



Alexander Sloan
Accountants and Business Advisers

Grampian Housing Association Limited

Report of the Board of Management and Consolidated Financial Statements

For the year ended 31 March 2025

Registered Social Landlord No. HAL 120 AL

FCA Reference No. 1769R(S)

Scottish Charity No. SC042023

GRAMPIAN HOUSING ASSOCIATION LIMITED

CONSOLIDATED REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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GRAMPIAN HOUSING ASSOCIATION LIMITED

BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

Board of Management

Dr Abhishek Agarwal	(Former Chair) Resigned 17 September 2024
James Cargill	(Chair) Elected 17 September 2024
Shenthiel Selvam	Resigned 23 September 2024
Stewart Davidson	
Ritchie Johnson	(Vice Chair) Elected 17 September 2024
Kristi Kelly	
Stuart Rothnie	Resigned 11 December 2024
Donna Darling	
Tigan Daspan	
Alex Drummond	
David Thomson	
Freya Lees	
Charlotte Torrance	
Nikola Will	
Lynda Bruce	Appointed 11 November 2024
Diana Haig	Appointed 11 November 2024

EXECUTIVE OFFICERS

Craig Stirrat	Chief Executive
Malcolm McNeil	Depute Chief Executive
Linda Clarke	Director of Finance
Carol Reid	Director of Customer Services
Alexander Carle	Director of Asset Management

REGISTERED OFFICE

Huntly House
74 Huntly Street
Aberdeen
AB10 1TD

EXTERNAL AUDITORS

Alexander Sloan LLP
Accountants and Business Advisers
180 St Vincent Street
Glasgow
G2 5SG

INTERNAL AUDITORS

Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

GRAMPIAN HOUSING ASSOCIATION LIMITED

BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025 (continued)

BANKERS

The Royal Bank of Scotland plc
4th Floor, 110 Queen Street
Glasgow
G1 3BX

BANKERS

Nationwide Building Society
Caledonia House
Carnegie Avenue
Dunfermline
KY11 8PJ

BANKERS

THFC (Social Housing Finance)
Limited
3rd Floor
17 St Swithin's Lane
London
EC4N 8AL

BANKERS

Bank of Scotland
38 Albyn Place
Aberdeen
AB10 1YN

SOLICITORS

Harper MacLeod LLP
The Ca'doro
45 Gordon Street
Glasgow
G1 3PE

GRAMPIAN HOUSING ASSOCIATION LIMITED

BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

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

Legal Status

Grampian Housing Association Limited (GHA) is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No.1769R(S)), the Scottish Housing Regulator as a registered social landlord (No. HAL120 AL) under the Housing (Scotland) Act 2010 and as a registered Scottish Charity with the charity number SCO42023.

The Association is governed by Articles of Association which are aligned with Scottish Federation of Housing Association (SFHA) model Rules (Scotland) 2020.

Principal Activities

GHA is the parent company of the group structure. The principle activity is to provide and manage quality affordable homes for people in housing need. The Association owns and manages a wide range of housing for rent and also has a portfolio of shared ownership properties. The Association works closely with local authorities to provide accommodation for homeless households and in partnership with others to provide special needs accommodation throughout the Grampian Area. In addition, the group comprises of two wholly owned subsidiaries; Kirkgate Developments Limited (KDL - SC402158) manages properties for sale, mid-market and market rent properties including the NHS Grampian Health centre and TLC Housing Maintenance Limited (TLC - SC281104) provides maintenance services for the Grampian Group. Both subsidiaries are companies limited by shares.

Delivering our Strategic Ambitions

Notwithstanding the impact of Brexit, Covid lockdown and the rising cost of living, the war in Ukraine and now USA tariffs, to date, our commitment to improving corporate planning has ensured that the Group continues to remain financially healthy with another positive outcome for 2024/25.

The Association, like many others in the sector has coped well but is still in recovery, and therefore will embark on a programme of cost management during 2025-26 to ensure it can remain resilient and sustainable in the delivery of affordable rents whilst managing growing tenant expectations, rising interest rates, increasing compliance requirements and rising service and material costs.

Good stewardship throughout 2024-25 helped the Association maintain regulatory compliance, a high performance of housing services, providing new affordable homes and increased investment in our stock to make it safe, energy efficient, while continuing to support tenants with the cost-of-living crisis.

In 2025-26 our focus remains on delivering the Grampian Deal, supporting tenants, maintaining high services and housing standards, delivering value for money whilst continuing our growth through our new build programme.

Strategic Business Plan 2023-28 Annual review

Our 5-year Business Plan (2023-28) priorities are informed by the Scottish Government 2040 vision for Housing to create a more sustainable and resilient future around the ESG (Environment, Social, Governance) framework.

Since the current five-year business plan, was prepared, there has been significant change in the Association's operating environment resulting in many of Grampian's cost base increasing. Following a performance review of Year 2 of the Business Plan by the Board of Management, the annual plan for 2024-25 (which aligns the 5-year plan) has also been reviewed which saw the commitment to improving customer service, investing in tenants' homes to improve comfort and safety, building new homes, and continued efforts to reduce carbon emissions renewed and re-stated.

