Key management personnel are defined as the members of the Board, the Chief Executive and other members of the senior management team.

The number of key management personnel who received emoluments (excluding employers' pension contributions) in excess of £60,000 during the reporting period fell within the following bands:

	<u>2025</u>	<u>2024</u>
£70,001 to £80,000	-	-
£80,001 to £90,000	3	3
£100,001 to £110,000	-	-
£110,001 to £120,000	1	1

	<u>2025</u> £	<u>2024</u> £
Aggregate emoluments for key management personnel (excluding pension contributions)	369,902	355,103
Aggregate pension contributions in relation to key management personnel	43,165	41,526
The emoluments of the Chief Executive (excluding pension contributions)	115,974	113,176
Total emoluments paid to key management personnel	454,415	113,176

None of the Board of Management received any emoluments during the year (2024: £Nil). During the year the Board of Management were reimbursed expenses of £Nil (2024: £Nil).

9 EMPLOYEE INFORMATION

Average monthly number of employees (including key management personnel), expressed as full-time equivalents (calculated based on a standard working week of 36hrs):

	<u>2025</u>	<u>2024</u>
Housing, support and care	17	18
Maintenance	13	12
Office and management/Administration	15	14
Development	1	1
	<u>46</u>	<u>45</u>

NOTES TO THE FINANCIAL STATEMENTS

EMPLOYEE INFORMATION (CONTINUED)

The actual average weekly number of persons employed by the Association was 48 (2024: 47).

Employee costs for the above persons:

	<u>2025</u>	<u>2024</u>
	£	£
Wages and salaries	2,239,753	2,119,836
Social security costs	231,152	217,263
Defined contribution (current service) pension costs	261,857	245,623
<u>Defined benefit (past service) pension costs: -</u>		
Scheme expenses	6,638	6,444
	<u>2,739,400</u>	<u>2,589,166</u>

10a INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>2025</u>	<u>2024</u>
	£	£
Interest on bank deposits	424,129	346,111
	<u>424,129</u>	<u>346,111</u>

10b INTEREST PAYABLE AND SIMILAR CHARGES

	<u>2025</u>	<u>2024</u>
	£	£
Interest arising on bank loans and overdrafts	1,071,705	1,130,390
Net interest expense on defined benefit pension liabilities	30,000	29,000
	<u>1,101,705</u>	<u>1,159,390</u>

NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSET INVESTMENTS

	<u>2025</u>	<u>2024</u>
	£	£
Subsidiary company	1	1
(Cost as at 31 March 2025 and 31 March 2024)		
	<u> </u>	<u> </u>

The subsidiary company as at 31 March 2025 was:

Name	Country of registration	Nature of business	Proportion of ordinary shares held
Almond Enterprises Limited	Scotland	Provision of hygiene and cleaning services	100%

The amount subscribed at par for the ordinary shares of £1 each held by Almond Housing Association Ltd was £1. The results for the subsidiary company and net asset value at the year-end are as follows:

	<u>2025</u>	<u>2024</u>
	£	£
Profit on ordinary activities after taxation	41,303	37,618
	<u> </u>	<u> </u>
Net assets	240,757	236,776
	<u> </u>	<u> </u>

12a INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
At 1 April 2024	175,508
Disposals	(72,268)
	<u> </u>
At 31 March 2025	103,240
	<u> </u>
Depreciation	
At 1 April 2024	172,437
Charge in the year	2,464
Released on disposal	(71,962)
	<u> </u>
At 31 March 2025	102,939
	<u> </u>
Net book value	
At 31 March 2025	301
	<u> </u>
At 31 March 2024	3,071
	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

