

**CASTLE ROCK EDINVAR HOUSING ASSOCIATION
(TRADING AS PLACES FOR PEOPLE SCOTLAND)**

**Annual Report
Year ended 31 March 2025**

Scottish Charity number SC006035

Registered Society number 1767R(S)

CONTENTS

2	Board of Management, Executives and Advisers
3	Strategic Report
14	Report of the Independent Auditor to Castle Rock Edinvar Housing Association
17	Statement of Comprehensive Income
18	Statement of Financial Position
19	Statement of Changes in Equity and Reserves
20	Notes to the Financial Statements

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Board of Management, Executives and Advisers
For the year ending 31 March 2025

Board of Management

Non Executives

Pamela Scott	(Chair)
Euan Campbell	
Kenny Fraser	(Resigned 27 January 2025)
Janet Hamblin	
Moir Sibbald	
Bryan Sherriff	
Heather Claridge	(Resigned 9 December 2024)
Ryan Blair	(Appointed 7 May 2025)
Michael McLaughlin	(Appointed 7 May 2025)
Kevin Mcleod	(Appointed 7 May 2025)

Executives

Andrew Winstanley	
Katie Smart	(Resigned 1 April 2025)
Kelly Brown	(Appointed 1 April 2025)

Secretary

Kate Deacon

Registered Office

1 Hay Avenue
Craigmillar
Edinburgh
EH16 4RW

Solicitor

T C Young
Melrose House
69a George Street
Edinburgh
EH2 2JG

Registered Auditor

MHA
The Pinnacle
150 Midsummer Boulevard
Milton Keynes
MK9 1LZ

Banker

Barclays Bank
38 Fishergate
Preston
PR1 2AD

Registration of the Association

Castle Rock Edinvar Housing Association is a Registered Social Landlord (HEP106) and is registered under the Cooperative and Community Benefit Societies Act 2014 (Registered Number 1767R(S)). It also has charitable status (Scottish Charity No. SC006035).

Castle Rock Edinvar is a member of the Places for People Group. The Places for People Group is registered under the Housing and Regeneration Act 2008 (number L4236) and under the Companies Act (number 3777037).

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Strategic Report
For the year ending 31 March 2025

The board is pleased to present its report and Financial Statements for the year ended 31 March 2025.

Castle Rock Edinvar is a Scottish Registered Social Landlord (RSL) and Scottish Charity with its registered office in Edinburgh. It is a leading Scottish RSL both in scale and significance and considered by the Scottish Housing Regulator as being of systemic importance. Castle Rock Edinvar is one of four Registered Social Landlords in the Places for People Group.

Places for People Group

Places for People Group ("the Group") is a leading social enterprise. We believe that community matters and we need to provide services which support communities to thrive. Our Group of companies have the expertise and capability to create and manage entire communities - from development and construction to multi-tenure management, right across the UK.

At the core of our strategy we have a long-term commitment to the sustainability of communities. We provide homes and services at every stage of people's lives, from student accommodation and homes for first time buyers right through to retirement. We aim to provide options for as many people as possible including different age groups, financial circumstances and life stages.

Vision, mission and values

Places for People Group's vision is "*Because Community Matters*". We want to be - and be known as - the UK's Leading Social Enterprise. We are changing lives by creating and supporting thriving communities. We will do this by Managing Communities, Developing Communities and Helping Communities. Making sure we look after our homes, build and acquire new homes in the right places and support communities through health, wellbeing, employment and inclusion.

Principal activities of Castle Rock Edinvar

The aim of Castle Rock Edinvar and its subsidiary, Places for People Scotland, is to be a successful Scottish landlord who will support and sustain thriving communities with the combined strengths of the Group.

Castle Rock Edinvar owned or managed 8,634 properties at 31 March 2025 (2024: 8,445). The turnover of Castle Rock Edinvar was £56.4 million (2024: £49.7 million) during the year. Castle Rock Edinvar directly employed 137 FTE staff (2024: 118) and is supported by central services and expertise from the Group.

Castle Rock Edinvar's vision aligns with the Group and is "because community matters". The mission is: "to be Scotland's best affordable housing business." Castle Rock Edinvar's priority is to grow and expand the offer in Scotland to reflect the capability and capacity of the Places for People Group. This will include building more homes, extending in to new geographies, seeking further opportunities for new communities and using our reputation and influence to create opportunities for the Group.

Our mission is underpinned by six strategic pillars that drive our actions and results:

- **Customers** – We exist because of our Customers, we always do the right thing
- **People** – Engaged, developed, and trusted People
- **Effortless** – Ensure an effortless experience for People, Customers, and partners and remove barriers and improve service
- **Growth** – Unlock growth, balance social good and commercial outcomes to deliver more Communities
- **Brand** – Build the brand from the inside out, unleash a respected and trusted brand, lead the sector to ensure there's a fair external narrative
- **Investment** – Fulfil our social responsibility; balance economic, environmental, and social needs to improve the lives of current and future generations

This mission is underpinned by our Customer promises which were launched during the year. These are:

- **Before and when you're a Customer...** We'll make it easy for you to join our Community. We'll welcome you, make it clear about how things will work, how we'll engage with you, and what we should expect from each other.
- **While you're with us...** We'll be considerate and passionate, fair and honest. We'll trust you and want you to trust us. We'll respect you and your individuality, we'll listen, understand your needs, and support you. We'll always think of ourselves as a Customer.
- **When you need us...** We'll be easy to speak to, easy to deal with, and we'll communicate in the way that works for you. We'll own it and we'll keep you informed along the way. We'll always aim to do what we say, when we say we will. But if we can't, we'll talk to you and explain what's happening.
- **If something goes wrong...** We'll listen, say sorry, and get things sorted as quickly as possible. We'll aim to do the right thing. Always.
- **And all the time you're a Customer...** Whether it's keeping you safe and secure, improving your health and wellbeing, or providing additional support, we'll always do as much as we can to make you thrive.

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Strategic Report
For the year ending 31 March 2025

Principal markets and associated risks

Castle Rock Edinvar is one of the largest housing associations in Scotland and currently operates across eleven local authority areas. It owns or manages 8,634 homes and last year built 213 new homes for Social Rent and Mid Market Rent.

Castle Rock Edinvar allocates homes to people based on need with rents set to be 'affordable' to those on low incomes and new homes continue to be subsidised by capital grant. Castle Rock Edinvar has a strong balance sheet and operating profits. The strength and reputation of Castle Rock Edinvar is used to lever additional opportunities for the Group in Scotland. The non charitable and commercial operations within Scotland, including developing for outright sale and shared equity and market and mid-market rent are carried out within the trading subsidiary, Places for People Scotland.

The board has identified the following current and future potential strategic risks:

<i>Identified Risk</i>	<i>Controls and mitigation</i>
Data Management and Governance	We work with the wider group to ensure we appropriately manage our data and have governance in place to reduce associated risks. There is a data protection framework across the Group, underpinned by a breach reporting process, compliance reviews, training programme. We regularly simulate phishing activities to assess colleague vigilance and raise awareness. We have access to in-house expertise who work with business data owners to review and manage all aspects of data governance.
Organisational Resilience	The Group strategy, 'Because Community Matters', focuses on creating, managing and supporting thriving Communities. As our strategy develops the board will be kept apprised of changes that are being made to ensure appropriate oversight and that regulatory and governance requirements are fully met.
Uncertainty about the future grant funding regime	Alternative models of funding to be explored, including a Social Rent version of the MMR Fund.
Impact of Increasing Arrears	Rent affordability assessment carried out annually. Financial Inclusion and Income Collection Teams in place and trained on how to deal with Universal Credit as well as financial risk assessments carried out with all new tenants. Arrears KPIs continually monitored. CRE is also a trusted partner of the DWP.
Development	For development projects there is an established risk assessment, sales scenario evaluation, business case board approval, project control and handover processes in operation. There are weekly updates on sales performance, market monitoring within Places Developments and regular monitoring of work in progress is also undertaken between Finance and the Developments teams.
Regulatory	The Group actively engages with the Regulator of Social Housing and Scottish Housing Regulator and completes an annual self-assessment against regulatory standards.
Significant Performance Failure	An established performance monitoring framework is in place including monthly reporting to senior management and quarterly to the board. A complaints policy is in place with ongoing complaints monitored in real time. Regular training is provided to staff.
New Business and Joint Venture Activity	Robust Business Planning processes are in place accompanied by Project Boards, Project Management & Budgeting to manage the performance and success of new ventures. A business case and approval procedure is also in place.
Business Continuity	We work with the wider Group to manage business continuity and associated risks. Oversight and direction for the Group's business continuity is provided through the Business Continuity and Crisis Management Group. The company's Business Continuity Plan and Emergency Procedures are reviewed six monthly and annual assurance signed by the Managing Director. The Risk and Resilience Group meet quarterly with full SMT membership, chaired by Managing Director. A Health and Safety Business Assurance audit is carried out as part of the regulation plan as well as the Group Health and Safety Team conducting audits of business systems and processes to offer assistance.