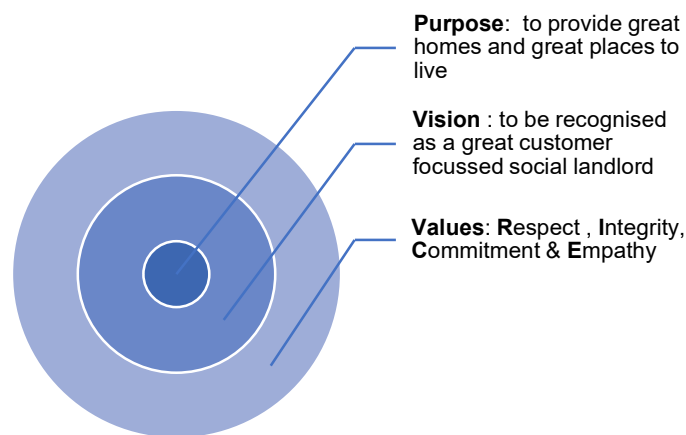
GRAMPIAN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2025

Strategic Business Plan 2023-28 Annual review (continued)

Despite the overall successful year for 2024-25, the Executive team are not complacent about unforeseen business risk, ensuring learning from what worked and what didn't last year and moving forward, ensuring that Grampian continues to regularly review the strategic risks and reviews its Business Plan on an annual basis in response to changing circumstances. This enables the organisation to manage its resources effectively to sustain financial well-being, whilst maintaining rents at an affordable level.

Following a strategic review awayday in May, the Board approved a revised year three of the Business Plan providing greater clarity on purpose and strategic objectives.



The review of the Business Plan in May 2025 aims to ensure that we continue the delivery our four strategic objectives;

- We provide local customer focused services,
- We provide affordable great quality homes now and, in the future,
- We are a great employer to work for
- We are a flourishing Housing Association

At the heart of the Business Plan is our commitment to a sustainable future by focusing on achieving Environmental, Social and Governance (ESG) outcomes. In particular, delivering the Grampian Deal for our tenants and customers.

Risk and Mitigation

Grampian and its wider group are aware of and acts to identify, assess and mitigate risk. It has adopted and maintains a comprehensive risk management framework and which is supported by external and specialist support including its auditors and advisors across a number of areas. The Board has defined its risk appetite and does so with reference to HM Treasury Guidance (The Orange Book).

Risk Registers, both strategic and operational are in place and regularly reported. This is supported by a digital risk management module within a governance portal and an Assurance Map has also been prepared.

Effective risk management is integral to the Group's governance, business planning and delivery. The Group has identified the following as the key risks which have the potential to adversely and significantly impact securing good outcomes;

- Uncertainty around the economic context and impact on low income households
- Cost base pressure and sustained higher costs
- Cyber threats
- Failure to deliver the Grampian Deal and customer satisfaction

GRAMPIAN HOUSING ASSOCIATION LIMITED

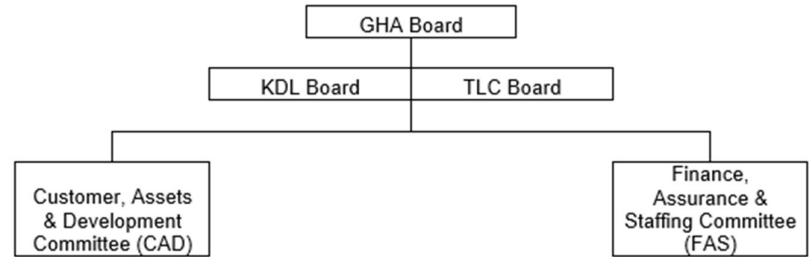
REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2025

Governance and Management

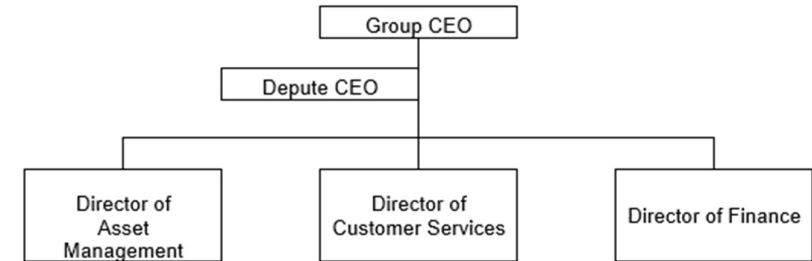
During the year, the Board and its sub committees consider and scrutinise information and data across a wide range of areas and which is aligned with regulatory and governance standards as defined within the 2024 Regulatory Framework. Throughout the year the Board is involved in the development and monitoring of an evidence base and on an annual basis self-assesses compliance with the Regulatory Framework, culminating in the publication of an Annual Assurance Statement. In seeking assurance, the Board has regard to and is supported in this through;;

- Consideration of regular performance monitoring reports including those in respect of finance, treasury, asset management, housing management, cyber security, service delivery, risk management, people, health and safety.
- Internal and external Audit Reports
- Reports from specialist advisors including on treasury, financial planning and assumptions and health and safety (including landlord safety) and through which independent assurance and validation is provided
- Assessment of regulatory returns
- Customer feedback including transactional feedback, annual feedback and customer engagement initiatives
- Staff feedback via an annual staff engagement survey conducted by an external and independent body

Our Governance Structure is detailed below:



The Grampian Group is led day-to-day by an experienced Executive Team consisting of the Group CEO, Deputy CEO and Directors responsible for each of the core disciplines.