12b TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Social housing properties held for letting	Housing properties in course of construction	Total
	£	£	£
Cost			
At 1 April 2024	98,335,216	959,181	99,294,397
Additions – housing units	-	3,660,683	3,660,683
Additions – components	1,256,447	-	1,256,447
Disposals – components	(287,988)	-	(287,988)
At 31 March 2025	99,303,675	4,619,864	103,923,539
	=====	=====	=====
Depreciation and impairment			
At 1 April 2024	34,379,039	-	34,379,039
Depreciation charged in year	2,460,488	-	2,460,488
Released on disposal	(204,735)	-	(204,735)
At 31 March 2025	36,634,792	-	36,634,792
	=====	=====	=====
Net book value			
At 31 March 2025	62,668,883	4,619,864	67,288,747
	=====	=====	=====
At 31 March 2024	63,956,177	959,181	64,915,358
	=====	=====	=====

Land comprises £9,251,039 of social housing properties held for letting (2024: £9,251,039) and £150,000 of Housing properties in course of construction (2024: £150,000).

The Association reviews asset carrying values annually for impairment, and more frequently should there be indicators that assets might be impaired. In January 2022, a significant fire broke out in our Katherine Street block of flats and following emergency works a full building assessment was completed. Of the 25 homes evacuated, the 'middle section' comprising 15 flats required complete reinstatement, which is being fully reimbursed through insurance claims and due for completion this year.

The remaining 10 flats (at each end of the block) were deemed safe to occupy. Yet, to comply with future SHNZ standards while renewing the middle section, the Association has opted to pilot thermal efficiency improvements for the entire building, notably installing air source heat pumps and advanced insulation solutions. The indicative costs for the energy efficiency upgrades and component replacements are estimated at £2.0million, with £1,375,605 incurred so far and disclosed (above) within 'Housing properties in course of construction' (note 12b). The project is due for completion in 2025-26.

NOTES TO THE FINANCIAL STATEMENTS

12b TANGIBLE FIXED ASSETS – HOUSING PROPERTIES (CONTINUED)

EXPENDITURE ON WORKS TO EXISTING PROPERTIES

	<u>2025</u> £	<u>2024</u> £
Enhanced component spends capitalised	1,256,447	1,204,737
Amounts charged to income and expenditure	3,476,611	3,075,258
	<u>4,733,058</u>	<u>4,279,995</u>

12c TANGIBLE FIXED ASSETS –OTHER

	<u>Freehold office</u> £	<u>Furniture, fixtures and fittings</u> £	<u>Computers and office equipment</u> £	<u>Total</u> £
Cost				
At 1 April 2024	3,126,878	97,226	108,581	3,332,685
Additions	-	-	-	-
Disposals	-	(71,399)	-	(71,399)
At 31 March 2025	<u>3,126,878</u>	<u>25,827</u>	<u>108,581</u>	<u>3,261,286</u>
Depreciation				
At 1 April 2024	1,355,574	78,395	80,655	1,514,624
Charge in the year	55,453	6,456	19,768	81,677
Released on disposal	-	(71,399)	-	(71,399)
At 31 March 2025	<u>1,411,027</u>	<u>13,452</u>	<u>100,423</u>	<u>1,524,902</u>
Net book value				
At 31 March 2025	<u>1,715,851</u>	<u>12,375</u>	<u>8,158</u>	<u>1,736,384</u>
At 31 March 2024	<u>1,771,304</u>	<u>18,831</u>	<u>27,926</u>	<u>1,818,061</u>

NOTES TO THE FINANCIAL STATEMENTS

13 TRADE AND OTHER DEBTORS: amounts falling due within one year

	<u>2025</u> £	<u>2024</u> £
Rent and service charges receivable	481,949	415,749
Less: provision for bad and doubtful debts	(319,397)	(278,628)
	<u>162,552</u>	<u>137,121</u>
Social housing grant receivable	15,000	644,421
Other debtors	813,201	52,128
Prepayments and accrued income	508,496	535,609
	<u>1,499,249</u>	<u>1,369,279</u>

In the previous financial year, 'Social Housing Grant Receivable' includes £603,147 of Scottish Government charitable bonds (entered into with Scottish Ministers and Allia Social Impact Investments Ltd), for our new Blackburn development. During the current financial year, this grant was fully utilised against corresponding eligible expenditure.