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Strategic Report
For the year ending 31 March 2025

Principal markets and associated risks (cont'd)

Risk management is at the heart of the approach to planning and running the business. The board and senior management have developed, and regularly review, a Risk Map in accordance with Group procedures. It identifies, quantifies and prioritises risks to ensure that each risk is appropriately owned and managed and ensures that effective controls and mitigation strategies are in place to reduce risks to a level that accords with the Board's appetite for risk.

Delivering successful outcomes in 2024/25

As one of Scotland's leading housing associations we recognise the importance of growth, investment and efficiency to improve both the organisation, outcomes for Customers and support the wider housing and place-making sector. In 2024/25, in collaboration with others, Castle Rock Edinvar's achievements included:

- We have invested £9.0m in our existing properties to ensure that they are suitable homes for our Customers. Energy efficiency initiatives are paramount in directing the areas of expenditure. During the year we have let 573 homes. Our award winning Financial Inclusion Team (FIT) received 2,053 referrals, helping Customers sustain their tenancies, accessing additional benefits and grants totalling £1.9m across the UK. We have continued to support our Customers across the UK through the cost of living crisis by issuing food and energy vouchers totalling £5,873. The association invested £236k across 54 social value projects which engaged 12,807 people in social value activities, this in turn generated £14.1m of social value during the year. We have provided £172k of approved adaptations to Customers properties to allow them to remain in their homes and improve their use of their homes.
- Development outcomes - We developed and took handover of 138 new social rented properties across 10 sites in Scotland, and, in addition, 74 mid-market properties over 6 sites. We also have an additional 116 Social Rent and 95 mid-market properties scheduled for handover in 2025/26.
- Throughout the year the business has continued to meet its KPI's with strong performance throughout the year. Void loss reduced to 1.38% (2024: 1.69%) this was ahead of the annual target following work to reduce the time void properties are held in repair balanced with challenges around new properties being developed and an increase in tenancy turnover in the year. Current tenant arrears held steady at 4.2% (2024: 4.2%) with the internal teams balancing early intervention with ongoing support to manage levels of debt rather than formal enforcement action. The repairs service also had 81.97% of appointments made and kept (2024: 100%). Furthermore non emergency repairs completed right first time was 92.28% (2024: 97%).

Castle Rock Edinvar continues to develop and implement our strategy to be positioned as a leading housing association in Scotland.

Income and expenditure for the year

Castle Rock Edinvar's turnover for the year ended 31 March 2025 was £56.4m (2024: £49.7m) (Note 2).

The total revenue and capitalised expenditure, including property services overheads, on repairs and improvements during the year amounted to £20.8m (2024: £17.3m). This represents expenditure on maintaining and improving our assets as part of the planned asset management programme.

During the year to 31 March 2025 Castle Rock Edinvar sold 23 properties generating a surplus of £2.6m (2024: 26 properties).

The surplus on ordinary activities for the year was £25.3m (2024: £22.3m). The reserves carried forward at 31 March 2025 were £261.3m (2024: £235.6m) which included a £0.4m actuarial gain on the Scottish Housing Association Pension Scheme which is explained in note 21 of the Financial Statements (2024: £0.7m loss). These are predominantly invested in housing properties. More details of other income and expenditure are included in notes 2 to 10 to these accounts.

Balance sheet at 31 March 2025

The depreciated cost of Castle Rock Edinvar's housing assets at 31 March 2025 was £770.0m (2024: £712.7m). These have been funded from Housing Association Grant (HAG) and other capital grants of £351.3m (46%), loans of £160.6m (21%) and the Association's own resources of £258.1m (33%).

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Strategic Report
For the year ending 31 March 2025

Donations

No gift aid payment was received from Places for People Scotland Limited during the year ended 31 March 2025 (2024: £Nil).

Operational performance for the year

Operational performance is monitored robustly by senior management and the board throughout the year against a number of key performance indicators which measure business efficiency and Customer satisfaction.

The Scottish Housing Regulator requires a satisfaction survey at least every three years. A total of 378 telephone, 66 emails and 91 face to face interviews were carried out during the year. The results the survey showed an overall satisfaction for the service of 69.59%.

The volume of repairs increased from the prior year to 26,726 (2024: 20,779) with 96.28% of repairs right first time and 80.92% of repairs made and kept. The emergency repairs average timescale increased to 102.63 hours (2024: 11.3 hours). Non-emergency repairs was 24.94 days which was below target of 28 days (2024: 16 days). Gas servicing achieved 99.75% compliance to have current landlord gas safety certificates at 31 March 2025.

There has been a decrease in total arrears from 5.00% to 4.25%. Our focus is promoting the People first ethos, making every attempt possible to contact those Customers whose arrears are increasing. The business ensures every effort to contact the Customer is in place, arrange potential personal visits by themselves or the neighbourhood team. We also have a fund to assist those Customers at risk of eviction who are genuinely trying to resolve the issue.

We continue to monitor our properties to ensure that they meet the standard for the Energy Efficiency in Scottish Social Housing (ESSH). As at 31 March 2025, of our 7,025 (2024: 6,902) self-contained properties within the scope of SHQS, there were 497 exemptions (2024: 452) and 85.7% (2024: 81.2%) of properties meeting the standard. We are continuously assessing our SHQS requirements to ensure we meet regulatory standards. Of the 999 properties in Scotland that do not currently meet the SHQS standard, 331 properties are classed as 'Fails' (2024: 318). No access to carry out electrical testing (EICR) account for the majority of the 170 abeyances; the Compliance Team and Housing Teams are working together to address these. The remaining 497 properties are classed as Exempt from meeting the standard due to factors out of the control of PFPS.

The Association's strategy is aligned to that of the parent company Places for People Group Limited, as such the Financial Viability Statement and Value for Money information appropriate to the Association can be found in the Group financial statements that can be obtained from the Group's registered office at 305 Gray's Inn Road, London, WC1X 8QR.

Future developments and initiatives

Castle Rock Edinvar completed 138 social rented properties during the year to 31 March 2025 (2024: 244) and will complete a further 115 social rented properties by the end of March 2026. Furthermore Castle Rock Edinvar completed 74 mid-market rent units which are subsequently leased to Places for People Scotland with a further 95 units expected to be completed by the end of March 2026. Capital expenditure contracted but not provided in the accounts amounted to £43.2m (2024: £39.3m) (Note 20).

Development performance is monitored using a number of indicators covering profitability of schemes, cost control, development pipeline and the management of working capital. Castle Rock Edinvar has ownership of or is in control of land to ensure continued growth through the development of new stock, subject to the availability of grant funding and new borrowings which will form part of the Places for People Group's overall capital investment strategy.

Investments

Castle Rock Edinvar has invested £10.0m into a Scottish Mid-Market Rent Fund through PFP Capital. The objective of the fund, in conjunction with The Scottish Government is to stimulate delivery of new mid-market rent homes across Scotland. It is envisaged that local authority pension funds will invest alongside Castle Rock Edinvar and the Scottish Government to create a fund with an initial target of £150m of investment which when deployed, will be scaled up to become the largest single investor of affordable homes across Scotland.

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Strategic Report
For the year ending 31 March 2025

Treasury management

Castle Rock Edinvar's internal borrowings increased during the year from £144.6m at March 2024 to £155.1m at March 2025 due to an increase in the activity within the development programme. The ratio of net loans to housing assets decreased to 20% (2024: 21%) which is within the strategy target maximum of 50%.

The board regularly reviews treasury management. The Group's policy is to retain minimal cash whilst ensuring that sufficient loan facilities are available and immediately accessible to finance a minimum of one year's cash flow. Cash projections cover a 3 year period to continuously monitor future borrowing requirements.