The Board annually assesses its own performance and identifies measures to support the ongoing development of knowledge and skills including maintaining an appropriate balance in this regard as well as reflecting the make-up of wider community it serves. Effective succession planning forms part of good governance within the Group.

Equipping its People for Excellence

Grampian's people are pivotal in supporting both customer service delivery, and in helping to achieve the group's strategic objectives. The Association understands that in order to deliver good outcomes for its customers, it must also support and unlock good outcomes for internal stakeholders.

GRAMPIAN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2025

Equipping its People for Excellence (continued)

A Key objective within the current Business Plan is for GHA to be 'a great employer to work for'.

That commitment has been supported through the year in completion of a bold and progressive People Strategy – 'Great Growth, Great Futures'. Delivery is consistent with the Chartered Institute of Personnel and Development's (CIPD) definition of what constitutes 'good work' and the Group has taken the decision to support and commit to the Chartered Institute in Scotland's Housing Professionalism.

The Groups' performance in this area was recently reflected in it being awarded one-star status under Best Companies. That follows on the reporting of high levels of employee satisfaction measured by an external and independent assessor.

Key Activities and Key Performance Outcomes

During 2024-25, Grampian Housing Association increased capital investment in its properties: this included 111 new bathrooms, 220 new boilers, 42 full heating systems, 15 insulation replacements, 178 new kitchens, 19 new door entry systems, 15 new roofs and 72 full window installations. A number of new properties were also built during the year, with 50 units added to the Group's portfolio and an additional 1 off the shelf property purchased during the year.

The Grampian Group monitors performance through budgets, forecasts and financial planning. Grampian also remains focused on value for money and to this end; continues to participate in a UK wide benchmarking service (Housemark) this enables us to compare our performance against our peers.

The Group's revenue was £28,027,000 which represented an increase of £2,266,000 (2024: £25,761,000). This increase relates to rent received from new build properties moving into management and a rent increase applied from April 2024 and includes £1,000,000 of revenue from the subsidiary companies. Operating costs of £20,724,000 which represents 5.2% increase when compared to (2024: £19,696,000), the Grampian group has experienced increased costs during a volatile economic environment. Interest payable and similar charges has increased to £5,847,000 when compared to £5,685,000 in 2024. This has been impacted by high interest rates however is in line with budget expectations. Surplus before taxation was £1,513,000 for 2025 compared with £1,003,000 for 2024, an increase of £510,000. Overall the Grampian Group has maintained a strong financial position during the current economic challenges and with both subsidiaries, Kirkgate Developments Limited and TLC Housing Maintenance Limited, having made a surplus for the year.

Key Performance Indicators

Performance Area	Scottish RSL ARC average 2023/24	GHA ARC performance 2023/24	GHA ARC performance 2024/25	GHA Change between 23/24 &24/25
% Stock EESSH 1 compliant	NA	97.98%	98.00%	0.02%
Average days to complete an adaptation	46.7	29.19	27.88	1.31
Average calendar days to re-let voids	39.2	27.63	22.56	5.07
% Rent loss due to voids	1.10%	0.55%	0.43%	0.12%
% Gross rent arrears due	4.40%	4.78%	4.10%	0.68%
% Tenants satisfied with quality of home	85.10%	84.00%	86.00%	2.00%

EESSH1 remained static at a creditable 98%, stock conditions surveys were carried out on 10% of our housing stock ensuring the Grampian Group have reliable housing data on which to base future investment decisions.

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REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2025

Key Performance Indicators (Continued)

The average days to complete an adaptation fell to just under 28 days and we carried out 121 adaptations at a cost of just under £200k. The Scottish Government cut the Adaptation grant significantly this year resulting in the Association self-funding a number of bathroom adaptations from our capital budget.

Throughout the financial year, the Grampian Group has continued to work well despite the continued uncertain economic and operating environment.

We continue to make progress on the Grampian Deal, and alongside this, we're preparing our submission for Customer Service Excellence Accreditation. This reflects our ongoing commitment to continuously improving the quality of our services.

Re-let times have continued to reduce and are sitting well below the national average (for 2023/24). This also impacts our percentage of rent loss due to voids (empty properties) which again is favourable at 0.43%.

We've achieved a significant reduction in gross rent arrears, bringing the figure down from 4.78% to 4.10%. This places us ahead of last year's RSL average of 4.40%, and we now await confirmation of the 2024/25 sector average.

Tenancy sustainment remains a top priority, with our dedicated teams working closely with Housing to take a proactive approach in supporting tenants—helping them maintain their tenancies and live comfortably in their homes.

Environmental, Social and Governance (ESG)

Grampian Housing Association (GHA) Group has officially adopted the Sustainability Reporting Standard for Social Housing (SRS) framework. Our decision to embrace the SRS framework is motivated by our commitment to sustainability, the environment and being socially and financially responsible.

