

ANGUS HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2025



CT:

REPORT AND FINANCIAL STATEMENTS

For the year ended 31st March 2025

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Board Members and Advisors

For the year ended 31st March 2025

MEMBERS OF BOARD OF MANAGEMENT

Mr J Black	(Chair) (resigned 09.04.2025)
Mr C Irvine	Chair from 09.04.2025)
Ms H Farquhar	
Mr I McDonald	
Mr S Storrie	
Mrs J Gaul	
Mr A Jack	
Mrs L McDonald	(Vice Chair from 09.04.2025)
Mrs C Glenn	
Mrs I McGarrol	(resigned 28.08.24)
Mr S Parsley	(elected 12.02.25)

KEY MANAGEMENT PERSONNEL

Gail Robertson	Chief Executive Officer
Kevin Lynch	Director of Asset Management
Arlene Grant	Director of Finance and Corporate Services
Linlay Anderson	Director of Housing Services

SECRETARY AND REGISTERED OFFICE

Mrs G Robertson, 93 High Street, Arbroath, DD11 1DP.

SOLICITORS

Thorntons Law LLP, Whitehall House, 33 Yeaman Shore, Dundee, DD1 4BJ.

TC Young Solicitors, Melrose House, 69a George Street, Edinburgh, EH2 2JG

BANKERS

The Royal Bank of Scotland plc, Brothock Bridge, Arbroath, DD11 1NP.

Flagstone Investment Management, 1st Floor, Clareville House, 26-27 Oxendon Street, London, SW1Y 4EL.

Nationwide Building Society, Kings Park Road, Moulton Park, Northampton. BB3 6NW.

EXTERNAL AUDITORS

CT Audit Limited, Chartered Accountants & Statutory Auditor, 61 Dublin Street, Edinburgh, EH3 6NL.

INTERNAL AUDITORS

Quinn Internal Audit and Business Advisors, 4 Grosvenor Gardens, Edinburgh, EH12 5JU.

REPORT OF THE BOARD OF MANAGEMENT

For the year ended 31st March 2025

The Board of Management presents its report and the Financial Statements for the year ended 31 March 2025.

OBJECTIVES AND STRUCTURE

The Association's broad objective is to contribute to providing high quality, affordable housing for all those individuals, families and communities in Angus and Dundee who are in need of the fundamental human right of a decent, secure home to call their own.

The Association aims to achieve this objective by providing good quality homes for rent and shared ownership at an affordable cost to our tenants, ensuring the criteria we use to control access to our houses is based solely on the housing needs of applicants. The Association provides an efficient, responsive and personal housing management and maintenance service of the highest possible quality.

The Board comprises nine registered members and has four sub-committees, which deal with service delivery, development, remuneration and finance, audit, and risk. Board members come from a diverse range of backgrounds and professional experience. The Board of Management meets six times per annum, whilst the sub-committees meet at least four times per annum, except for the remuneration sub-committee, which meets at least twice per annum. Members of the Board of Management receive no remuneration for their services except for reasonable out of pocket expenses.

The Board of Management receives reports from the sub-committees, receives information on current developments in progress and on possible future sites, considers budgets and management accounts, all policy matters and other relevant business. The day-to-day management of the Association is delegated to the Chief Executive Officer and Senior Management Team.

REVIEW OF THE YEAR

The Board of Management is pleased to report a surplus for the year of £1,649,252 (2024: £1,297,196). The stock increased by 20 to 2150. The Statement of Financial Position shows a net asset position of £23,204,463 (2024: £21,390,205).

Whilst inflation has reduced, there is still significant financial pressure on our tenants. Housing Management staff ensured that tenant arrears were kept under control with the ARC figure for 2024/25 reported at 2.45%. This is a decrease from 3.41% in 2023/24. We attribute the significant decrease to the sustained efforts from our housing team and from the support and assistance provided by our Financial Inclusion Team.

RESERVES

The Association needs to have reserves to ensure the organisation can function into the future and meet its liabilities, including the major repairs and investment needs of its properties. The revenue reserve of £23,204,422 reflects primarily the past investment in the housing stock and reserves for future major repairs and development. The Association has a cash level of £6,731,762 to support its future plans and operating requirements. The Association reviews its maintenance spending plans regularly and reassesses them in relation to reserves and cash flow.

STRUCTURE, GOVERNANCE

The members of the Board of Management and the Senior Management Team are listed on page 2.

Each member of the Board of Management holds one fully paid share of £1 in the Association. The Senior Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Board of Management.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2025

It is the responsibility of the Board of Management to undertake the strategy, setting of policy and overall direction of the Association. They also monitor the operational activities of the Association. The members of the Board of Management are unpaid volunteers.

Our governing body is our Board of Management, which is responsible to the wider membership. The Board of Management members serve in a voluntary capacity, and we recognise that this puts even more onus on us to ensure that we set and achieve a high standard of professionalism in our work. We take governance very seriously, and in the last year we have continued to build on work from previous years which strengthened our governance arrangements.

As part of our commitment to good governance and compliance, we submitted all statutory returns on time and our level of engagement with the Scottish Housing Regulator remains low with the status of Compliant.

BOARD RECRUITMENT AND TRAINING

As volunteers, the Board of Management give freely of their time, knowledge and experience and the Association recognises the significant commitment and contribution they make to the running of AHA. Recruitment and retention of Board members is an ongoing issue.

At Year End 2024/25, the Board had nine members. Board members participated on training on cyber security, homelessness, data protection, HR responsibilities, update on SHR regulatory framework and a session covering AHA's performance against benchmarks provided by the SHN (Scottish Housing Network).

The Association was deemed Compliant by the SHR which followed the submission of the 2023/24 ARC (Annual Return on Charter) in May 2024 and the Annual Assurance Statement in October 2024. The SHR also considers the Association's loans and financial position in making this determination. Board appraisals were carried out as per policy.

ELECTION OF BOARD OF MANAGEMENT

In terms of the Rules of the Association, one third of the Board must resign. Two members of the Board of Management; Ms H Farquhar and Mr A Jack retire from office at this time and offer themselves for re-election. Additionally, Mr S Storie resigns from office at this time.

AFFORDABILITY

In February 2024, the Board set the rent increase at 7%. This was considerably higher than previous years and followed a period where RSL's were under pressure to limit rent increases due to the cost-of-living crisis. The cost of running AHA has increased again in 2024/25 with higher staffing, heating, and general running costs. Affordability and value for money remain a concern of the Board and future business planning will always take account of the balance required for both the needs of the tenants to ensure affordability and the needs of AHA to continue to run a sustainable business.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2025

STABILITY

The stability of the Association is paramount to the Board and all the Association's stakeholders. The Internal Audit Programme in 2024/25 covered the Annual Assurance Statement, Void Management, Factoring, Payments and Payroll and Tenant Safety. CT Audit Limited carried out their second audit of the Association's finances and financial practices and were given a positive report by the auditors. Financially, year-end figures show a surplus of £1,649,252 and an operating surplus of £3,508,610. Housing stock value has risen by £14,017,395

One of the obligations for the Board is to set the future direction of the Association and to ensure that the structures within AHA can support the delivery of the Strategic Plan.