During the year the percentage of loans arranged at fixed interest rate was 100% (2024: 100%). The ratio of fixed and variable rates are reviewed regularly to ensure that Castle Rock Edinvar borrows at the best rates.

Employment

During the year ended 31 March 2025 the average number of People employed, expressed as full time equivalents, was 137 (2024: 118). Employee information is stated in Note 6 to these financial statements. The board considers that employee involvement is essential to its continuing success and uses a variety of methods to inform, consult and involve its employees. The Our Place Rewards benefits portal continues to provide a wide range of benefits to all staff. Staff also have access to a comprehensive range of learning and development materials including the Places Academy. In 2022/23 we introduced an all colleague bonus, started a colleague hardship fund and introduced tiered pay increases based on salary which continued into 2024/25. The Places for People Group holds the Investors in People Gold accreditation and are a real living wage employer. For the twelve months to 31 March 2025, absenteeism was 6.62% (2024: 7.4%), Staff turnover reduced to 13.1% (2024: 17.2%).

Following feedback from the annual big colleague survey, staff roadshows and collaborative working we invested resources in enhancing the working environment, various health initiatives and introduced a wellbeing strategy.

Equality and diversity

The board is committed to achieving equality through diversity and its policies and strategies recognise that all People have the right to their own distinctive and diverse identity. The board recognises that it has the power to reduce the disadvantages that People experience by making services more responsive to all Communities and individual needs. The board also recognises its responsibility to meet these diverse needs by having a diverse workforce, which generally reflects local populations and has the skills and understanding to achieve the service objectives.

Pension funds

The Association contributed to one Defined Benefit and two Defined Contribution schemes during the year. The Scottish Housing Associations' Pension Scheme - defined benefit section ("the Scheme") is closed to new accrual. All new employees joining the Association now have the option of joining the Scottish Housing Associations' Pension Scheme - defined contribution section ("the DC Scheme"), to which the Association contributes. Auto enrolment staff will also join this DC Scheme. The Places for People Group Stakeholder defined contribution scheme ("the Group Scheme") from 1 April 2014 is only available to new entrants with sessional contracts. The board will continue to review the Pension Strategy in 2025/26. More details of the Association's Pension Obligations are included in Note 21.

Health and safety

The board takes very seriously its responsibilities on all matters relating to Health and Safety. There is a Health, Safety, Safeguarding and Compliance Management Group, led by the Group Director of Property Safety and Compliance, and chaired by the Chief Risk Officer. This group consider health and safety performance across the Group and works to improve culture and attitudes to working practices. Health, Wellbeing and Safety performance is audited by both Group Health and Safety staff and Business Assurance. We also introduced a wellbeing strategy to complement our Health and Safety Plan.

During the H&S Assurance process all governing H&S Group Standards have been reviewed. Throughout 2024/25 we will be ensuring Castle Rock Edinvar remains compliant with these standards and addressing identified gaps. To further embed our H&S culture and to promote continual improvement, all staff with key H&S responsibilities will have H&S objectives set as part of the appraisal process. During 2024/25 there were 0 (2024: 0) reportable RIDDOR accidents.

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Strategic Report
For the year ending 31 March 2025

The Environment and Corporate Social Responsibility

The board recognises the need to develop its business in a sustainable manner. The business is developed to meet the needs of the present without compromising the ability of future generations to meet their own needs. We recognise that there are physical limits to the resources of the Earth (both in terms of generating materials and absorbing waste), and that any business activity that exceeds these limits is, by definition, unsustainable in the long term. In addition to making effective use of natural resources and enhancing the environment, we also believe that to achieve short and long term sustainability we need to promote social cohesion and inclusion and strengthen economic prosperity in the Communities in which we work. Places for People has been accredited with ISO 14001.

The board

Responsibility for Castle Rock Edinvar's activities rests with the board as detailed in the Governance Handbook. The Places for People Group, including Castle Rock Edinvar, adopted a code of conduct based on the UK Corporate Governance Code (UKCGC).

Details of the board members can be found listed on page 2 of these financial statements. The normal term of office is an initial three years. Extensions may be granted to board members' terms if approved by the Places for People Group Remuneration & Nominations Committee. The board has a range of skills and experience which meet UKCGC requirements. The board's approach to diversity, including gender, is consistent with that of the Group. Further information on this and the required disclosures are included in the consolidated financial statements which are available from the registered office address. In addition all directors have access to the Group Company Secretary for advice.

The board is well equipped to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct that are vital to the success of the Association. Induction is provided for new members joining the board and regular updates are provided to refresh their skills and knowledge. Board members have a duty to exercise reasonable care, skill and diligence; a duty to promote the success of the Association; a duty to act within their powers; a duty to exercise independent judgment; a duty to avoid conflicts of interest; a duty not to accept benefits from third parties and a duty to declare any interest in a proposed transaction or arrangement. Each of the non-executive directors who served during the financial year were considered to be independent up to the date of their resignation or year-end. All potential conflicts of interest including those of executive directors are recorded and minutes are taken at each meeting and held in a register. During 2024/25 the board underwent an internally facilitated review of its effectiveness and the results of the review concluded that the board had been effective during the year. In addition, the chair conducted annual performance reviews of the board members with the senior independent director conducting a review of the chair's performance during the year.

Appropriate levels of training are provided throughout the year. Changes to the strategic policies and regulatory requirements are presented to the board.

The board annually reviews its compliance with the UKCGC and reports on that review to the Group Board. The board concluded that governance arrangements for the Association operated effectively and that the board had operated effectively during the year.

The board and the committee meets at least quarterly with additional meetings held during the year as and when appropriate. The board members' attendance at board and Committee meetings, in relation to the number of meetings held, during the year ended 31 March 2025 is set out below.

Board Members		Board Meetings	Audit & Risk Committee	AGM
Pamela Scott	Chair	5/5	3/4	1/1
Moir Sibbald		5/5	3/4	1/1
Euan Campbell	Chair - Audit & Risk Committee	4/5	4/4	1/1
Janet Hamblin	Senior Independent Director	5/5	3/4	1/1
Kenny Fraser	Resigned 27/01/25	4/4	0/3	0/1
Bryan Sherriff		3/5	3/4	0/1
Ryan Blair	Appointed 07/05/25	N/A	N/A	N/A
Michael McLaughlin	Appointed 07/05/25	N/A	N/A	N/A
Kevin Mcleod	Appointed 07/05/25	N/A	N/A	N/A
Kelly Brown	Appointed 01/04/25	N/A	N/A	N/A
Heather Claridge	Resigned 09/12/24	1/3	0/3	0/1
Katie Smart	Resigned 01/04/25	5/5	3/4	1/1
Andrew Winstanley		4/5	0/4	0/1

Internal Control and Risk Management

The board has delegated responsibility for reviewing internal control and assurance systems to the Audit & Risk Committee. The Committee conducts a review of the effectiveness of the Association's risk management and internal control systems through regular reports and by an annual review prior to consideration of the financial statements. The Committee reports to the board on its level of satisfaction with the system of controls annually. The board secures assurance as to the effectiveness of the system of internal control and risk management by those means.

The Group Business Assurance function supports the board and management through the provision of an objective and business-focused review service. An operational plan developed in conjunction with Management and the Audit & Risk Committee focuses upon key business risks. A plan is developed using the 'three lines of defence' model, to take account of existing quality assurance and compliance functions that provide a 'second line of defence' against control failures across the business.

The Audit & Risk Committee has reviewed the effectiveness of the system of internal control for the year ended 31 March 2025 and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

The board and senior management have developed a Risk Map in accordance with Group procedures to evaluate each of these risks and to outline mitigation strategies.

Group Accounts

Castle Rock Edinvar Housing Association is exempt from the requirement to prepare and deliver group accounts as it is itself a wholly owned subsidiary of Places for People Group Limited. As such these financial statements present information about Castle Rock Edinvar Housing Association as an individual undertaking and not about it as a group.

Corporate Governance

The board has regard to the UKCGC when setting its corporate governance, by which it governs the organisation. In doing so the board closely follows the principles followed by Group. Linked to the above, the Association has adhered to these principles except for Code provisions 4, 5, 14 and 18.

Provisions 4, and 18 contemplate dialogue with external shareholders or decisions being referred to shareholders on matters of director appointments, auditor appointments, director remuneration and the use of the AGM to communicate with investors.