The Grampian Group has a Carbon Reduction Strategy in place but has not, at this stage developed strategies under the headings of pollutants; use of responsibly sourced materials; waste management and water management. We will develop a policy to ensure that service providers policies and/or environmental statements are compatible with our environmental objectives.

Grampian Housing goes over and above its traditional remit of housing by delivering Social value to make a real, tangible and long-term difference to meeting all other social policy objectives such as health and social care, child poverty, an ageing population, employment and education. Our aim is to not only provide a home, but to make a real tangible and long-term difference to helping people overcome a range of challenges they may face in life.

Within the SRS framework it annually assesses its compliance with the framework and identifies where it can further strengthen compliance. This is however not simply an annual event and during the year through internal reporting to Board and management, supported by its auditors, performance against both the framework and other standards and targets is assessed.

Digitalisation

In 2020, Grampian launched its vision for a 'Digital Grampian' to transform its relationship with tenants and develop a digitally confident and mobile workforce. Since then, we have been on a journey to lay a strong and stable foundation for innovation, focusing on developing Aareon QL as our core housing management system, mobilising staff with secure and updated hardware, streamlining our processes to be system-driven and efficient, transitioning to Microsoft 365, and procuring a new website and customer portal.

Three years into the strategy, and in light of the new 'Grampian Deal' launching, we are now reviewing our digital vision and strategic objectives. This will set out an updated digital strategy, to guide investment in the development of tools to deliver the 'Grampian Deal' and identifies our digital ambitions for the next three years.

GRAMPIAN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2025

Digitalisation (Continued)

The review has also highlighted the digital success we have had so far as well as reflecting the positive measures to further improve and contribute to efficiency, service and value for money. At the core of this is improvement of data management with the aim to improve customer satisfaction and reducing costs as the data becomes easier to find.

In drawing up the new strategy, the focus will be on change and emphasis on the importance of solutions which reflect the needs of stakeholders. This will include work which builds on that already underway to support digital literacy and tackle digital exclusion.

Going Concern

Based on its budgetary and forecasting processes the Board of Management has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Related Party Transactions

Certain senior officers held non-executive positions with related social enterprises in the Grampian area. Any transactions with respect to these and other relevant linkages are listed in notes to the Financial Statements.

Board of Management and Executive Officers

The members of the Board of Management and the Executive Officers are listed on page 1.

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

The members of the Board of Management are also Trustees of the charity. Members of the Board of Management are appointed by the members at the Association's Annual General Meeting.

Statement of Board of Management's Responsibilities

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

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

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

GRAMPIAN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2025

Statement on Internal Financial Control

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

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

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

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Group for the year ended 31 March 2025. No weaknesses were found in the 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.

Donations

During the year the Association made charitable donations amounting to £329 (2024 - £697).

Disclosure of Information to the Auditor

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

Auditor

A resolution to reappoint the Auditors, Alexander Sloan LLP, Accountants and Business Advisers, will be proposed at the Annual General Meeting. The Auditor is appointed for an initial term of three years with a two year option.

GRAMPIAN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2025

By order of the Board of Management



MALCOLM MCNEIL

Secretary

26th August 2025

GRAMPIAN HOUSING ASSOCIATION LIMITED

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

In addition to our audit of the financial statements, we have reviewed your statement on page 9 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement of Internal Financial Control on page 9 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

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


ALEXANDER SLOAN LLP

Statutory Auditors
GLASGOW
26th August 2025



Alexander Sloan
Accountants and Business Advisers

GRAMPIAN HOUSING ASSOCIATION LIMITED

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

Opinion

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

In our opinion the financial statements:

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

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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

GRAMPIAN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAMPIAN HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Other Information (Contd.)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board of Management

As explained more fully in the statement of Board of Management's responsibilities as set out on page 6, the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

GRAMPIAN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAMPIAN HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we gained an understanding of the legal and regulatory framework applicable to the Group through discussions with management, and from our wider knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Co-operative and Community Benefit Societies Act 2014 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing the Association's Assurance Statement and associated supporting information; and
- reviewing correspondence with the Scottish Housing Regulator and HMRC.

GRAMPIAN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAMPIAN HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

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

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

Use of our Report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.


ALEXANDER SLOAN LLP

Statutory Auditors

GLASGOW

26th August 2025



Alexander Sloan

Accountants and Business Advisers

GRAMPIAN HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £000	2024 £000
Revenue	2	28,027	25,761
Operating costs	2	20,724	19,696
OPERATING SURPLUS		7,303	6,065
(Loss)/Gain on sale of housing stock	7	(29)	500
Interest receivable and other income		85	87
Interest payable and similar charges	8	(5,847)	(5,685)
Movement in fair value of financial instruments		1	36
		(5,790)	(5,062)
Surplus on ordinary activities before taxation	9	1,513	1,003
Tax on surplus on ordinary activities	10	(33)	7
SURPLUS FOR THE YEAR		1,480	1,010
TOTAL COMPREHENSIVE INCOME		1,480	1,010

The results relate wholly to continuing activities.