This year, the Association has provided £Nil of accrued income (2024: £85,638) for insurance proceeds due following the fire at Katherine Street. The prior year's insurance recovery equalled the cost incurred for the ongoing remediation work, and the funds were received in April 2024 in line with the terms of our fire insurance policy at Protector Forsikring ASA.

14 CREDITORS: amounts falling due within one year

	<u>2025</u> £	<u>2024</u> £
Debt (note 16)	1,171,827	1,163,950
Trade creditors	1,567,641	1,639,243
Rent and service charges received in advance	371,649	384,201
Amounts owed to subsidiary undertaking	8,518	10,861
Deferred grant income (note 17)	714,562	667,127
Other taxation and social security	70,838	69,276
Other creditors	27,558	24,982
Accruals and deferred income	2,224,831	1,644,543
	<u>6,157,424</u>	<u>5,604,183</u>

At the year-end, the Association became involved in minor legal proceedings arising from a commercial dispute. Senior management, with advice from legal counsel, does not consider this matter to be significant and while it is not expected to have any material impact on the Association's financial position or results, a precautionary provision has been recorded within 'Creditors: amounts falling due within one year'.

15 CREDITORS: Amounts falling due after more than one year

	<u>2025</u> £	<u>2024</u> £
Debt (note 16)	22,432,054	23,589,981
Deferred capital grant (note 17)	26,115,305	24,303,905
	<u>48,547,359</u>	<u>47,893,886</u>

NOTES TO THE FINANCIAL STATEMENTS

16	DEBT ANALYSIS – BORROWINGS	<u>2025</u> £	<u>2024</u> £
	Bank loan instalments due within one year (note 14)	1,171,827	1,163,950
	Bank loan instalments due after more than one year (note 15)	22,432,054	23,589,981
		<u>23,603,881</u>	<u>24,753,931</u>

The bank loans are secured by a first charge over specific properties of the Association. Interest is payable at LIBOR plus varying margins of between 0.33% and 1.85% for all facilities held with RBS. Interest Rate Swaps have been embedded within our loan agreements, to mitigate the exposure to interest rate risk and details of these Swaps are contained in the table below.

The Nationwide B.S. £9.5million Business Term Loan had interest charged at the fixed rate of LIBOR + 0.375% on £0.6Million, with the remaining £8.9million at the fixed rate of 2.705%. The fixed rate loans are all currently at rates between 3.79% and 5.66% (2024: 3.79% and 5.66%). The average fixed rate of interest was 4.07% (2024: 4.07%).

	£	<u>Repayment date</u>
Business Term Loan	1,196,569	28 June 2029
Business Term Loan	2,200,000	28 March 2034
Business Term Loan	60,000	28 June 2029
Business Term Loan	3,000,000	30 March 2034
Business Term Loan	1,649,700	21 April 2029
Business Loan Facility	1,000,000	2 April 2036
Business Loan Facility	2,000,000	2 April 2036
Business Loan Facility	3,000,000	30 March 2035
Business Term Loan (Nationwide B.S)	599,576	1 November 2046
Business Term Loan (Nationwide B.S)	8,898,036	1 November 2046
	<u>23,603,881</u>	

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

	<u>2025</u> £	<u>2024</u> £
Bank loans:		
Due less than 1 year	1,171,827	1,163,950
	<u> </u>	<u> </u>
Due within 1 to 2 years	1,180,072	1,171,327
Due within 2 to 5 years	5,717,864	4,899,207
Due after five years or more	15,534,118	17,519,447
	<u> </u>	<u> </u>
Bank loan instalments due after more than one year (note 15)	22,432,054	23,589,981
	<u>23,603,881</u>	<u>24,753,931</u>

At 31 March 2025, the Association had undrawn loan facilities of £Nil (2024: £Nil).