2024/25 was a stable year for staffing with no new posts created but with some changes in the work patterns of existing staff to accommodate requests for flexible working. The Employee Voice forum which was created the previous year continued to provide a direct line of communication between employees and senior management and the use of OfficeVibe allows staff to provide constant feedback on key indicators such as recognition, happiness, stress and workload management.

A successful Staff Away Day was completed with the staff focusing on communication, teamwork and what the Association could do to improve as both a landlord and an employer.

DIGITAL

2024/25 saw the consolidation of improvements to our IT services which were initially put in place the previous year. There was a significant investment towards cyber security training with the aim of achieving Cyber Essentials plus accreditation. This aim was not achieved due to the lack of two factor authentication functionality from two external providers. It is expected that this will be resolved by summer 2025 when the Association can gain this assurance. Work commenced with HomeMaster on implementing a new tenant portal, due summer 2025. This will provide the ability for tenants to directly access information relating to their tenancy, to report repairs and to communicate with the Association in a different way. During the year the Association hosted a placement from Dundee University. The student allocated conducted a research project into the use of QR codes for facilitating access to new tenant information for new builds. A pilot project had been started with the first handovers of the Crudie Farm and St Vincents developments which used unique QR codes to allow tenants access to documents such as heating instructions, EPC's and tenant safety certificates. The Dundee University considered the expansion of this and the cross over with the tenant portal.

RISK MANAGEMENT

At the end of 2024/25 we downgraded some risks on the risk register including Cyber Security and Procurement. This was due to significant progress in implementing and managing risk controls. Overall, the Board has identified 20 risks with 10 strategic, 4 financial, 2 Health & Safety risks, 1 relating to business continuity, 1 operational risk, 1 reputational and 1 specific risk. Included in key risks under constant monitoring are failure to grow which includes the future of our development programme. Whilst we are still developing, the cuts and then re-instatement of funding for the Affordable Housing Supply Programme damaged our future planning and has resulted in the funding for several schemes being pushed back to future years in the SHIP's of Dundee City and Angus Councils. Another key area of risk management is that of Tenant Health and Safety. Within 2024/25 the Association completed a significant survey relating to asbestos and has embedded the Damp and Mould policy into day-to-day practice. The full findings from the Asbestos surveys showed that the Association does have asbestos in around 13% of its stock however the type of asbestos, its prevalence and location is low risk. All tenants have now been informed with advice on asbestos management, and all have been invited to arrange a home visit by one of our Asset Management Staff to discuss the findings.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2025

The current four highest risks are Failure to Grow, Failure to Secure Insurance along with Failure to deliver ESG objectives and Pension Obligations. At the start of 25/26, the insurance risk was lowered due to the commencement of an insurance tender where multiple brokers and direct providers of insurance showed that they wanted to work with the Association. This has proved a useful exercise to ensure that the insurance providers understand the work of the Association and the risks that we are facing. This process will conclude during 2025, and we expect a cost-effective outcome. The pension obligations risk has remained high with initial indications that we will have to return to past deficit contributions due to the actuarial re-evaluation of our pension fund. We await confirmation that this is the case and on the figure for our specific contribution. The ESG risk remains high simply due to the delay in having clarification from the Scottish Government on what the sector will be asked to deliver for net zero. Once this is known, a specific review along with related risks will be carried out. We expect this to have a significant impact on the direction taken to deliver our Asset Management Strategy and on how the Association allocates resources in the coming years. Whilst Failure to Grow remains a high risk, we are hoping that with multi-year budget allocations for new build and a positive report on taking Musselcrag forward, we can reduce this risk in the coming year.

The risk register reflects the significant external pressures that the Association faces. It takes account of the Scottish Housing Regulators' Business Planning Advisory Note and the Summary Outcomes of the Scottish Housing Regulators' Risk Assessments of Social Landlords.

PERFORMANCE MANAGEMENT AND SERVICE DELIVERY

The Association strives to ensure that tenants receive value for money and good service. To these aims, we work towards meeting the outcomes of the Scottish Housing Regulators Regulatory Framework and the Scottish Social Housing Charter. The Association continues to perform well in key indicators. The Association's tri annual Tenants Satisfaction Survey was concluded early in 2023 following face to face interviews and a 42% return rate. Overall satisfaction ratings remain high at 86.8%. A full TSS will be carried out in 2025 to provide updated information on satisfaction.

Tenant service areas such as emergency and non-emergency repairs and complaint handling performance improved along with rent loss through arrears and voids (0.4%).

Debt Recovery: Whilst inflation levels have reduced, there has been a residual effect from the peak of the crisis on our tenants and their ability to pay their rent. There are 2 key arrears figures: the ARC indicator which includes arrears written off and the current tenant arrears figure at year end. At year end, the Housing Management staff had done a fantastic job of reducing the current arrears level to 1.44% (2.02% in 2023/24) with a target of 2%, which continues to remain low in this economic climate and is ahead of all our peer benchmark landlords. This represents a huge amount of effort and determination from the staff.

BEST USE OF RESOURCES

Future financial planning is key to the Association's ability to provide ongoing services to our tenants and to maintain and future proof our stock.

The Association is committed to providing value for money both in terms of external funding and grants and the use of rental income. To that end, we have produced a comprehensive Annual Procurement Report for 2024/25 which will be submitted to the Scottish Government. The report shows continued commitment towards the Association's Procurement Strategy.

During 24/25 the Association completed a tender for legal services which resulted in TC Young being appointed. The tender process also commenced for insurance services, with Gibbs Laider instructed to assist with the running of the tender. Several brokers and insurers are interested in providing these services and we expect to complete the process during the Autumn of 2025.

In order to ensure value for money in our reactive repairs service, our contractor framework was re-tendered. All of the tenders above were conducted using PCS (Public Contracts Scotland).

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2025

During 24/25 we carried out several workshops with Board members, staff and tenants to look at the use of Community Benefits. The workshops used Service Design Principles with the aim of using Community Benefit resources efficiently and fairly. This has resulted in a Community Benefit Strategy which is now being consulted on with tenants. We have also been able to provide more community benefits directly between our tenants and contractors during the year.

WIDER ROLE

The Association is proud of its commitment to tenant participation and community engagement.