The notes on pages 24 to 50 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

PARENT STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £000	2024 £000
Revenue	2	26,961	24,882
Operating costs	2	20,213	19,122
OPERATING SURPLUS		6,748	5,760
Gift aid received		66	311
(Loss)/Gain on sale of housing stock	7	(31)	487
Interest receivable and other income		260	257
Interest payable and similar charges	8	(5,846)	(5,684)
		<u>(5,551)</u>	<u>(4,629)</u>
Surplus on ordinary activities before taxation	9	1,197	1,131
Tax on surplus on ordinary activities	10	-	-
SURPLUS FOR THE YEAR		1,197	1,131
TOTAL COMPREHENSIVE INCOME		1,197	1,131

The results relate wholly to continuing activities.

The notes on pages 24 to 50 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	2025	2024
		£000	£000
NON-CURRENT ASSETS			
Intangible assets	11	120	94
Housing properties - depreciated cost	12	289,406	284,464
Other tangible assets	12	1,767	1,841
Investments	13	5,596	5,595
		<u>296,889</u>	<u>291,994</u>
CURRENT ASSETS			
Stock and work in progress	14	115	227
Receivables	16	4,322	2,165
Cash and cash equivalents	17	3,329	2,864
		<u>7,766</u>	<u>5,256</u>
CREDITORS: Amounts falling due within one year	18	<u>(7,539)</u>	<u>(5,302)</u>
NET CURRENT ASSETS / (LIABILITIES)		<u>227</u>	<u>(46)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>297,116</u>	<u>291,948</u>
CREDITORS: Amounts falling due after more than one year	19	(94,224)	(94,001)
PROVISIONS FOR LIABILITIES AND CHARGES			
Other Provision	27	(604)	(611)
		<u>(604)</u>	<u>(611)</u>
DEFERRED INCOME			
Social housing grants	21	(165,374)	(161,436)
Other grants	21	(9,050)	(9,516)
		<u>(174,424)</u>	<u>(170,952)</u>
NET ASSETS		<u><u>27,864</u></u>	<u><u>26,384</u></u>
EQUITY			
Share capital	22	1	1
Revenue reserves		25,730	24,274
Revaluation reserve		2,064	2,063
Furniture reserves		69	46
		<u>27,864</u>	<u>26,384</u>

The financial statements were approved by the Board of Management and authorised for issue and signed on their behalf on 26 August 2025.


Board Member


Board Member


Secretary

The notes on pages 24 to 50 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

PARENT STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	2025	2024
		£000	£000
NON-CURRENT ASSETS			
Intangible assets	11	120	94
Housing properties - depreciated cost	12	289,406	284,464
Other tangible assets	12	1,751	1,829
		<u>291,277</u>	<u>286,387</u>
RECEIVABLES: Amounts falling due after more than one year			
	15	2,978	3,053
CURRENT ASSETS			
Stock and work in progress	14	85	167
Receivables	16	4,122	2,309
Cash and cash equivalents	17	2,609	2,515
		<u>6,816</u>	<u>4,991</u>
CREDITORS: Amounts falling due within one year	18	<u>(7,051)</u>	<u>(5,288)</u>
NET CURRENT LIABILITIES		<u>(235)</u>	<u>(297)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		294,020	289,143
CREDITORS: Amounts falling due after more than one year			
	19	(94,222)	(93,989)
PROVISIONS FOR LIABILITIES AND CHARGES			
Other Provision	29	<u>(99)</u>	<u>(124)</u>
		(99)	(124)
DEFERRED INCOME			
Social housing grants	21	(165,374)	(161,436)
Other grants	21	<u>(9,050)</u>	<u>(9,516)</u>
		<u>(174,424)</u>	<u>(170,952)</u>
NET ASSETS		<u>25,275</u>	<u>24,078</u>
EQUITY			
Share capital	22	1	1
Revenue reserves		<u>25,274</u>	<u>24,077</u>
		<u>25,275</u>	<u>24,078</u>

The financial statements were approved by the Board of Management and authorised for issue and signed on their behalf on 26 August 2025.


Board Member


Board Member


Secretary

The notes on pages 24 to 50 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £000	2024 £000
Surplus for the Year		1,480	1,010
<i>Adjustments for non-cash items:</i>			
Depreciation of tangible fixed assets	12	5,554	5,715
Impairment on Assets	12	1,711	-
Amortisation of intangible assets	11	44	43
Amortisation of capital grants	21	(1,890)	(1,799)
(Decrease)/increase in provisions		(25)	9
Gain on disposal of tangible fixed assets		29	(500)
Taxation	10	33	(7)
Change in market value of investments		(1)	(36)
		<u>5,455</u>	<u>3,425</u>
Interest receivable		(81)	(75)
Interest payable	8	<u>5,846</u>	<u>5,684</u>
Operating cash flows before movements in working capital		12,700	10,044
Change in stock		112	439
Change in debtors		(750)	(221)
Change in creditors		<u>358</u>	<u>(392)</u>
		(280)	(174)
Net cash inflow from operating activities		<u>12,420</u>	<u>9,870</u>
Investing Activities			
Acquisition and construction of properties		(13,603)	(21,658)
Purchase of Intangible Fixed Assets		(70)	-
Purchase of other fixed assets		(7)	(13)
Social housing grant received		6,020	7,901
Social housing grant repaid		97	(329)
Other grants received		35	392
Other grants repaid		(392)	-
Proceeds on disposal of housing properties		<u>1,448</u>	<u>2,068</u>
Net cash outflow from investing activities		(6,472)	(11,639)
Financing Activities			
Loan Advances Received		2,500	6,500
Interest received on cash and cash equivalents		81	75
Interest paid on loans		(5,846)	(5,684)
Loan principal repayments		<u>(2,218)</u>	<u>(2,082)</u>
Net cash outflow from financing activities		(5,483)	(1,191)
Increase/(decrease) in cash	23	465	(2,960)
Opening cash & cash equivalents		<u>2,864</u>	<u>5,824</u>
Closing cash & cash equivalents		<u>3,329</u>	<u>2,864</u>
Cash and cash equivalents as at 31 March			
Cash	23	<u>3,329</u>	<u>2,864</u>
		<u>3,329</u>	<u>2,864</u>