NOTES TO THE FINANCIAL STATEMENTS

16 DEBT ANALYSIS – BORROWINGS (CONTINUED)

The Association's activities expose it to interest rate risk and uses interest rate derivatives to hedge these exposures. The financial instruments are not used for speculative purposes. The Association has several interest rate swaps in place which set a limit on the interest payable on £7.20million of the bank borrowings. The banks' valuation of the fair value of these loans (inclusive of breakage gains/costs), is £7.00m (2024: £7.08m). The rate payable is fixed where applicable at rates between 3.47% and 3.81%. The terms of the agreements are as follows:

Loan Facility	Amount	SWAP Rate	Term
Facility –A-	£3,000,000	3.63%	22/01/2014 - 22/01/2034
Facility –B-	£2,200,000	3.47%	22/01/2013 - 22/01/2033
Facility –C-	£2,000,000	3.81%	02/01/2015 – 02/01/2035

17 DEFERRED CAPITAL GRANT INCOME

	<u>2025</u> £	<u>2024</u> £
At 1 April	24,971,032	24,993,521
Grant received in the year – Retained developments	2,525,971	669,597
Released to income in the year	(667,136)	(667,562)
Recycling of grant on disposals, transferred to Accruals and deferred income	-	(24,524)
At 31 March	<u>26,829,867</u>	<u>24,971,032</u>
	<u>2025</u> £	<u>2024</u> £
Amounts to be released within one year (note 14)	714,562	667,127
Amounts to be released in more than one year (note 15)	26,115,305	24,303,905
	<u>26,829,867</u>	<u>24,971,032</u>

The balance on Deferred Grant Income shown above is net of amortised grant already released to the Statement of Consolidated Income and reserves. For information purposes, the Gross Capital Grant received and amortised as shown below.

	<u>2025</u> £	<u>2024</u> £
Grant (at cost)		
At 1 April	33,959,471	33,336,468
Received in year	2,525,971	669,597
Eliminated on disposals	-	(46,594)
At 31 March	<u>36,485,442</u>	<u>33,959,471</u>
Grant released to income (cumulative)		
At 1 April	(8,988,439)	(8,342,947)
Released in year	(667,136)	(667,562)
Eliminated on disposals	-	22,070
At 31 March	<u>(9,655,575)</u>	<u>(8,988,439)</u>
Grant Net Book Value	<u>26,829,867</u>	<u>24,971,032</u>

NOTES TO THE FINANCIAL STATEMENTS

18 RETIREMENT BENEFIT SCHEMES

The Pensions Trust – Scottish Housing Associations' Pension Scheme (SHAPS)

The Association 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 2021. This valuation revealed a deficit of £27m. A Recovery Plan was put in place to eliminate the deficit which ran to 30 September 2022. The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive. The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

Almond Housing Association closed this Final Salary Scheme to future accrual in 30 September 2015 and now offers only a defined contribution pension scheme option.

Fair value of plan assets, present value of defined benefit obligation, and defined benefit liability.

	<u>2025</u> £	<u>2024</u> £
Fair value of plan assets	3,339,082	3,752,444
Present value of defined benefit obligation	3,893,082	4,379,444
Net defined benefit liability to be recognised	<u>(554,000)</u>	<u>(627,000)</u>

Reconciliation of opening and closing balances of the fair value of the defined benefit obligation

	<u>2025</u> £
Defined benefit obligation at start of period	4,379,444
Expenses	6,638
Interest expense	209,000
Actuarial losses due to scheme experience	29,000
Actuarial (gains) due to changes in demographic assumptions	-
Actuarial (gains) due to changes in financial assumptions	(516,000)
Benefits paid and expenses	(215,000)
Defined benefit obligation at end of period	<u>3,893,082</u>

NOTES TO THE FINANCIAL STATEMENTS

18 RETIREMENT BENEFIT SCHEMES (CONTINUED)

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

	<u>2025</u> £
Fair value of plan assets at start of period	3,752,444
Interest income	179,000
Experience on plan assets (excluding amounts within interest income) – (loss)	(384,000)
Employer contributions – including scheme expenses	6,638
Benefits paid and expenses	(215,000)
Fair value of plan assets at end of period	3,339,082

The actual return on plan assets (including any changes in share of assets) during the year to 31 March 2025 was a loss of £372,556 (-10%). This decline was primarily due to sharp declines in long-dated government bonds.