The Association's tenancy sustainment figures remain high at 90% for waiting list applicants and homeless applicants. The work of the Housing Officers to resolve rent and ASB (Anti-Social Behaviour) issues and the input from the Financial Inclusion Team plays a significant part in ensuring the tenant income is maximised and rent is paid. High tenancy sustainment figures are an indication that where tenants are allocated new homes, the support and structures provided by the landlord assist the tenancy to be sustained for more than 1 year. Tenancy sustainment aims to ensure tenants pay rent which in turn reduces evictions and avoids abandonment. This reduces the number of voids within a year, reducing void loss.

In 2024/25, the FIT (Financial Inclusion Team) brought in approx. £388,837 of additional income and benefits for AHA tenants along with assisting tenants with arrears and other areas of money management. Support was provided to 527 tenants. The team accessed around £2800 from the Hardship fund to assist tenants to sustain the tenancies. Our Energy Advisor is now fully established and has been assisting tenants with meter and billing issues along with providing advice for tenants impacted by the RTS (radio teleswitch) meters. The Energy Advisor service has been sought after with 132 referrals within the year. Following feedback from the Tenants Satisfaction Survey, we delivered two tenant newsletters which the team co-ordinated and are providing e-newsletters bimonthly for tenants who have signed up.

INVESTMENT

Development: 2024/25 added a further twenty units to the Association's stock making a total figure of 2,150. The additional units were six at Dubton, Brechin, and 14 at Crudie Farm. Both sites have been developed by Scotia Homes. Whilst the numbers delivered in 2024/25 have been low, 25/26 will deliver eighteen units at Whitfield Drive, Dundee, twenty-one at St Vincents, ten at Durie Hill, Edzell 15 at Crudie Farm, Arbroath and 9 in the second phase at Dubton Farm, Brechin. This represents approx. £10.3 in HAG funding and around £7.1m in private finance. The uncertainty in funding of the Affordable Housing Supply programme has disrupted plans for future developments however the Association expects to start work on the Gowriehill development of 36 units in the next few months and approach the market for funding for a further 133 units to be delivered by 2030.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2025

Capital Works Programmes: The Association has continued to deliver a considerable improvement programme in place during 2024/25 including kitchen, boiler, window and door replacement and painter work. This relates to improvements in around 14% of our stock. At the year end, the cost of the works completed is £3,120,911

Reactive Repairs: Our performance on reactive repairs remains high. Our ARC submission for 2024/25 showed an improvement from 2.07 to 2.05 hours average to undertake emergency repairs. For non-emergency repairs, the average was 4.24 days which is improved from 4.95 hours in 23/24. The percentage of repairs carried out within targets is 94% for non-emergency (95% in 23/24) and 91% for emergency (up from 83% in 23/24). Repairs carried out right first time remains high at 94%. A pre submission audit of the ARC by the SHN (Scottish Housing Network) found no issues with the submission. We have started a process with the SHN (Scottish Housing Network) to carry out a desktop exercise each year to show benchmarking. The first of these will cover 2023/24. We have a continual process of reviewing tenant satisfaction for our repairs service. The annual figure matched last year's rate with 93% of tenants who received a repair as very satisfied or satisfied. We have now implemented the required recording of damp and mould and will be reporting on this to the Service Delivery Sub Committee quarterly during 25/26 with reporting of our annual figures included in the 25/26 ARC. Our average voids cost was higher than budget per void but underspent overall due to the reduced number of tenants terminating tenancies this year. There has been a trend for less voids since Covid with 114 in 24/25, 120 in 23/24 and 134 in 22/23. Void costs have increased due to contractor and material costs.

We have continued to perform well in relation to gas servicing (100%) and with the exclusion of the latent defects found for EICR compliance at Victoria Grange, this has been a strong service this year. The total spend on reactive maintenance including voids was £1,216,428.

EQUALITY & DIVERSITY

In 2024/25 we did extend the information on equalities available on our website which included equalities data. Child and adult protection policies were reviewed and all staff completed some level of Mental Health training which ranged from mental health awareness to Mental Health first aid accreditation.

SUSTAINABILITY

Whilst the delays in the publishing of the Social Housing Net Zero Heat Strategy have not allowed us to put in place a specific programme of works, we have continued to upgrade electric storage systems to newer, more efficient ones (high heat retention systems), have installed air source and PV's in new build units and started a programme of PV installations to improve EPC ratings elsewhere in our stock. We received ECO4 funding to provide PVs in 24 units within our stock. This is fully funded and we have targeted some of our poorest performing stock. We produced our second annual report on the Social Housing Sustainable Reporting Standard. As an adopter of the standard, we will be able to monitor improvements in data and reporting and show our stakeholders that the Association has made and is progressing a commitment to reducing climate change.

TENANT AND STAKEHOLDER ENGAGEMENT

Steady progress has been made in our Tenant and Stakeholder goals within 2024/25. A partnership was formed with Arbroath Connections who now rent significant space at Russell Square and provide support to those who are impacted by dementia. We continue to run community events with partners to provide events such as Bingo Bletcher and a Tenants Cooking Workshop. These events are supported by the Association and external organisations. Through estate management walkabouts with tenants, staff supported over £20,000 of improvements including improvements to communal gardens and installing outside taps to allow tenants to take care of gardens.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2025

FUTURE PLANS

Next 12 Months

The Association plans to complete 78 new build units in 2025/26. Our Design Guide is being updated to ensure that developers meet our requirements which include changes to heating and net zero technology tenant safety requirements including sprinkler systems and IoT (Internet of Things). A significant budget of £3m will complete capital works programmes for kitchens, bathrooms, cyclical painter work and upgrading electric storage heating to more efficient high heat retention systems. Within 2024/25 the reactive maintenance contractor framework was re-tendered, with the new contracts starting July 2025. The Association has worked with our consultants to ensure the involvement of local SME's.

With the recruitment of our first Maintenance Operative, the Association has taken steps to reduce annual day to day maintenance costs. This project will be closely monitored to ensure it is delivering the expected savings. The Association has identified other areas for potential savings that could be realised by employing in house trades and this may develop into a longer-term project for a small DLO (Direct Labour Organisation).

A small scheme to provide solar PVs in flatted accommodation will be tested with the hope that a successful outcome will allow for this technology to be rolled out across more of our flatted stock. A drone is being purchased to allow us to complete aerial roof inspections as we commence a programme of roof repairs and replacements (where required). The drone will have infra-red technology which will assist us in identifying heat loss and possible water ingress points which contribute to damp and mould.

The decision to employ a dedicated Asset Management compliance resource in 2025 will result in the Association providing an added level of assurance and to use tools such as Power BI and our increased data collection from whole house surveys and stock condition surveys to forecast our Asset Management requirements which can then be built into our business planning model.