The notes on pages 24 to 50 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

PARENT STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	£000	2025 £000	£000	2024 £000
Surplus for the Year			1,197		1,131
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	12	5,551		5,713	
Impairment on Assets	12	1,711		-	
Amortisation of intangible assets	11	44		43	
Amortisation of capital grants	21	(1,890)		(1,799)	
(Decrease)/increase in provisions		(25)		9	
Gain on disposal of tangible fixed assets		31		(487)	
			5,422		3,479
Interest receivable			(260)		(257)
Interest payable	8		5,846		5,684
Operating cash flows before movements in working capital			12,205		10,037
Change in stock		82		473	
Change in debtors		(593)		(135)	
Change in creditors		86		(369)	
			(425)		(31)
Net cash inflow from operating activities			11,780		10,006
Investing Activities					
Acquisition and construction of properties		(13,603)		(21,658)	
Purchase of Intangible Fixed Assets		(70)		-	
Purchase of other fixed assets		-		(3)	
Social housing grant received		6,020		7,901	
Social housing grant repaid		97		(329)	
Other grants received		35		392	
Other grants repaid		(392)		-	
Proceeds on disposal of housing properties		1,446		1,965	
Net cash outflow from investing activities			(6,467)		(11,732)
Financing Activities					
Loan Advances Received		2,500		6,500	
Interest received on cash and cash equivalents		260		257	
Interest paid on loans		(5,846)		(5,684)	
Loan principal repayments		(2,133)		(2,000)	
Net cash outflow from financing activities			(5,219)		(927)
Increase/(decrease) in cash	23		94		(2,653)
Opening cash & cash equivalents			2,515		5,168
Closing cash & cash equivalents			2,609		2,515
Cash and cash equivalents as at 31 March					
Cash	23		2,609		2,515
			2,609		2,515

The notes on pages 24 to 50 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2025

	Share Capital £000	Revaluation Reserve £000	Furniture Reserve £	Revenue Reserve £000	Total £000
Balance as at 1 April 2023	1	2,060	23	23,290	25,374
Other movements	-	3		(3)	-
Surplus for the year	-	-	23	987	1,010
Balance as at 31 March 2024	1	2,063	46	24,274	26,384
Balance as at 1 April 2024	1	2,063	46	24,274	26,384
Other movements		1		(1)	-
Surplus for the year	-	-	23	1,457	1,480
Balance as at 31 March 2025	1	2,064	69	25,730	27,864

The notes on pages 24 to 50 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

PARENT STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2025

	Share Capital £000	Revenue Reserve £000	Total £000
Balance as at 1 April 2023	1	22,946	22,947
Surplus for the year	-	1,131	1,131
Balance as at 31 March 2024	<u>1</u>	<u>24,077</u>	<u>24,078</u>
Balance as at 1 April 2024	1	24,077	24,078
Surplus for the year	-	1,197	1,197
Balance as at 31 March 2025	<u>1</u>	<u>25,274</u>	<u>25,275</u>

The notes on pages 24 to 50 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Legal status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014, is registered by the Financial Conduct Authority, is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010 and is a public benefit entity. The company is registered on The Scottish Charity Register, Charity Number SC042023. The company is registered in Scotland and the address of the Company's registered office and principal place of business is Huntly House, 74 Huntly Street, Aberdeen, AB10 1TD.

The Association's principal activities and the nature of the operations are as described in the Report of the Board of Management.

Basis of accounting

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102'), the Housing SORP 2014 'Statement of Recommended Practice for Registered Housing Providers' and comply with the Determination of Accounting Requirements 2024, and under the historical cost convention, modified to include investment properties at fair value.

The financial statements are prepared in Sterling (£) and are rounded to the nearest whole £'000 unless where otherwise stated.

Basis of consolidation

The Group financial statements consolidate the results of Grampian Housing Association Limited, and its subsidiary companies Kirkgate Developments Limited and TLC Housing Management Limited using acquisition accounting. The dormant subsidiaries are not included in the consolidation.

In accordance with FRS102, the association has taken advantage of the exemptions available under Section 33 of disclosing related party transactions with subsidiary undertakings.