Castle Rock Edinvar does not have external shareholders in the sense contemplated by the Code and therefore it addresses the need for scrutiny and evaluation through the board or an appropriate standing committee of the board and the Group engages with investors through a series of roadshow meetings and through an annual investors forum. Where Castle Rock Edinvar does not operate a particular standing committee of its own board it relies on Group Board level committees, described below, to perform these relevant functions.

The Group has an Audit & Risk Committee, a Remuneration & Nominations Committee, a Development Committee and a Treasury Committee. With the exception of the Group's Audit & Risk Committee, the remit of those committees extends to Castle Rock Edinvar. The committees draw members from and report to the Group Board and the Group Chief Financial Officer and Group Company Secretary also serve on the board of Castle Rock Edinvar, ensuring that information from the committees reaches Castle Rock Edinvar's board. In this way, the provisions of the Code are met in respect of Castle Rock Edinvar.

Provision 5 states that the board should understand the views of other key stakeholders and describe in the annual report how their interests and the matters set out in section 172 (duty to promote the success of the company) of the Companies Act 2006 (the 2006 Act) have been considered in board discussions and decision-making. Castle Rock Edinvar is a registered society rather than a company and so the specific reporting requirements under section 172 of the 2006 Act do not apply to it. However, Castle Rock Edinvar's parent company, Places for People Group Limited, publishes consolidated group accounts which do contain a section 172 statement within its Strategic report. That statement addresses the issue of identification of key stakeholders and engagement with their views across the whole Group including Castle Rock Edinvar.

Provision 5 also prescribes the options for workforce engagement. The board has concluded that its methods for engagement described in the Group's Annual report are effective and more suited to the Group's overall needs than any of the Code's prescribed mechanisms. The Group Annual report contains a Governance report that details the governance arrangements of the Group, and how the Code is applied at Group Board level. Board members consider the report and accounts, taken as a whole, to be fair, balanced and understandable.

Going concern and viability statement

The going concern assessment considers whether it is appropriate to prepare the financial statements on a going concern basis. In line with the majority of businesses within the UK the Group is faced with the need to address the consequences of severe and ongoing macroeconomic shocks over the past three years, including from Brexit, Covid-19, and resulting from Russia's invasion of Ukraine. High inflation and interest rates, a tight labour market and the residual impact of the pandemic on supply chains have increased costs and impacted incomes. The Groups business planning and the accompanying stress testing process incorporate these challenges, which continue to be monitored on a regular basis.

At 31 March 2025 the Group had cash and undrawn facilities of £0.9bn. The Group continues to actively manage its cash flows in order to mitigate any reductions in income and maintains a policy of having a minimum 18 months' liquidity.

The directors have reviewed the projected cash flows covering a period of 12 months from the date of the approval of the financial statements, which indicate that the Group will be able to operate within the levels of its agreed facilities and the compliance with debt covenants.

Castle Rock Edinvar receives funding from Places for People Homes through an on-lending facility, Places for People Homes is part of the Guarantor Group and can access funding from this Group pool, therefore the liquidity position of the Group supports the going concern assumption for Castle Rock Edinvar.

On the basis described above, the directors are confident that the Group has adequate resources to continue to meet all liabilities, as and when they fall due, for 12 months from the date of approval of the financial statements and therefore consider it appropriate to adopt the going concern basis in preparing these financial statements.

The UK Corporate Governance Code requires the directors to make a statement with regard to the viability of the Group. This requires consideration of solvency and liquidity over a longer period than the going concern assessment. The Group's strategic plan covers a 10-year period, over which the directors have made assumptions regarding the Group's revenues, operating costs and cash requirements.

The projections for the first three years of the plan are based on current opportunities and include an expectation of the rental incomes for the Group. There is inherently less certainty in the projections from year four to ten.

Consistent with prior years, the directors have therefore determined that three years is an appropriate period for this viability statement.

For the purposes of both Viability and Going Concern, an annual Stress Testing exercise is undertaken as part of the Business Planning process to assess the financial strength and robustness of the Group's plan. Using the ten year business plan, it aims to identify the circumstances which would push the Group to breaking point and the options available to mitigate such circumstances and ensure the Group meets all of its key financial metrics and loan covenants. The tests applied include amongst others, rent restrictions, housing market downturn, high inflation rates and sustained high interest rates. They show that with appropriate mitigations applied, the Group is able to meet all external loan covenants, even in the most extreme circumstances modelled.

The board continuously monitor changes in internal and external indicators which could suggest that there is an increased risk of the stress test scenarios arising. These "stress test triggers" are an early warning mechanism enabling decisions to be made in relation to the potential deployment of mitigations.

On the basis of these assessments, the board is confident that the Group will remain financially viable for the three year period covered by this statement and beyond.

Compliance with the Scottish Housing Regulator's Financial Regulatory Standards and Financial Viability Standard

The Association has assessed the position and confirms that it has complied with the Scottish Housing Regulator's Standards of Governance and Financial Management.

Statement of Board to the Auditors

At the time of approval of this report:

- So far as the board is aware, there is no relevant audit information of which the Associations' Auditor is unaware,
- The board has taken all steps that they ought to have taken as a board in order to make themselves aware of any relevant audit information and to establish that the Association's Auditor is aware of that information.

Statement of Internal Financial Control

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

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

It is the board'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 mis-statement or loss. Key elements of the Association's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key system and rules in relation to the delegation of authority, which allow the monitoring of controls and restrict 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 and performance;
- forecasts and budgets are prepared which allow the management team and the board to monitor key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- monthly 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;
- the board 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; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The board has reviewed the effectiveness of the internal financial controls 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.

Statement of Board's responsibilities in respect of the Board's report and the financial statements

The board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the board to prepare financial statements for each financial year. Under those regulations the board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association and of its income and expenditure for that period.

In preparing these financial statements, the board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2019. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

By order of the Board



Kate Deacon
Company Secretary

Independent auditor's report to the members of Castle Rock Edinvar Housing Association only

Opinion

We have audited the financial statements of Castle Rock Edinvar Housing Association ("the Association") for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of the Association as at 31 March 2025 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been prepared in accordance with the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2019.

Basis of 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.

Going concern

The Association's Board has prepared the financial statements on the going concern basis as they do not intend to liquidate the association or to cease its operations, and as they have concluded that the Association's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the board's conclusions, we considered the inherent risks to the Association's business model and analysed how those risks might affect the Association's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified and concur with the board's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Association will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Association's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud,
- Reading board and Audit & Risk Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet internal performance targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from property sales is recorded in the wrong period and the risk that Association management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Association-wide fraud risk management controls

We also performed procedures including:

Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by unexpected individuals, journals posted to seldom used accounts, and journals posted to cash and turnover that were considered outside of the normal course of business.

Assessing whether revenue transactions in either side of the year end were recognised in the correct period.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Association is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Association is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related Co-operative and Community Benefit Societies Act), taxation legislation and disclosures required by Housing legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Association is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws and certain aspects of housing legislation recognizing the financial and regulated nature of the Association's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Other information

The Association's Board is responsible for the other information, which comprises the Board's Annual Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the Statement on Internal Financial Control does not provide the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls; or
- in our opinion, the Statement on Internal Financial Control is materially inconsistent with the knowledge acquired by us in the course of performing our audit.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Auditor's responsibilities

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 the 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. Based on our understanding of the Association, and its sector, we identified that the principal risks of non-compliance with laws and regulations related to employment laws, pension legislation, health and safety regulations, anti-bribery, corruption, fraud, money laundering, Homes England requirements and Regulator of Social Housing requirements and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Co-operative and Community Benefit Societies Act 2014, section 69 of the Housing (Scotland) Act 2010, and the Registered Social Landlords Determination of Accounting Requirements 2019.

We evaluated the board's and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to capitalisation of development expenditure and works to existing properties, and significant one-off or unusual transactions.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

- Discussing with the board and management their policies and procedures regarding compliance with laws and regulations;
- Communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud.

Our audit procedures in relation to fraud included but were not limited to:

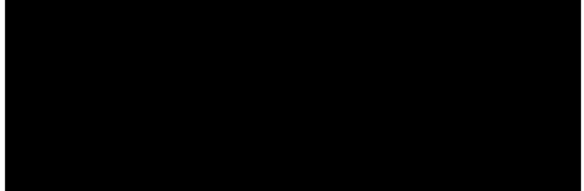
- Making enquiries of the board and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Use of the audit report

This report is made solely to the Association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 69 of the Housing (Scotland) Act 2010. Our audit work has been undertaken so that we might state to the Association those matters we are required to state to it 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, for our audit work, for this report, or for the opinions we have formed.



MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542).

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Statement of Comprehensive Income
For the year ending 31 March 2025

	Notes	2025 £'000	2024 £'000
Turnover	<u>2</u>	56,366	49,744
Operating costs	<u>2</u>	(28,780)	(26,520)
Surplus on sale of fixed assets	<u>5</u>	2,595	2,912
Gain on revaluation of investment properties	<u>13</u>	30	325
Operating surplus	<u>2</u>	30,211	26,461
Interest receivable and similar income	<u>7</u>	211	464
Interest payable and similar charges	<u>8</u>	(5,096)	(4,584)
Surplus on ordinary activities		25,326	22,341
Actuarial (loss)/gain recognised in the pension scheme	<u>21</u>	422	(737)
Total comprehensive income for the year		25,748	21,604

All activities are continuing.

The notes on pages 19 to 36 form an integral part of these financial statements.

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Statement of Financial Position
As at 31 March 2025

	Notes	2025 £'000	2024 £'000
Fixed assets			
Housing properties - depreciated cost	11	770,038	712,658
Other fixed assets	12	2,576	2,591
Fixed asset investments			
Fixed asset investment	13	12,655	12,625
Homebuy fixed asset investment	14	175	170
		12,830	12,795
Total fixed assets		785,444	728,044
Current assets			
Stock	15	222	180
Debtors: amounts due within one year	16	14,803	3,884
Cash at bank and in hand		239	412
		15,264	4,476
Creditors: amounts due within one year	17	(20,449)	(15,648)
Net current liabilities		(5,185)	(11,172)
Non-current liabilities			
Creditors: amounts falling due after more than one year	18	(516,481)	(478,549)
Pension provision	21	(2,462)	(2,755)
		(518,943)	(481,304)
Net assets		261,316	235,568
Capital and Reserves			
Non equity share capital	19	-	-
Revenue reserve		261,316	235,568
Total capital and reserves		261,316	235,568

The notes on page 19 to 36 form an integral part of these financial statements.

The financial statements on pages 16 to 36 were approved by the directors on 4 September 2025 and were signed on its behalf by:



Pamela Scott
Chair

A Winstanley
Director

Kate Deacon
Secretary

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Statement of Changes in Equity
For the year ending 31 March 2025

	Retained Earnings £'000
Balance at 1 April 2024	235,568
<i>Total comprehensive income for the year</i>	
Net surplus for the year	25,326
Actuarial loss recognised in the pension scheme	422
Balance at 31 March 2025	<u>261,316</u>

The notes on pages 19 to 36 form an integral part of these financial statements.

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 (FRS 102), the Companies Act 2006, the requirements of the Co-operative and Community Benefit Societies Act 2014 and Determination of Accounting Requirements 2019 and comply with the accounting requirements of section 68(1) of the Housing (Scotland) Act 2010.

The Association is a public benefit entity.

The financial statements are presented in Sterling (£'000).

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of accounting

The financial statements have been prepared under the historical cost convention and comply with the Registered Social Landlords Accounting Requirements (Scotland) Order 2014.

The Association's ultimate parent undertaking includes the Association in its consolidated Financial Statements. Those consolidated Financial Statements are prepared in accordance with FRS 102 and are available to the public and may be obtained from Places for People Group Limited, 305 Gray's Inn Road, London, WC1X 8QR.

As the consolidated financial statements of the ultimate parent undertaking, Places for People Group Limited, include the equivalent disclosures, the Association has also taken the exemptions under FRS 102 available in respect of financial instruments and has not provided disclosures otherwise required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1. The Association has applied the exemptions available under FRS 102.1.11 and FRS 102.1.12 (preparation of a statement of cash flows and related notes).

The directors, after reviewing the company's budgets for 2025/26 and the group's medium term financial position as detailed in the 30-year business plan, are of the opinion that, taking account of severe but plausible downsides, the company will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. The directors therefore continue to adopt the going concern basis in preparing the annual financial statements.

Significant Judgements

The following are the significant judgements, apart from those involving estimations (which are set out separately below), that have been made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Going Concern

In order to assess whether it is appropriate for the Association to be reported as a going concern, the management apply judgement, having undertaken appropriate enquiries and having considered the business activities and the principal risks and uncertainties. The Association's ultimate parent undertaking, Places for People Group Limited, includes a full review of going concern and is set out in the Going Concern and Viability Statement of the consolidated financial statements. In arriving at this judgement there are a large number of assumptions and estimates involved in calculating future cash flow projections. This includes management's expectations of both property sales and rental turnover, operating costs, timing and quantum of future capital expenditure and estimates and cost of future funding. Sensitivity testing, involving challenging scenarios including reasonable worst case scenarios in respect of Covid-19, has been undertaken in respect of the assumptions used within the going concern assessment. As a result of these considerations the financial statements have been prepared on a going concern basis.

Investment properties

The Association owns a range of different property types. This requires the Association to assess which properties should be classified as investment properties as these properties are held at a market valuation, not at depreciated cost.

The Association considered the FRS 102 definition of investment property which refers to property held to earn rentals for capital appreciation, rather than for administrative purposes or for sale in the ordinary course of business. The Association has also reviewed Section 16 of FRS 102 that precludes the classification of property held primarily for the provision of social benefits being classified as investment property. The Association has applied this by judging that rental properties without public subsidy attached to them are investment properties.

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

Accounting estimates

The nature of estimation means that actual outcomes may differ from the estimates made.

Residual value of social housing properties

It is considered that the estimate of residual value of social housing properties has a significant impact on the carrying amount of social housing assets. The Association considers the residual value of social housing property structure to be cost. The net book value of completed social housing properties is £730.4m. The residual value of social housing property structure is £43.8m above the carrying value as at 31 March 2025.

Defined benefit pension schemes

The Association has defined benefit obligations relating to one pension scheme. Note 21 sets out the details for this scheme and the assumptions made to assess the net scheme benefit as at the reporting date. The Association engages qualified actuaries to advise on an appropriate discount rate. A decrease in the discount rate used of 0.1% is estimated to reduce scheme total deficits by £191k.

Investment properties

In addition to judging whether or not properties are categorised as investment properties, the Association is also required to estimate the fair value of investment properties on an annual basis. A full valuation was carried out in line with the principles of RICS guidance and the Red Book. The results of the valuation exercise have been subjected to management scrutiny and challenge.

Recoverability of Stock

The Association has £222k of stock at 31 March 2025 (2024: £180k), comprising trade stock of £222k. FRS 102 section 13 requires stock to be measured at the lower of cost and estimated selling price less costs to complete and sell. The Association also undertakes sensitivity analysis and has assessed that a short-term drop in expected selling prices of our completed properties of 10% would not result in a material impairment charge.

The Association monitors development projects and properties held for sale on an ongoing basis and uses rigorous appraisal techniques to estimate the recoverable amount of stock. Realistic financial projections are used on an individual site basis to allow management to estimate that land and property are held at the appropriate amount. The Association makes judgements to assess the achievable selling price for properties including assessing the views of specialist advisers on the UK housing market and future house price inflation. Management also consider detailed information relating to geographical area and property type. As such the Association judges that stock is held at the lower of cost and estimated selling price less costs to complete and sell.

Turnover

The turnover represents mainly rents, service charges and revenue grants receivable from the Scottish Government or Local Authorities and some fees from managing agency services.

Tenant arrears, trade and other debtors

Tenant Arrears, Trade and other debtors are recognised initially at transaction price less attributable transaction costs.

Trade and other creditors

Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs.

Pensions

The Association participates in the Scottish Housing Association's Pension Scheme (SHAPS), a multi-employer defined benefit scheme. The in-year movement in the scheme deficit is split between operating charges, finance costs and, in other comprehensive income, actuarial gains and losses. The Association has complied with relevant disclosures which are included in Note 21.

The Association also contributes to two defined contribution schemes. These schemes' assets are held separately from those of the Association in an independently administered fund. The amount charged against profits represents the contributions payable to the schemes in respect of the accounting period.

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

VAT

The majority of the Association's turnover from letting activities is exempt from VAT. Where appropriate, costs are stated including irrecoverable VAT.