In addition to the Maintenance Operative post, the Association has created a Trainee Governance Officer post which started June 2025. The postholder will be undertaking a formal governance qualification along with vocational learning. This post will strengthen the Association's governance and compliance function and will work closely with the Board and Management Team. Funding applications are in for an Education Officer post to deliver a NPA (National Progression Award) in Tenancy and Citizenship and to continue the Association's involvement with the HEY Project. The NPA is delivered in schools and is an SQA accredited qualification which the Association is already delivering in one of Dundee's secondary schools. The funding would allow us to offer this course in more schools, and we are working with Dundee and Angus College so that this course has the potential to passport young people into formal higher education, completing CIH Level 2 or courses in construction. If secured, the funding will allow AHA to employ a full-time worker to deliver this and to take over co-ordination of the HEY project including updating digital resources.

The work on re-structuring the Association's rent has re-commenced, working with Arneil Johnson as consultants. During the summer and into Autumn, there will be significant consultation with tenants on the proposals with a view to implementing the new structure alongside the rent review for 26/27.

Work is ongoing to secure a new office to bring the Arbroath and Dundee staff together. Unfortunately, discussions on a potential office building which commenced in 2024 did not come to fruition with the owner deciding to retain the building. Several alternatives are being considered, and it remains a priority for the Board and the staff.

The Association's Strategic Plan is due for review at the end of 2025 and the Board and Management Team will develop this roadmap for the future work of the Association which will be delivered from 2026-2029.

Within the next 12 months we plan to develop our furniture project in partnership with Tayside Upcycling which will provide refurbished furniture to tenants to train them to upcycle unwanted furniture. This provides them with useful skills and prevents furniture going to landfill sites.

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2025

During 2025/265 we hope to make progress on alternative office accommodation to allow the Arbroath and Dundee staff to work from one location. Several locations are being considered but are at a very early stage.

Medium Term (next 3 years)

As noted above, the Association has yet to undertake the work to set the objectives for the next 3 years which will be detailed with the revisited Strategic Plan however the Association intends to continue to deliver new build homes in the next 3 years and beyond. We look forward to the certainty that will come if proposed 3-year Scottish Government budgets are progressed, and we welcome the recent commitment to social housing as a response to the housing crisis. In Dundee, we have sites that will be delivered however in Angus, due to last year's cuts in the Affordable Housing Supply Programme, several of the Angus sites were pushed back. We can deliver these earlier if the funding is available and will be progressing this with Angus Council and the Scottish Government.

Depending on the outcome of the Business Case analysis on the viability of Musselcrag as a vehicle to deliver MMR, we would like to deliver our first MMR units in Dundee and look at how Musselcrag could assist with delivering services via a social enterprise and community benefit model.

We have an inherent commitment to our current tenants and will work to deliver improvements to their homes. The priorities for this are dependent on the requirements from the Scottish Government in relation to the Social Housing Net Zero Heat Standard and we look forward to seeing the final guidance on this.

The Association will be looking to deliver our Asset Management Strategy, building in the flexibility to adapt our approach to capital programmes to take account of legislation, regulation and funding. We are keen to incorporate new technologies relating to construction types and methods and in the provision of net zero heat systems however we will take a cautious approach to this to ensure that we provide value for money. This will include strengthen our environmental data recording and reporting.

Better data and reporting abilities within the Association will ensure that our business planning is reflecting where resources need to be allocated in order to ensure that we are meeting our legal, regulatory, landlord and employer obligations and over the medium term, we will continue to develop this capacity.

Long Term

The Association intends to remain an independent RSL with a development programme, providing steady growth opportunities. We intend to maintain and improve where possible, services and performance to our tenants. This will include encouraging tenants to become more involved in the decision-making processes within the Association through membership, with more tenants on the Board of Management.

Statement of Board of Management's Responsibilities

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

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

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2025

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

The Board of Management must, in determining how amounts are presented within items in the Statement of Comprehensive Income and the Statement of Financial Position, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Members of the Board of Management are aware:

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

INTERNAL FINANCIAL CONTROL

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

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

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

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

REPORT OF THE BOARD OF MANAGEMENT (continued)

For the year ended 31st March 2025

The Board of Management have 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 auditor's report on the financial statements.

ELECTION OF AUDITORS

A resolution to appoint CT Audit Limited as auditors will be submitted at the Annual General Meeting.

By Order of the Board


Secretary to the Board of Management

27th August 2025

Opinion

We have audited the financial statements of Angus Housing Association Limited (the 'association') for the year ended 31 March 2025 which comprise of Statement of Comprehensive Income, Statement of Financial Position, the Statement of Cash Flows, Statement of Changes in Reserves, and notes to the financial statements, 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 income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Scottish Housing Regulator's Determination of Accounting Requirements 2024.

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'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 on 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 with respect to going concern are described in the relevant sections of this report.

**Independent Auditor's Report to the Members of
Angus Housing Association Limited (continued)**

CT:

For the year ended 31st March 2025

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 are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the association in accordance with the requirements of the legislation; or
- a satisfactory system of control over transactions has not been maintained by the association in accordance with the requirements of the legislation; or
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement (set out on pages 10 and 11), the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board 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 either intends to liquidate the association or to cease operations, or have no realistic alternative but to do so.

For the year ended 31st March 2025

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

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

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

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

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

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

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

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

**Independent Auditor's Report to the Members of
Angus Housing Association Limited (continued)**

CT:

For the year ended 31st March 2025

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 Auditor
61 Dublin Street
Edinburgh
EH3 6NL**

27/8/25

**Report of the Auditors
To Angus Housing Association Limited
on Corporate Governance Matters**

CT:

In addition to our audit of the financial statements, we have reviewed your statement on pages 11 and 12 concerning the Association's compliance with the information required by the Regulatory Standards for in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes 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. 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 pages 11 and 12 has provided the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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



**CT Audit Limited
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL**

27/8/25

STATEMENT OF COMPREHENSIVE INCOME
For the reporting year to 31st March 2025

	Notes	2025 £	2024 £
Turnover	2	13,031,806	12,095,995
Operating costs	2	(9,523,196)	(8,932,002)
OPERATING SURPLUS		3,508,610	3,163,993
Interest receivable and other income		120,859	151,601
Interest payable and similar charges	6	(1,931,216)	(2,000,398)
Pension interest	19	(49,000)	(18,000)
SURPLUS FOR YEAR		1,649,252	1,297,196
Actuarial gain / (loss) in respect of pension schemes		165,000	(618,000)
Total comprehensive income for the year		1,814,252	679,196

The financial statements were approved by the Board of Management on 20th August 2025 and were signed on its behalf by:

 Member of Board of Management

 Secretary to Board of Management

 Member of Board of Management

The notes on pages 22 to 40 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31st March 2025