Defined benefit costs recognised in Statement of Comprehensive Income

	<u>2025</u> £
Expenses	6,638
Net interest expense	30,000
Defined benefit costs recognised in Statement of Comprehensive Income	36,638

Defined benefit costs recognised in Other Comprehensive Income

	<u>2025</u> £
Experience on plan assets (excluding amounts within net interest cost) – (loss)	(384,000)
Experience losses arising on the plan liabilities	(29,000)
Effects of changes in the demographic assumptions underlying the plan – gain	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	516,000
Total amount recognised in other comprehensive income – gain	103,000

NOTES TO THE FINANCIAL STATEMENTS

18 RETIREMENT BENEFIT SCHEMES (CONTINUED)

Pension - defined benefit liability

	<u>2025</u> £	<u>2024</u> £
At 1 April	(627,000)	(626,000)
Net interest expense	(30,000)	(29,000)
Employer contributions -net of scheme expenses	-	-
Defined benefit income/(costs) recognised in other comprehensive income	103,000	28,000
At 31 March	<u>(554,000)</u>	<u>(627,000)</u>

Key Assumptions

	<u>2025</u> % per annum	<u>2024</u> % per annum
Discount rate	5.85%	4.90%
Inflation (RPI)	3.39%	3.45%
Inflation (CPI)	3.09%	3.08%
Salary Growth	3.79%	3.78%
Allowance of commutation of pension for cash or retirement (as a % of maximum allowance)	75%	75%
Life expectancy for a male currently age 65	20.2 years	20.2 years

19 CALLED UP SHARE CAPITAL

	<u>2025</u> £	<u>2024</u> £
Shares of £1 each Issued and Fully Paid		
At 1 April	84	90
Shares issued during the year	-	2
Shares cancelled during the year	(4)	(8)
At 31 March	<u>80</u>	<u>84</u>

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

NOTES TO THE FINANCIAL STATEMENTS

20 CAPITAL COMMITMENTS

	<u>2025</u> £	<u>2024</u> £
Authorised and contracted for	7,104,011	7,617,929
	<u> </u>	<u> </u>
Authorised not contracted for – fire damage restitution	72,569	1,793,929
	<u> </u>	<u> </u>

The above commitments will be financed by a mixture of public grants, private finance and the Association's own resources.

21 RELATED PARTY TRANSACTIONS

Two members of the Board of Management were also tenants of the Association (2024: 1). Their tenancies were on normal commercial terms. During the year £12,036 (2024: £6,144) of rent was receivable from tenant members. At the year-end there was £Nil (2024: £Nil) of rent arrears due from tenant members.

Almond Enterprises Limited, a wholly owned subsidiary of the Association, continues to manage cleaning and clearance contracts for the Association which amounted to £417,409 of turnover this year (2024: £315,962), with a year-end net trade creditor balance of £17,306 (2024: £10,861). Almond Enterprises Limited made a Gift Aid payment of £36,500 during 2024/25 (2024: £30,000) to the Association, in accordance with the Association's policies and procedures.

22 LEASE OBLIGATIONS

The Association is committed to make the following payments during the year ending 31 March 2025 in relation to operating leases:

	<u>2025</u> £	<u>2024</u> £
	Land & Buildings	
Within one year	-	-
Between two and five years	-	301
	<u> </u>	<u> </u>
	-	301
	<u> </u>	<u> </u>
	Plant & Machinery	
	<u>2025</u> £	<u>2024</u> £
Within one year	43,382	17,965
Between two and five years	42,051	9,392
	<u> </u>	<u> </u>
	85,433	27,357
	<u> </u>	<u> </u>

The obligations under operating leases are repayable by equal instalments in less than five years. Operating leases relate to vehicles and equipment used by the Association. A purchase option is available at the end of each three-year lease.