Housing Association Grant (HAG) and other capital grants

When HAG in respect of housing properties in the course of construction exceeds the total cost to date of those housing properties, the excess is shown as a current liability.

Where HAG or other grant is retained following the disposal of property, it is shown under the disposal proceeds and recycled capital grant funds in creditors. These funds will be used for the provision and improvement of new social housing for rent and sale.

HAG is initially recognised at fair value as a long term liability as deferred grant income and released through the profit and loss as turnover income over the life of the component elements of housing properties in accordance with the accrual method applicable to registered providers of social housing accounting for housing properties at cost, except for grant received in respect of Homebuy investments, included in Note 18 with Deferred Government Grant.

Concessionary loans

The Association has a Shared Ownership arrangement which is considered to be a concessionary loan.

Under the Shared Ownership scheme, the Association receives Shared Ownership grant representing a percentage of the open market purchase price of a property in order to advance interest free loans to a homebuyer. The loans advanced by the Association meet the definition of concessionary loans and are shown as fixed assets investments on the balance sheet. All are non-current loans, as they are not redeemable on demand.

Capitalisation of fixed assets

The Association capitalises expenditure to existing properties which it is considered will materially enhance the economic life of the asset, its income generating capacity or will result in a material reduction in annual operating costs. Components such as kitchens, windows, doors and bathroom replacement programme are capitalised and depreciated over their expected useful lives.

Scottish Government shared equity scheme

The Association has sold properties under the Scottish Government shared equity schemes. Under these schemes buyers purchase a majority share of the property with the balance funded by Scottish Government grants. The fixed asset investment represents the total of the loans receivable from purchasers of the property when the equity is released. There is an equal and opposite liability to the Scottish Government amounting to any shared equity release.

Cost of raising finance

The cost of raising finance is amortised over the period of the instrument. The deferred cost is offset against the liability and is included within "Creditors: amounts falling due after more than one year" (Note 18).

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

Depreciation

Fixed assets other than freehold land are depreciated in accordance with FRS102 at rates calculated to reduce the net book value of each component element to its estimated residual value, on a straight line basis, over the expected remaining useful life of the component. Freehold land is not depreciated. The estimated life of assets and components is as shown in the table below.

<u>Housing assets</u>	<u>Depreciation period in years</u>
Kitchens	20
Bathrooms	30
Boilers	15
External Windows & Doors	30
Roofs	60
Fire Safety Systems	30
Fencing	30
Digital TV Aerials	10
Lifts	30
Aids and adaptations	10
Initial and replacement scheme assets	10
Other Elements (new build)	100
Other Elements (rehab)	80
Other Elements (leasehold)	Lesser of Term of Lease or 100 years
<u>Other Fixed Assets</u>	
Offices (new build)	100
Offices (rehab)	80
Office refurbishment	From 10 - 20
Offices (long leasehold)	Lesser of Term of Lease or 100 years
Offices (short leasehold)	Terms of lease
Equipment	5
Computer hardware, software and infrastructure	From 3 - 15

Impairment

For fixed assets with a remaining useful life greater than 100 years an impairment review is carried out on an annual basis in accordance with FRS 102. For all other assets an impairment review is undertaken when there is an indication the asset may be impaired. If assets are found to be impaired, the amount of impairment is disclosed in Note 3 - Analysis of income and expenditure.

Deferred government grant

HAG received from The Scottish Government is initially stated at fair value as a long term liability and is amortised as income over the life of the component elements of properties.

Capitalisation of interest and development overheads

Interest is capitalised on loans financing schemes in development up to their completion. This is calculated by reference to the Association's cost of borrowing and the development costs.

Administration costs relating to development activities are capitalised based on an apportionment of the staff time directly spent on this activity.

1. PRINCIPAL ACCOUNTING POLICIES (CONT'D)

Investment Property

Private sector rented properties are shown in investment properties and were valued externally at the date of transition to FRS 102 (1 April 2014) by a qualified RICS chartered surveyor. Valuations are re-assessed on an annual basis.

Commercial properties are shown in investment properties and valuations are completed using detailed rental income stream and yield information.

Investment properties are held at fair value with changes in fair value recognised in profit and loss.

Fixed asset investments

Fixed asset investments are measured at cost. An annual review is carried out by management to assess if there are any triggers that would lead to an impairment review. In the event of any impairment, the investment is measured at the lower of its recoverable amount or its value in use. Investments in joint ventures are recognised initially at cost and subsequently measured using the equity method.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term.

Group Accounts

Castle Rock Edinvar Housing Association is exempt from the requirement to prepare and deliver group accounts as it is itself a wholly owned subsidiary of Places for People Group Limited. As such these financial statements present information about Castle Rock Edinvar Housing Association as an individual undertaking and not about its group.

Stock and work in progress

Stock and work in progress principally comprises the costs to the balance sheet date of properties being developed for sale either as outright sale or shared ownership properties.

Service charge sinking funds

The Association is required to set aside sums in respect of future maintenance of certain factored properties. Amounts accumulated in the fund are included within "Cash at bank and in hand" and within "Creditors: amount falling due within one year" (Note 17).

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

2. PARTICULARS OF TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS

	2025				2024
	Turnover	Operating costs	Other operating items	Operating surplus	Operating surplus
	£'000	£'000	£'000	£'000	£'000
Social lettings (note 3)	49,568	(28,773)	-	20,795	17,603
Other activities (note 4)	6,798	(7)	-	6,791	5,621
Sale of fixed assets (note 5)	-	-	2,595	2,595	2,912
Gain on revaluation of investment properties (note 13)	-	-	30	30	325
	<u>56,366</u>	<u>(28,780)</u>	<u>2,625</u>	<u>30,211</u>	<u>26,461</u>

3. PARTICULARS OF TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS FROM SOCIAL LETTINGS ACTIVITIES

	2025				2024
	General needs housing	Supported housing and housing for older people	Low cost home ownership	Total	Total
	£'000	£'000	£'000	£'000	£'000
Income from lettings activities					
Rent receivable net of service charges	34,860	3,098	686	38,644	34,334
Service charges receivable	4,581	1,539	1	6,121	5,455
Gross Rents Receivable	39,441	4,637	687	44,765	39,789
Less: Voids	(514)	(75)	-	(589)	(726)
	<u>38,927</u>	<u>4,562</u>	<u>687</u>	<u>44,176</u>	<u>39,063</u>
Revenue grants from local authorities and other agencies	139	-	-	139	296
Grant amortisation	4,906	-	-	4,906	4,538
Other income	345	1	1	347	175
	<u>44,317</u>	<u>4,563</u>	<u>688</u>	<u>49,568</u>	<u>44,072</u>
Expenditure on letting activities					
Management	(4,089)	(34)	(3)	(4,126)	(4,036)
Services	(3,101)	(1,464)	(9)	(4,574)	(4,360)
Routine maintenance	(5,689)	(544)	(12)	(6,245)	(5,973)
Planned maintenance	(1,369)	(362)	-	(1,731)	(2,561)
Major repairs expenditure	(1,002)	(61)	(1)	(1,064)	(1,398)
Rent losses from bad debts	(278)	(3)	-	(281)	(161)
Depreciation on housing assets	(5,497)	-	-	(5,497)	(4,857)
Other costs	(5,034)	(221)	-	(5,255)	(3,123)
	<u>(26,059)</u>	<u>(2,689)</u>	<u>(25)</u>	<u>(28,773)</u>	<u>(26,469)</u>
Operating surplus on letting activities	18,258	1,874	663	20,795	17,603
Total for the year ended 31 March 2024	<u>15,377</u>	<u>1,598</u>	<u>628</u>	<u>17,603</u>	

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

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

	Other revenue grants £'000	Other income £'000	Total Turnover £'000	Other operating costs £'000	Operating surplus/ (deficit) year ended 31 March 2025 £'000	Operating surplus/(deficit) year ended 31 March 2024 £'000
Commercial property income	-	6,311	6,311	(6)	6,305	5,426
VAT recovery	-	76	76	-	76	54
Other	-	411	411	(1)	410	141
Total from other activities	-	6,798	6,798	(7)	6,791	5,621
Total from other activities for the year ended 31 March 2024	-	5,672	5,672	(51)	5,621	

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

5. SALE OF FIXED ASSETS AND REDUCTION OF GRANT LIABILITY

	2025	2024
	£'000	£'000
Sales proceeds	3,161	3,568
Cost of sales	(766)	(757)
Operating costs	(93)	(136)
Gain on sale of fixed asset	2,302	2,675
Reduction of grant liability	300	258
Recycled Grant	(7)	(21)
Non cash reduction in grant liability	293	237
Surplus on sale of other assets and reduction in grant liability	2,595	2,912

6. DIRECTORS AND KEY MANAGEMENT EMOLUMENTS

The Association is controlled by a Board. With the exception of the chair of audit and risk, the non-executives' emoluments during the year were met by Places for People Group Limited.