	Notes	2025 £	2024 £
PLANT, PROPERTY & EQUIPMENT			
Housing properties	9a	147,179,913	135,471,363
Fixed Asset Investment	9b	1	1
Other Fixed Assets	9c	617,366	662,459
		<u>147,797,280</u>	<u>136,133,823</u>
CURRENT ASSETS			
Debtors	10	745,150	1,275,651
Cash & Deposits		6,731,762	5,897,825
Stock of Maintenance Supplies	11	-	-
		<u>7,476,912</u>	<u>7,173,476</u>
CREDITORS: amounts falling due within one year	12	<u>(4,506,904)</u>	<u>(4,661,064)</u>
NET CURRENT ASSETS		<u>2,970,008</u>	<u>2,512,412</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>150,767,288</u>	<u>138,646,235</u>
CREDITORS: amounts falling due after more than one year	13	(126,661,346)	(116,238,551)
Pension Provision	19	(901,479)	(1,017,479)
TOTAL ASSETS LESS LIABILITIES		<u>23,204,463</u>	<u>21,390,205</u>
CAPITAL AND RESERVES			
Share Capital	14	41	35
Revenue reserve	15	23,204,422	21,390,170
		<u>23,204,463</u>	<u>21,390,205</u>

The financial statements were approved by the Board of Management on 20th August 2025 and were signed on its behalf by:





Member of Board of Management

Secretary to Board of Management

Member of Board of Management

The notes on pages 22 to 40 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

	Share Capital £	Revenue Reserve £	Total £
As at 31 March 2024	35	21,390,170	21,390,205
Surplus for the year	-	1,649,252	1,649,252
Write off of Repairs Provisions	-	-	-
Re-measurement loss on defined benefit	-	165,000	165,000
Total Comprehensive Income	35	23,204,422	23,204,457
Share Capital Cancelled	(4)	-	(4)
Share Capital Addition	10	-	10
As at 31 March 2025	41	23,204,422	23,204,463

The notes on pages 22 to 40 form part of these financial statements.

STATEMENT OF CASH FLOWS
For the reporting date 31st March 2025

	Notes	2025 £	2024 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	16	<u>6,809,289</u>	<u>5,734,441</u>
CASHFLOW USED IN INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(15,100,495)	(8,243,925)
Grants received		6,466,130	3,770,174
Interest receivable		<u>120,859</u>	<u>151,601</u>
NET CASH FLOW USED IN INVESTING ACTIVITIES		<u>(4,322,150)</u>	<u>(4,322,150)</u>
CASHFLOW USED IN FINANCING ACTIVITIES			
Issue of share capital		6	(13)
Interest payable		(1,980,216)	(2,018,397)
New Secured Loans		6,000,000	-
Repayment of borrowings		<u>(1,481,640)</u>	<u>(1,209,292)</u>
NET CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		<u>2,538,154</u>	<u>(3,227,702)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>833,937</u>	<u>(1,815,411)</u>
CASH AND CASH EQUIVALENTS AS AT 1ST April 2024		<u>5,897,825</u>	<u>7,713,235</u>
CASH AND CASH EQUIVALENTS AS AT 31ST March 2025		<u>6,731,762</u>	<u>5,897,825</u>

The notes on pages 22 to 40 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2025

1. ACCOUNTING POLICIES

Accounting basis

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards 102 (FRS102) and the Statement of Recommended Practice for Social Housing Providers 2018 (SORP 2018) and the Scottish Housing Regulator Determination of Accounting Requirements 2024.

The financial statements have been prepared on a going concern basis.

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 unless otherwise stated.

The financial statements are presented in sterling which is the functional currency of the Association.

Turnover

Turnover represents the rental and service charge income receivable in the year net of losses from voids, revenue, and other grants.

The disposal from the first tranche of shared ownership properties is included in turnover at the point of legal completion. The second and subsequent tranches are accounted for in other income in the period which the disposal occurs.

Sale of housing properties

The surplus or deficit is accounted for in the period the disposal occurs and represents the difference between the net sale proceeds and the net carrying value. The surplus/deficit amount arising from the sale of housing properties is disclosed separately in the Statement of Comprehensive Income.

Shared Ownership sales

In accordance with the SORP 2018, shared ownership properties are reflected within Fixed Assets. Proceeds from first tranche disposals are allocated to Turnover. Costs relating to expected first tranche sales are reflected in current assets and released to the Statement of Comprehensive Income on sale.

The surplus or deficit on the disposal of second subsequent tranches of shared ownership properties are accounted for in the Statement of Comprehensive income within the Gain/ Loss on sale of Tangible Fixed Assets.

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2025

ACCOUNTING POLICIES (continued)

Interest Income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Fixed assets – housing land and buildings

Housing properties are stated at cost. The development costs of housing properties include the following:

- i. Cost of acquiring land and buildings.
- ii. Development expenditure.
- iii. Capital acquisition and development administration costs.
- iv. Capital clerk of works costs

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

The proceeds arising from first tranche “sales” of Housing Association Grant funded shared ownership properties are recorded through the Income & Expenditure Account, with any subsequent sales treated as a disposal of fixed assets.

In accordance with the SORP, where a housing property comprises two or more major components with substantially different useful economic lives, each component has been accounted for separately and depreciated over its useful life. The following components have been identified:

<u>Component</u>	<u>Useful Economic Life</u>
Land	Not Applicable
Main Structure	90 Years
Roof	50 Years
Windows & Doors	30 Years
Guttering / Woodwork	25 Years
External Fencing	25 Years
Heating System - Gas	15 Years
Heating System - Electric	15 Years
Heating System - Radiators	25 Years
Kitchen	15 Years
Bathroom	15 Years
Electrical Installation	10 Years
Controlled Entry Systems	12 Years
Storage Battery	20 Years
Solar PVs	20 Years
Air Source Heat Pumps	20 Years

The Association will capitalise the replacement of these components in line with its Lifecycle Replacement Programme. One off main component replacement will not be capitalised unless the replacement is within a timeframe which means that the component will not be replaced again at the next scheduled cycle.

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2025

ACCOUNTING POLICIES (continued)

Fixed assets – impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is at the scheme of properties (e.g. the cash generating unit (CGU)).

The following key judgement has been made in defining the CGU's for housing properties (including shared ownership properties): where schemes have been developed together and are managed together, they are deemed to be a single CGU.

The key indicators considered in reviewing impairment are: changes in demand, changes in use, economic performance worse than expected, significant decline in market value, reduction in market value were intend to sell, plans to regenerate, demolish or replace existing components, on completion of new developments were costs are higher than anticipated, and other changes in technology, market, economy and legislation.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the Statement of Comprehensive Income.