Critical accounting estimates and areas of judgement

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

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

Critical accounting estimates:

Valuation of property and investment property

- Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on historical data and sector standards.
- Management commissions an independent valuation of the investment properties on an annual basis.

Components of housing properties

- Management reviews its asset components at each reporting date based on historical data and sector standards.
- Management reviews its estimate of the useful lives of depreciable components at each reporting date based on historical data and sector standards.

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Properties held for sale

- Management reviews the properties held as stock for sale to ensure the recoverability of the cost of the asset.

Allocation of costs for Shared Ownership developments

- Management reviews the shared historical costs and allocates on a pro-rata basis, reviewing this area annually

Impairment

- Measurement of recoverable amount for impairment reviews
- Cash generating units

Recoverable amount of rent arrears and other debtors

- Management reviews the arrears annually and on this basis, will set a level of outstanding debt against which a provision will be made

Going concern

The Group has a significant asset base matched by growing reserves. Recent cash flow forecasts covering a period of 1 year from the signing of these financial statements indicate that there are sufficient loan facilities in place to meet the Group's borrowing requirements. From quarterly reports, the Association receives sufficient information to react should adverse circumstances pose a threat to the Association and for this reason, a 1 year forecast is seen as appropriate. These forecasts include a level of investment in grant assisted social rental developments. On that basis, the Board of Management has a reasonable expectation that the Group has adequate resources to continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Revenue

Revenue comprises rental and service charge income receivable in the period from tenants and owner occupiers, fees and revenue based grants receivable from local authorities and the Scottish Government and fees from the provision of management services. It also includes lease income from commercial property and from the sale of properties within the shared ownership sector and tenants right to buy properties. It also includes grant income to subsidise wider agenda activities and sundry other income.

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

Income from sales of shared ownership properties and tenant right to buy properties is recognised at the point of legal completion of the transaction.

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

Government Grants

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

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset under the accruals model, with no amortisation in the year of addition.

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

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Other Grants

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

Interest Income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

Investment Income

Investment income is recognised on an accruals basis.

Development costs and allowances

Development allowances are intended to finance certain internal administrative costs relating to the acquisition and development of housing land and buildings for approved schemes. Notional development allowances become available in instalments according to the progress of work on the scheme and are included in HAG or are treated as deferred allowances in accruals and deferred income while development costs are added to housing properties. Deferred development allowances are used to fund future development costs.

Deferred Income

Income received in advance for commercial properties and for housing properties from the Foyer is treated as deferred income and released to the income and expenditure account over the period to which the rent relates.

Intangible Assets and Goodwill

All intangible assets shall be considered to have a finite useful life. The use of an intangible asset that arises from contractual or other legal rights shall not exceed the period of the contractual or other legal rights, but may be shorter depending on the period over which the entity expects to use the asset. The intangible assets are amortised to write down the cost of each asset to its estimated residual value, based on the straight line basis over the estimated years of the asset's life.

Tangible fixed assets - housing properties

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

Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings and expenditure incurred during the development period.

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

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

Shared ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. The first tranche portion is classed as a current asset and related sales proceeds are included in turnover. The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment. Where the first tranche has been sold prior to the acquisition of the properties, these are included in fixed assets only.

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

Investment properties

Investment properties, (including properties held under an operating lease) consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value. Changes in fair value are recognised in income and expenditure.

The Companies Act 2006 requires all properties to be depreciated. However, this requirement conflicts with the generally accepted accounting principle set out in FRS 102. The Board of Management consider that, because investment properties are not held for consumption, but for their investment potential, to depreciate them would not give a true and fair view.

If this departure from the Companies Act 2006 had not been made in order to give a true and fair view, the surplus/deficit for the financial year would have been reduced by depreciation. However, the amount of depreciation cannot reasonably be quantified because depreciation is only one of the many factors reflected in the annual valuation and the amount relating to the depreciation of the property cannot be separately identified.

Depreciation of housing properties

The Association separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, based on a straight line basis over the estimated years of the component's life.

<i>Component Name</i>	<i>Useful Economic Life Depreciation Rate</i>
Land	Not Depreciated
Assets under construction	Not Depreciated
Structure	100 years
Roofs	60 years
Kitchens	15 years
Bathrooms	25 years
Windows and Doors	25 years
Lifts	20 years
Heating Systems	25 years
Door Entry Systems	15 years
Electrics	20 years
Boilers	12 years
Insulation	25 years

No depreciation is charged on these assets in the year of purchase, but a full year's charge is made on the year of disposal.

Impairments of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, Grampian estimates the recoverable amount of the asset.

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

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

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

Other tangible fixed assets

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

<i>Asset Category</i>	<i>Depreciation Rate</i>
Freehold land and buildings	100 years
Freehold land and buildings improvements	15 years
Commercial properties	100 years
Commercial properties improvements	15 years
Heritable property	50 years
Plant, machinery, fixtures and motor vehicles	3 to 5 years
Computer hardware and software	4 years

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

No depreciation is charged on these assets in the year of purchase, but a full year's charge is made in the year of disposal.

Borrowing costs

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

Stocks

Stocks are valued at the lower of cost and net realisable value.