The number of Non Executive Board members whose emoluments fall in the following ranges were as follows:

	2025	2024
	No.	No.
£5,000 - £9,999	-	-

The directors emoluments during the year have been met by Places for People Group Limited. They do not receive remuneration for their duties as directors of the company.

The Board claimed no expenses during the year (2024: £Nil).

	2025	2024
	£'000	£'000
The aggregate of emoluments payable to Key Management Officers	271	269
Pension contributions payable to Key Management Officers	34	43

Remuneration banding for key management personnel is disclosed below, which is considered by the Places for People Group to be Executive Directors and members of the Group management team responsible for the management of the Association. The analysis below includes staff remunerated by the Association only.

	2025	2024
	No.	No.
£70,000 - £79,999	1	2
£80,000 - £89,999	-	-
£90,000 - £99,999	1	1
£100,000 - £109,999	1	-

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

6. DIRECTORS AND OFFICERS' EMOLUMENTS (CONT'D)

Average number of employees is calculated by ascertaining for each calendar month in the financial year, the number of persons, by category, employed by the company. The monthly numbers are then added together and divided by the number of months in the financial year.

	2025	2024
	No.	No.
Housing	20	28
Property Services and Direct Trades	97	61
Sheltered Housing	12	10
Wider role and Commercial activities	0	0
Total Managing Housing Services	129	99
Central Administration Services	8	19
Total average FTE employees	137	118

	2025	2024
	£'000	£'000
Staff costs (for the above persons):		
Wages and salaries	5,474	4,875
Severance costs	155	-
Social security costs	534	500
Other pension costs	487	511
	6,650	5,886

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2025	2024
	£'000	£'000
Interest receivable on cash deposits	211	464

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2025	2024
	£'000	£'000
On loans from related undertakings	5,110	4,874
On bank loans and overdrafts	254	252
	5,364	5,126
Capitalised interest	(397)	(631)
Unwinding of SHAPS pension liability discount	129	89
	5,096	4,584
Capitalisation rate used to determine the finance costs capitalised during the year:	5.03%	4.41%

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

Surplus on ordinary activities before taxation was arrived at after charging:

	2025	2024
	£'000	£'000
Auditor remuneration in their capacity as auditors	22	20
Payments under operating leases on motor vehicles	518	395
Depreciation of housing fixed assets	5,426	4,795
Depreciation of other fixed assets	91	91

10. TAXATION

There was no charge for corporation tax in 2025. The Association has charitable status and is exempt from corporation taxation under the provisions of Section 505 of the Income and Corporation Taxes Act 1988.

11. HOUSING PROPERTIES

	Completed housing properties £'000	Completed LSE & Shared Ownership housing properties £'000	Housing properties, LSE & Shared Ownership in the course of construction £'000	Total housing properties £'000
Cost				
At 1 April 2024	751,265	12,716	30,386	794,367
Additions	11,784	-	51,635	63,419
Change of tenure	37	(37)	-	-
Transfer to completed schemes	44,670	-	(44,670)	-
Transfer to sales on account on disposal	(695)	(152)	-	(847)
At 31 March 2025	807,061	12,527	37,351	856,939
Depreciation & Impairment				
At 1 April 2024	(80,176)	(1,533)	-	(81,709)
Depreciation charges during year	(5,424)	(2)	-	(5,426)
Change of tenure	(7)	7	-	-
Depreciation eliminated on disposal	219	15	-	234
At 31 March 2025	(85,388)	(1,513)	-	(86,901)
Net Book Value at 31 March 2025	721,673	11,014	37,351	770,038
Net Book Value at 1 April 2024	671,089	11,183	30,386	712,658

Expenditure on major works to existing properties during the year was £11.8m (2024: £7.4m)

Additions to housing properties in the course of construction during the year include capitalised interest of £0.4m (2024: £0.6m).

Additions to housing properties in the course of construction during the year include an apportionment of staff time directly spent on the administration of development activities amounting to £1.8m (2024: £2.7m).

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

12. OTHER FIXED ASSETS

	Plant & Special Equipment	Computer Equipment	Freehold Commercial Properties	Fixtures & Fittings	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 April 2024	3	-	3,294	206	3,503
Additions	-	-	76	-	76
At 31 March 2025	3	-	3,370	206	3,579
Depreciation					
At 1 April 2024	(3)	-	(703)	(206)	(912)
Charged during year	-	-	(91)	-	(91)
At 31 March 2025	(3)	-	(794)	(206)	(1,003)
Net book value at 31 March 2025	-	-	2,576	-	2,576
Net book value at 31 March 2024	-	-	2,591	-	2,591

LSE denotes Leasehold Schemes for the Elderly.

Housing properties comprise:	2025	2024
	£'000	£'000
Freehold	856,938	794,367

Additions to completed properties include the following:	2025	2024
	£'000	£'000
Housing properties comprise:		
Completed properties acquired	6,365	2,602
Properties newly built / rehabilitated	38,305	67,078
Major Works to existing properties	11,924	6,690
	56,594	76,370

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

13. FIXED ASSET INVESTMENTS	2025	2024
	£'000	£'000
External investments and investment in related undertakings (a)	10,000	10,000
Investment property (b)	2,655	2,625
Total fixed asset investments	12,655	12,625
(a) External investments and investment in related undertakings	2025	2024
	£	£
Equity investments in related undertakings		
Places for People Scotland Limited	1	1
Equity investments in associates		
PFPC MMR LP - C117	9,999,900	9,999,900
	9,999,901	9,999,901
(b) Investment properties		
	Completed Properties	Properties held in the course of construction
	£'000	£'000
At 1 April 2024	2,625	-
Revaluation in year	30	-
At 31 March 2025	2,655	-

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

14. HOMEBUY FIXED ASSET INVESTMENTS

	2025	2024
	£'000	£'000
Gross valuation		
At 1 April	170	168
Net appreciation in year	5	2
At 31 March	175	170

15. STOCK AND WORK IN PROGRESS

	2025	2024
	£'000	£'000
Trade stock	222	180
	222	180

16. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£'000	£'000
Rental debtors	2,326	2,045
Less: provision for bad and doubtful debts	(618)	(534)
	1,708	1,511
Other trade debtors	606	100
Other taxes	3,223	-
Sundry debtors, prepayments and accrued income	287	314
Loans to employees	61	4
Capital development debtor	576	835
Amounts due from related undertakings	8,342	1,120
	14,803	3,884

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£'000	£'000
Trade creditors	2,344	980
Other creditors and accruals	4,551	3,933
Other taxes	3,544	109
Capital development creditor	8,780	9,549
Payments received on account	40	68
Prepaid rent	1,190	1,009
	20,449	15,648

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2025	2024
	£'000	£'000
Debt		
Housing loans	5,500	5,500
Loans from related undertakings	155,102	144,586
Recycled Capital Grant Funds	4,596	4,588
Cost of raising finance	(16)	(19)
	165,182	154,655
 Deferred Government Grant	 351,299	 323,894
	516,481	478,549
 Debt analysis		
Debt is repayable as follows:		
In one year or less	-	-
In more than one year but less than two years	-	134,588
In more than two years but less than five years	155,102	-
In five years or more	-	10,000
By instalments	-	-
Not by instalments	10,080	10,067
	165,182	154,655

The housing loan is secured by specific charges over properties, and interest is charged at 4.38%.

19. NON EQUITY SHARE CAPITAL

	2025	2024
	No.	No.
Issued, allotted and unpaid "A" shares of £1 each		
At 1 April	8	8
Cancelled during the year	-	-
Issued during the year	-	-
At 31 March	8	8
 Issued, allotted and fully paid "B" shares of £1 each		
At 1 April	68	66
Cancelled during the year	-	-
Issued during the year	-	2
At 31 March	68	68

The shares are not transferable or redeemable. Payment of dividends or other benefits to shareholders is forbidden by the Association's rules and by the Cooperative and Community Benefit Societies Act 2014. On a return of capital on a winding-up, no member shall receive any property or sum beyond their £1 entitlement.