Fixed assets – other fixed assets

Items costing more than £2,000 are capitalised. Depreciation is provided for at rates calculated to write off the cost of each asset evenly over its expected useful life as shown above except for the following:

Housing Properties (shared ownership)	over 50 years
Office Building	over 50 years
Computer and Office Equipment	over 4 years
Office and Furnished Flat Furnishings	over 4 years

Development Interest

Interest on borrowings specifically financing a development is capitalised to the extent that it accrues in respect of the period during which development activities are in progress. All other interest is written off to the Statement of Comprehensive Income in the period in which it accrues.

Capitalisation of overheads

Costs which directly relate to bringing assets into working conditions are included within the cost of the asset and any subsequent component replacements. These primarily relate to salary costs.

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2025

ACCOUNTING POLICIES (continued)

Subsidiary

The subsidiary Musselcrag Limited is a dormant company as at 31st March 2025 and accordingly the Association has not prepared consolidated financial statements.

Debtors and Creditors

Debtors and creditors within a year and stated with no interest receivable or payable and are recorded at transaction price.

Stock

Stock is valued at the lower of cost and estimated selling price less cost to complete and sell using a weighted average method.

Grants

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where a grant is received from government and other bodies as a contribution towards a capital cost, it is recognised as income using the performance model in accordance with the SORP 2018. Prior to satisfying the performance conditions such grants are held as deferred income on the Statement of Financial Position.

Social Housing Grant and other capital grants

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

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

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

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2025

ACCOUNTING POLICIES (continued)

Lead Tenancy Provision

Lead Tenancy agreements require that a proportion of the rental income be retained by the Association to provide for future major repairs. Any sums remaining at the expiry of the Lead Tenancy Arrangement will be repaid to the owner of the property.

Significant Estimates

The preparation of financial statements requires the use of certain accounting judgements and estimates. It also requires the Board of Management exercise judgement in applying the Association's accounting policies. The areas requiring the use of significant estimates are disclosed below.

(i) Rent Arrears – Bad Debt Provision

The Association assumes the recoverability of rent arrears through a detailed process that considers tenant payment history and recovery arrangements in place.

(ii) Useful Life of Properties, Plant and Equipment

The Association estimates the useful life of properties, plant, and equipment, as well as components thereof, and estimates an annual charge to be depreciated.

(iii) Defined Benefit Pension Liability

In determining the value of the Association's share of defined benefit pension scheme assets and liabilities, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation, and the discount rate on corporate bonds.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty of not more than 24 hours.

Deposits

Funds held in short term deposit accounts for a term over 3 months are presented at their current value with any interest received being charged to the statement of comprehensive income.

Operating Leases

Rental applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Income and Expenditure Account on a straight-line basis over the term of the lease.

Pensions

The Association participates in the Scottish Housing Association's Pension Scheme (SHAPS) providing benefits based on Career Average Revalued Earnings. The Association's share of the Scheme Assets and Liabilities is shown in the Statement of Financial Position in accordance with their requirements of FRS17.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2025

2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	Turnover	Operating Costs	2025 Operating Surplus/(Deficit)	2024 Operating Surplus/(Deficit)
	£	£	£	£
Income & Expenditure from Lettings	12,614,846	9,265,750	3,349,096	3,164,067
Other Activities	416,960	257,446	159,514	(74)
TOTAL 2025	13,031,806	9,523,196	3,508,610	3,163,993
Total for 2024	12,095,995	8,932,002		

3 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM SOCIAL LETTING ACTIVITIES

	General Needs Housing	Shared Ownership	2025 Total	2024 Total
	£	£	£	£
Rent Receivable net of Service Charges	11,548,364	9,494	11,557,858	10,705,650
Service Charges Receivable	100,996	-	100,996	98,106
Gross Rent Receivable	11,649,360	9,494	11,658,855	10,803,756
LESS: Rent Losses from Voids	(39,170)	-	(39,170)	(46,853)
Net Income from Rents & Service Charges	11,610,190	9,494	11,619,685	10,756,903
Amortised Government Grants	995,162	-	995,162	955,572
Revenue Grants	-	-	-	29,839
Total Turnover from Social Letting	12,605,352	9,494	12,614,846	11,742,314
Management	3,296,249	-	3,296,249	3,150,918
Services	88,080	-	88,080	74,719
Planned and Cyclical Maintenance	1,179,146	-	1,179,146	756,030
Reactive Maintenance	1,258,302	-	1,258,302	1,440,242
Rent Losses from Bad Debts	52,028	-	52,028	115,362
Depreciation of Social Housing	3,391,945	-	3,391,945	3,040,976
Total Operating Costs	9,265,750	-	9,265,750	8,578,247
Operating Surplus for 2025	3,339,602	9,494	3,349,096	3,164,067
Operating Surplus for 2024	3,153,246	9,494		

Note: All Major Repair costs not capitalised are included in Planned and Cyclical Maintenance.
There was no impairment of social housing.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2025

3 PARTICULARS OF INCOME AND EXPENDITURE FROM LETTINGS (continued)

The number of units of housing under development and in management at 31st March 2025 was:

	Units under Development		Units in Management	
	2025	2024	2025	2024
Housing accommodation for letting				
New build – Shared Ownership	-	-	-	-
New build – Rented	66	66	1,640	1,640
Rehabilitation – Rented	-	-	504	504
Rehabilitation – Sheltered	-	-	-	-
	<u>66</u>	<u>66</u>	<u>2,144</u>	<u>2,144</u>

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

	Grants from Scottish Ministers	Other Income	Total Turnover	Operating Costs - Bad Debts	Other Operating Costs	2025 Operating Surplus/ (Deficit)	2024 Operating Surplus/ (Deficit)
	£	£	£	£	£	£	£
Grant Funded Disabled Adaptations	90,857	-	90,857	-	86,107	4,750	1,840
Factoring	-	101,313	101,313	3,697	78,388	19,228	(21,939)
Other Activities	-	224,790	224,790	-	89,254	135,536	20,025
TOTAL 2025	90,857	326,103	416,960	3,697	253,749	159,514	(74)
Total 2024	135,000	218,681	353,681	1,1016	352,739	(74)	426

5 GAIN / (LOSS) ON SALE OF FIXED ASSET

	Shared Ownership Properties	Other Properties	2025 Total	2024
	£	£	£	£
Proceeds	-	-	-	-
Cost of Disposal	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Gain / (Loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2025

6 INTEREST PAYABLE AND SIMILAR CHARGES

	2025	2024
	£	£
Bank loans and overdrafts	1,931,216	2,000,398
Interest on defined benefit pension liability	-	-
	<u>1,931,216</u>	<u>2,000,398</u>

7 SURPLUS FOR THE YEAR

This is stated after charging:	2025	2024
	£	£
Auditors' remuneration (including VAT) - external audit	12,120	11,880
- internal audit	12,324	7,584
Donations to Local Charities	-	150
(Gain) / loss on disposal of fixed asset	96,801	83,647
Depreciation of housing properties	3,295,144	2,957,330

8 STAFF COSTS

At the year-end there were 52.2 full time equivalent employees (2024: 53). Staff costs during the year amounted to:

	2025	2024
	£	£
Wages and Salaries	2,000,307	1,846,977
National insurance	211,328	192,292
Pensions	420,888	366,778
	<u>2,632,523</u>	<u>2,406,047</u>
	<u><u>No.</u></u>	<u><u>No.</u></u>
The average number of persons directly employed by the Association during the year was	54	53

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2025

8 STAFF COSTS (continued)

KEY MANAGEMENT PERSONNEL

As per the Scottish Housing Regulator's Determination of Accounting Requirements 2014, disclosure of key management personnel's emoluments exceeding £60,000 per annum is required.