NOTES TO THE FINANCIAL STATEMENTS

23	AVERAGE RENTS	2025	2024
	Average weekly rent for housing accommodation	£102.08	£96.62
	Increase	5.6%	5.4
	<u>Number of Unit at the end of the year:</u>		
	General needs social housing	2,542	2,541
	Supported Social Housing Accommodation	9	10
		<u>2,551</u>	<u>2,551</u>

24 CONTINGENT LIABILITIES

Almond Housing Association Limited – Pension Scheme – debt on withdrawal

The Pensions Trust has notified the Association of the latest estimate of the debt on withdrawal potentially due by the Association based on the 30 September 2024 actuarial valuation of the Scheme. This contingent liability, crystallisation of which is considered remote due to the continued membership of the Scheme, was estimated at £1.2million. To mitigate this potential debt, the Association is making ongoing contributions towards reducing the past service deficit over the deficit recovery period.

Almond Housing Association Limited – Pension Scheme – Scheme benefit review update

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefit, comparing the changes made to the benefits provided to members, with the requirements of the scheme documentation. The Trustee has received legal advice that there is uncertainty about how members benefits should be calculated and has been advised to seek clarification from the Court on these items.

While the court hearing concluded in March 2025, a decision is not expected until Summer 2025 and If the court decides that historic benefit changes need to be applied differently, some member benefits will need to be increased, which will lead to an increase in scheme liabilities. The scheme actuary has estimated the potential increased liabilities at £39.3m for the scheme as a whole, or 3.2% of liabilities.

Reinforced Autoclaved Aerated Concrete (RAAC)

Following a comprehensive review of its properties the Association discovered RAAC Planks in some of its housing stock. An options appraisal has since been completed, confirming a programme of phased remedial and mitigation works as the most appropriate course of action. Critical remedial works have commenced and are expected to be completed within the next two years. A long-term strategy for the full removal of RAAC planks has also been developed, with implementation scheduled to take place over the next decade.

The Association's financial forecasts, including both short- and long-term budgets, incorporate prudent provisions for all associated costs, including contractor access, structural remediation, consultant fees, decanting of residents, and necessary service disconnections. Engagement with other RSLs, has confirmed the scope of works is financially tenable and that the financial exposure remains within the capacity of existing reserves and funding arrangements.

NOTES TO THE FINANCIAL STATEMENTS

25 CASH FLOW STATEMENT

(a) RECONCILIATION OF SURPLUS TO NET CASH GENERATED FROM/ (USED IN) OPERATIONS

	<u>2025</u> £	<u>2024</u> £
Operating Surplus for the year	1,328,657	1,805,298
<u>Adjustments for non-cash items:</u>		
Amortisation of intangible fixed assets	2,464	6,406
Depreciation/impairment of tangible fixed assets	2,542,165	2,537,528
Government grants utilised in the year	(667,136)	(667,562)
Defined benefit pension schemes	-	-
(Increase)/Decrease in trade and other debtors	(765,931)	(209,345)
Increase in trade and other creditors	453,782	757,360
Deficit/(Surplus) on disposal of tangible fixed assets	83,559	(146,753)
Net cash generated from operating activities	<u>2,977,560</u>	<u>4,082,932</u>

(b) ANALYSIS OF CHANGES IN NET DEBT

	As at <u>01/04/24</u> £	Cash <u>Flow</u> £	Other <u>Changes</u> £	As at <u>31/03/25</u> £
Cash at bank and in hand	13,003,043	(531,121)	-	12,471,922
Debt due within one year	(1,163,950)	-	(7,877)	(1,171,827)
Debt due after one year	(23,589,981)	1,150,050	7,877	(22,432,054)
	<u>(11,750,888)</u>	<u>618,929</u>	<u>-</u>	<u>(11,131,959)</u>