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

20. CAPITAL AND FINANCIAL COMMITMENTS

	2025	2024
	£'000	£'000
Capital Commitments		
Capital expenditure that has been authorised and contracted for but has not been provided for in the financial statements	43,200	39,303
Additional Capital expenditure that has been authorised by the Board of directors	230,733	259,089
The above commitments will be financed in accordance with our treasury management policy which is detailed in the Places for People Group consolidated accounts.		
Financial Commitments		
The commitments under non-cancellable operating leases for the following year, analysed according to the period in which each lease expires are set out below.		
Motor Vehicles		
In one year or less	456	247
Between one and five years	1,094	128
	1,550	375

21. PENSION OBLIGATIONS

The Association contributed to one Defined Benefit and two Defined Contribution schemes during the year. The pension costs for the Association relate to the following schemes:

	2025	2024
	£'000	£'000
Defined Benefit scheme liabilities		
The Scottish Housing Associations' Pension Schemes "SHAPS"	2,462	2,755

The Scottish Housing Associations' Pension Scheme (SHAPS) - defined benefit section ("the Scheme")

The Association participates in the Scottish Housing Associations' Pension Scheme (SHAPS), a multi-employer scheme which provides benefits to non-associated employers.

The Scheme was previously closed to new entrants and from 1 April 2014 new accruals ceased. Members of the Scheme were given the option to enrol in one of the Associations' Defined Contribution schemes.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. No further deficit contributions are due though the position will be reassessed at the next valuation due in 2030.

SHAPS 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 financial years ending on or before 28 February 2019, it had not been possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the Group had previously accounted for SHAPS as a defined contribution scheme. For financial years ending on or after 31 March 2019, it was possible to obtain sufficient information to enable the company to account for the scheme as a defined benefit scheme.

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

21. PENSION OBLIGATIONS (CONT'D)

The mortality assumption used at 31 March 2025 is that a male currently aged 65 years old has a life expectancy of 20.2 years (2024: 20.2 years), a female currently aged 65 years old has a life expectancy of 22.7 years (2024: 22.7 years), a male currently aged 45 years old has a life expectancy of 41.5 years (2024: 41.4 years) and a female currently aged 45 years old has a life expectancy of 44.2 years (2024: 44.1 years).

The major assumptions used by the actuaries of each scheme were:

	2025	2024
Discount rate	5.60%	4.70%
Rate of RPI inflation	3.20%	3.30%
Rate of increase in salaries	3.76%	3.76%
Rate of CPI inflation	2.80%	2.80%

The major categories of assets as a percentage of total assets are as follows:

Diversified growth funds, hedge funds and structure funds	18.4%	14.9%
Equities	11.7%	11.6%
Liability driven investments	0.0%	0.0%
Absolute return bonds	46.9%	49.1%
Corporate bonds	0.0%	4.5%
Cash and cash equivalents	0.7%	2.6%
Other fixed interest	0.1%	7.8%
Insurance linked securities	0.4%	0.6%
Direct lending	16.7%	4.0%
Property	5.0%	5.0%

	2025	2024
Amounts recognised in the Statement of Financial Position	£'000	£'000
Fair value of assets	15,468	17,301
Present value of the scheme's liabilities	(17,930)	(20,056)
Deficit in the scheme	(2,462)	(2,755)

	2025	2024
Defined benefit cost recognised in the statement of comprehensive income	£'000	£'000
Expenses	26	27
Net interest expense	129	89
Total charged to the statement of comprehensive income	155	116

	2025	2024
Amounts recognised in Other Comprehensive Income	£'000	£'000
Experience on plan assets	(1,427)	(1,055)
Experience on plan liabilities	(32)	(203)
Effects of changes in demographic assumptions	-	142
Effects of changes in financial assumptions	1,881	379
Defined benefit gain recognised in other comprehensive income	422	(737)

The change in the fair value of the plan assets is analysed as follows:

	2025	2024
As at 1 April	17,301	18,342
Interest on plan assets	785	827
Company contributions	26	27
Benefits paid	(1,217)	(840)
Return on assets less interest	(1,427)	(1,055)
As at 31 March	15,468	17,301

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

21. PENSION OBLIGATIONS (CONT'D)

The change in the present value of the defined benefit obligations is analysed as follows:	2025	2024
	£'000	£'000
As at 1 April	20,056	20,271
Asset ceiling	-	-
Expenses	26	27
Interest costs	914	916
Benefits paid	(1,217)	(840)
Actuarial losses/(gains) due to scheme experience	32	203
Actuarial losses from changes to demographic assumptions	-	(142)
Actuarial losses/(gains) from changes to financial assumptions	(1,881)	(379)
As at 31 March	17,930	20,056

The Places for People Group Stakeholder Scheme ("the Group Scheme")

Employees joining the Association from 1 September 2004 to 1 April 2014 had the option of joining the Group Scheme. From the 1 April 2014 this scheme is only available to new entrants with sessional contracts.

The amount charged to the Statement of Comprehensive Income in relation to this scheme was £479k (2024: £450k) which represents contributions payable to this scheme by the Association at rates specified in the rules of the scheme.

22. CONTINGENT LIABILITIES

The Association, together with some fellow subsidiaries of the Places for People Group, has guaranteed to holders of debt issued by members of the Places for People Group, the principal amount and interest accrued in respect of certain debts in the event of default by the issuing entity.

The total capital outstanding at 31 March 2025 across the Places for People Group in respect of such guarantees was £2,840.9m (2024: £1,725.2m). The total interest accrued at 31 March 2025 relating to this debt was £1.3m (2024: £2.3m).

These represent the maximum exposure for the Association.

The directors consider it extremely unlikely that the company would be required to make any payments in respect of this guarantee.

The Group is party to prospective legal action arising from the scheme rules of the Group retirement benefit pension scheme, more detail can be found within the consolidated financial statements of Places for People Group Limited.

23. RELATED PARTY TRANSACTIONS AND ULTIMATE PARENT UNDERTAKING

The Association is a subsidiary of the Places for People Group Limited, 305 Gray's Inn Road, London, WC1X 8QR. As the ultimate parent company publishes consolidated group accounts the Association has accordingly taken advantage of the exemption not to report transactions with other group members as permitted by FRS102 section 33.1A.

Under Section 33 of FRS 102 defined benefit pension schemes are considered to be related parties. Employees of the Association are members of the following defined benefit schemes: The Scottish Housing Associations' Pension Scheme, The Social Housing Pension Scheme, The Places for People Group Retirement Benefit Scheme, The Places for People Group Stakeholder Scheme. Details of transactions with the schemes are disclosed in note 21.

Places for People Scotland Limited is a subsidiary of the Company.

24. POST BALANCE SHEET EVENTS

None

Castle Rock Edinvar Housing Association (trading as Places for People Scotland)
Notes to the Financial Statements
For the year ending 31 March 2025

25. HOUSING ACCOMMODATION

	2024	Units developed or newly built units acquired	Units sold/ demolished	Other movements	2025
	No.	No.	No.	No.	No.
Social housing owned					
- General Needs Housing	5,553	139	(17)	1	5,676
- Supported Housing	1,431	-	(1)	-	1,430
- Low cost home ownership accommodation	228	-	(4)	-	224
	7,212	139	(22)	1	7,330

	2024	Units developed or newly built units acquired	Units sold/ demolished	Other movements	2025
	No.	No.	No.	No.	No.
Social Housing managed					
- General Needs Housing	5,553	139	(17)	1	5,676
- Supported Housing	1,432	-	(1)	-	1,431
- Low cost home ownership accommodation	228	-	(4)	-	224
	7,213	139	(22)	1	7,331

	2025	2024
	No.	No.
Total social housing units managed but not owned	1	1

	2025	2024
	No.	No.
Total social housing managed	7,331	7,213

Total housing managed	7,331	7,213
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Total housing owned but managed by another body	1,303	1,232
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Total housing owned or managed	8,634	8,445
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Garages, commercial premises, staff units and other non-residential units managed or serviced	146	147
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Total residential and non-residential units managed or serviced	8,780	8,592
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