	2025 £	2024 £
The total emoluments payable to key management personnel and former key management personnel amount to: -		
Emoluments excluding employers' pension	369,968	344,482
Employers pension contributions	92,923	37,160
	<u>462,891</u>	<u>381,642</u>

The emoluments (including pension contributions but excluding redundancy payments) of the Officers were in the following ranges:

	No.	No.
£60,000 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	-	3
£90,001 - £100,000	-	-
£100,001 - £110,000	4	1
	<u>4</u>	<u>4</u>

No emoluments were paid to any member of the Board.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2025

9 TANGIBLE FIXED ASSETS

a) Housing Properties	Wholly Owned Completed £	Wholly Owned in Course of Construction £	Shared Ownership Completed £	Total £
Cost:				
At 1 st April 2024	166,865,060	7,911,323	134,231	174,910,615
Additions during year	3,227,458	11,883,148	-	15,110,606
Transfer	3,575,516	(3,540,526)	(34,990)	-
Disposals in year	(1,093,210)	-	-	(1,093,210)
At 31 March 2025	172,574,824	16,253,945	99,241	188,928,010
Depreciation:				
At 1 st April 2024	39,439,252	-	-	39,439,252
Disposals in year	(986,299)	-	-	(986,299)
Charge for year	3,295,144	-	-	23,295,144
At 31 st March 2025	41,748,097	-	-	41,748,097
Net book value:				
At 31 st March 2025	130,826,727	16,253,945	99,241	147,179,913
At 31 st March 2024	127,425,808	7,911,323	134,231	135,471,363

Total works carried out on housing properties for the year ended 31st March 2025 was £4,406,604 (2024 - £3,303,107). Of this total £3,227,458 (2024 - £2,539,985) was capitalised above and £1,179,146 (2024 - £763,122) was expensed in the Statement of Comprehensive Income in line with recommended practice.

During the year, the Association had capitalised salary and interest costs of £761,325 (2024 - £443,858).

b) Fixed Asset Investments	Homestake	Subsidiary	Total
Cost:	£	£	£
As 1 st April 2024	-	1	1
Disposals during the year	-	-	-
Additions during the year	-	-	-
As at 31 st March 2025	-	1	1
Net book value at 31 st March 2024	-	1	1

The wholly owned subsidiary Musselcrag Limited was dormant throughout the financial year.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2025

9 TANGIBLE FIXED ASSETS (continued)

c) Other	Office & Lounges	Computer Equipment	Office Equipment	Total
Cost:	£	£	£	£
At 1st April 2024	1,098,959	132,159	2,534	1,233,652
Additions during year	-	-	-	-
Disposals during the year	-	(58,038)	-	(58,038)
At 31st March 2025	1,098,959	74,121	2,534	1,175,614
Depreciation:				
At 1st April 2024	484,549	85,376	1,264	571,189
Disposals during the year	-	(58,038)	-	(58,038)
Provided during year	21,980	22,481	636	45,097
At 31st March 2025	506,529	49,819	1,900	558,248
Net book value:				
At 31st March 2025	592,430	24,302	634	617,366
At 31st March 2024	614,409	46,783	1,267	662,459

10 DEBTORS

	2025	2024
	£	£
Amounts falling due within one year:		
Rental Debtors	331,326	332,571
Less Provision for bad & doubtful debts	(95,549)	(101,208)
Net Rental Debtors	235,777	231,363
Recharge Account Debtors	170,552	131,209
Less Provision for bad & doubtful debts	(108,077)	(77,432)
Net Recharge Debtors	62,475	53,777
HAG Receivable	33,006	564,258
Other Debtors	174,340	237,830
Prepayment and accrued income	239,552	188,423
	745,150	1,275,651

The Rental and Recharge Debtors figures shown above are net of the current Provision for Bad Debts of £203,626 (2024: £178,640). The provision ensures that 100% of the outstanding Ex-Tenant Rent and 100% of the Ex-Tenant Recharge Balances were provided for. Rental Debtors accounts for £95,549 (2024: £101,208) of the provision with the remaining £108,077 (2024: £77,432) deducted from the Recharge Account Debtors.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2025

11 STOCK OF MAINTENANCE SUPPLIES

	2025	2024
	£	£
Stock of Various Items of Ironmongery	-	-

Stock is valued at the lower of cost and estimated selling price less cost to complete and sell using a weighted average method.

12 CREDITORS : amounts falling due within one year

	2025	2024
	£	£
Loans (note 13)	281,313	714,779
Trade creditors	2,958,376	2,720,409
HAG	977,572	977,572
Rent in advance	289,643	248,304
	<u>4,506,904</u>	<u>4,661,064</u>

13 CREDITORS : amounts falling due after more than one year

	2025	2024
	£	£
Loans	46,179,616	41,227,790
Deferred Income	1,498,575	1,428,575
Housing association grants	78,983,155	73,582,186
	<u>126,661,346</u>	<u>116,238,551</u>

Housing property loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments due as follows:

	2025	2024
	£	£
Within one year	281,313	714,779
Between one and two years	296,658	1,431,486
Between two year and five years	984,283	1,006,472
After five years	44,898,675	38,789,832
	<u>46,460,929</u>	<u>41,942,569</u>
Included in creditors: amounts falling due within one year	(281,313)	(714,779)
	<u>46,179,616</u>	<u>41,227,790</u>

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2025

13 CREDITORS : amounts falling due after more than one year (cont'd)

Analysis of changes in loan financing during the year:

	2025	2024
	£	£
At 1 st April 2024	41,942,569	43,151,861
New loans taken out	6,000,000	-
Amounts repaid	(1,481,640)	(1,209,292)
At 31 st March 2025	46,460,929	41,942,569

Derivatives

The Association is not permitted to enter into speculative transactions with financial instruments. The Association follows the guidance set out by the Scottish Housing Regulator. Any financial instrument entered into by the Association is covered by underlying loans. As part of its Treasury Management Policy the Association may use financial derivatives to achieve interest rate certainty. At 31st March 2025, the Association had no interest rate swaps.

14 SHARE CAPITAL

	2025	2024
	£	£
Shares of £1 each		
At 1 st April 2024	35	48
Issued	10	3
Cancelled	(4)	(16)
At 31 st March 2025	41	35

15 REVENUE RESERVE

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2025

16 CASH FLOW FROM OPERATING ACTIVITIES

	2025	2024
	£	£
Surplus for year	3,508,610	3,163,993
Depreciation and impairment of tangible fixed assets	3,391,945	2,804,010
Amortisation of housing association grant	(995,162)	(955,572)
Disposals of tangible fixed assets	-	(242,691)
Decrease in stock	-	4,749
(Increase) / Decrease in trade and other debtors	530,501	(98,426)
Increase / (Decrease) in trade and other creditors	279,306	1,040,378
(Loss) / Gain in respect of pension scheme	165,000	(618,000)
Increase / (Decrease) in provisions	(116,000)	636,000
Net cash flow from operating activities	6,809,293	5,734,441

17 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2024	Cashflows	At 31 March 2025
	£	£	£
Cash at Bank and in Hand	5,897,825	833,937	6,731,762
	5,897,825	833,937	6,731,762
Debt Due within one year	(714,779)	433,466	(281,313)
Debt Due after one year	(41,227,790)	(4,951,826)	(46,179,616)
Total	(36,044,744)	(3,684,423)	(39,729,167)

18 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2025	2024
	£	£
Increase / (Decrease) in cash in the year	833,937	(1,815,411)
Increase / (Decrease) in short term deposits in the year	-	-
	833,937	(1,815,411)
Cash Inflow from increase in net debt	(4,518,360)	1,209,292
	(3,684,423)	(606,117)
Net Debt at 1 st April 2024	(36,044,744)	(35,438,627)
Net Debt at 31 st March 2025	(39,729,167)	(36,044,744)

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2025

19 RETIREMENT BENEFITS

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

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

The last triennial valuation of the scheme for funding purposes was carried out in September 2024. This valuation revealed a total deficit of £79.5m. A new Recovery Plan has therefore been put in place, with deficit contributions to re-start from April 2026 for the following four years.

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

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 company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2025

19 RETIREMENT BENEFITS (continued)

Fair value of plan assets, present value of defined Benefit obligation, and defined benefit asset (liability)

	2025	2024
	£(000's)	£(000's)
Fair value of plan assets	6,515	7,134
Present value of defined benefit obligation	7,416	8,151
Surplus / (Deficit) in plan	(901)	(1,017)
Unrecognised surplus	-	-
Defined benefit asset / (liability) to be recognised	(901)	(1,017)

Reconciliation of the impact of the Asset Ceiling

	2025
	£(000's)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (Gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

Reconciliation of opening and closing balances of the defined benefit obligation

	2025
	£(000's)
Defined benefit obligation at start of period	8,151
Current service cost	-
Expenses	13
Interest Expense	394
Contributions by plan participants	-
Actuarial losses (gains) due to experience	166
Actuarial losses (gains) due to changes in demographic assumptions	-
Actuarial losses (gains) due to changes in financial assumptions	(1,069)
Benefits paid and expenses	(239)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined Benefit obligation at end of period	<u>7,416</u>

NOTES TO THE FINANCIAL STATEMENTS
For the reporting date 31st March 2025

19 RETIREMENT BENEFITS (continued)

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

	2025 £(000's)
Fair value of plan assets at start of period	7,134
Interest income	345
Experience on plan assets (excluding amounts included in interest income- gain / (loss))	(738)
Contributions by Employer	13
Contributions by plan participants	-
Benefits paid and expenses	(239)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rates change	-
Fair value of plan assets at end of period	6,515

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was (£393,000).

Defined benefit costs recognised in statement of comprehensive income (SoCI)

	2025 £(000's)
Current service cost	-
Expenses	13
Net interest expense	49
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	62

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2025

19 RETIREMENT BENEFITS (continued)

Defined Benefit Costs recognised in other comprehensive income

	2025 £(000's)
Experience on plan assets (excluding amounts included in net interest cost – gain (loss))	(738)
Experience gains and losses arising on the plan liabilities – gain (loss)	(166)
Effects of changes in the demographic assumptions underlying the present value Of the defined benefit obligation – gain (loss)	-
Effects of changes in the financial assumptions underlying the present value Of the defined benefit obligation – gain (loss)	1,069
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable gains (loss))	165
Effect of changes in the amount of surplus that is not recoverable (excluding amounts Included in net interest cost) – gain (loss)	-
Total amount recognised in other comprehensive income – gain (loss)	165

20 RELATED PARTY TRANSACTIONS

Two members of the Board are also tenants of the Association (2024 – Two). The tenancies are on the same terms as for other tenants and no advantage can be gained from the position.

During the financial year, Board members were charged rent totalling £11,530 (2024 - £10,776). As at 31 March 2025 £Nil (2024 - £Nil) was due to the Association.

Where members of the Board are also councillors or employees of related local authorities, there are no transactions to disclose that were not made at arm's length or not made under the normal commercial terms.

No Board members received remuneration however members of the management board were reimbursed for out-of-pocket expenses amounting to £395 (2024 - £915).

NOTES TO THE FINANCIAL STATEMENTS

For the reporting date 31st March 2025

21 CAPITAL COMMITMENTS

	2025 £	2024 £
Contracted less certified	4,595,822	1,230,179
Authorised but not contracted	-	-

The Board of Management expects the majority of the expenditure they have authorised to be fully financed by Housing Association Grant from The Scottish Government or by mortgages from private sector lenders.

22 OTHER COMMITMENTS

The Association's total commitments under non-cancellable operating leases are as follows:

	2025 £	2024 £
Other operating leases		
Within one year	32,383	32,191
Between one and five years	120,270	83,559
	152,653	115,575

23 SUBSIDIARIES INFORMATION

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:

Name of Company	Country of Registration or Incorporation	Date of Incorporation	Proportion of Voting Rights	Nature of Business
Subsidiary Undertakings Musselcrag Limited	Scotland	19/08/2010	Wholly Controlled	Dormant since incorporation

24 CONTINGENT LIABILITY

The Association participates in a multi-employer pension scheme. Should the Association leave the scheme, the amount of employer debt has been estimated at £2,419,933 as at 30th September 2024. Currently, there is no plan for leaving the scheme. The Association has taken the decision to close the Defined Benefit structure to all staff, replacing it with the Defined Contribution option, which remains within the SHAPS scheme.