Taxation and deferred tax

Grampian Housing Association Limited has charitable status and is registered with the Office of Scottish Charities Regulator and is therefore exempt from paying Corporation Tax on charitable activities. Kirkgate Developments Limited and TLC Housing Maintenance Limited are still liable to tax.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised in the Statement of Comprehensive Income on revaluations where at the balance sheet date there is a binding agreement to sell the asset and the gain or loss expected to arise on sale has been recognised.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

VAT

The Association is VAT registered, however a large portion of income, namely rents, is exempt for VAT purposes therefore giving rise to a Partial Exemption calculation. Expenditure is shown inclusive of VAT. Kirkgate Developments Limited and TLC Housing Maintenance Limited are part of the same VAT group.

Deposits and liquid resources

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

Leases

All leases are operating leases and the annual rentals are charged to income and expenditure on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised on a straight-line basis over the lease term.

Employee benefits

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

Employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

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

Retirement benefits

Defined contribution plans

At 31 March 2024 the Association only operates defined contribution schemes and the amounts charged to income and expenditure are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Loan arrangement fees

Loan arrangement fees are amortised over the term of the loan to which they relate and prior year figures are adjusted to reallocate issue costs.

Financial instruments

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments. Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

Financial assets

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

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

Financial liabilities

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

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

Commitments to receive a loan are measured at cost less impairment.

Derecognition of financial assets and liabilities

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

Provisions

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

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

Reserves

The Association establishes restricted funds for specific purposes where their use is subject to restrictions imposed by third parties.

Business Combination

Assets and liabilities acquired through a business combination are recognised at fair value. Combinations which are for £nil consideration are treated as a combination that is in substance a gift with any excess of fair value of the assets received over the fair value of the liabilities acquired being recognised as income within the Statement of Comprehensive Income.

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT - GROUP

				2025			2024
	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£000	£000	£000	£000	£000	£000
Affordable letting activities	3	24,993	18,262	6,731	22,863	17,203	5,660
Other Activities	4	3,034	2,462	572	2,898	2,493	405
Total		28,027	20,724	7,303	25,761	19,696	6,065

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES - GROUP

	General Needs Housing £000	Shared Ownership £000	2025 Total £000	2024 Total £000
Revenue from Lettings				
Rent receivable net of service charges	21,083	1,135	22,218	20,185
Service charges receivable	1,013	90	1,103	1,084
Gross income from rent and service charges	22,096	1,225	23,321	21,269
Less: Rent losses from voids	183	35	218	204
Income from rents and service charges	21,913	1,190	23,103	21,065
Grants released from deferred income	1,781	109	1,890	1,798
Total turnover from affordable letting activities	23,694	1,299	24,993	22,863
Expenditure on affordable letting activities				
Management and maintenance administration costs	5,077	284	5,361	5,352
Service costs	1,457	-	1,457	1,540
Planned and cyclical maintenance, including major repairs	1,190	-	1,190	1,305
Reactive maintenance costs	2,905	-	2,905	2,886
Bad Debts - rents and service charges	(337)	15	(322)	488
Depreciation of affordable let properties	5,826	134	5,960	5,632
Impairment of affordable letting activities	1,711	-	1,711	-
Operating costs of affordable letting activities	17,829	433	18,262	17,203
Operating surplus on affordable letting activities	5,865	866	6,731	5,660
2024	4,588	1,072		

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT - PARENT

				2025			2024
	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£000	£000	£000	£000	£000	£000
Affordable letting activities	3	24,993	18,262	6,731	22,863	17,203	5,660
Other Activities	4	1,968	1,951	17	2,019	1,919	100
Total		26,961	20,213	6,748	24,882	19,122	5,760

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES - PARENT

	General Needs Housing £000	Shared Ownership £000	2025 Total £000	2024 Total £000
Revenue from Lettings				
Rent receivable net of service charges	21,083	1,135	22,218	20,185
Service charges receivable	1,013	90	1,103	1,084
Gross income from rent and service charges	22,096	1,225	23,321	21,269
Less: Rent losses from voids	183	35	218	204
Income from rents and service charges	21,913	1,190	23,103	21,065
Grants released from deferred income	1,781	109	1,890	1,798
Total turnover from affordable letting activities	23,694	1,299	24,993	22,863
Expenditure on affordable letting activities				
Management and maintenance administration costs	5,077	284	5,361	5,352
Service costs	1,457	-	1,457	1,540
Planned and cyclical maintenance, including major repairs	1,190	-	1,190	1,305
Reactive maintenance costs	2,905	-	2,905	2,886
Bad Debts - rents and service charges	(337)	15	(322)	488
Depreciation of affordable let properties	5,826	134	5,960	5,632
Impairment of affordable letting activities	1,711	-	1,711	-
Operating costs of affordable letting activities	17,829	433	18,262	17,203
Operating surplus on affordable letting activities	5,865	866	6,731	5,660
2024	4,588	1,072		

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES - GROUP

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2025	Operating surplus / (deficit) 2024
	£000	£000	£000	£000	£000	£000	£000	£000
Wider role activities	-	4	-	4	-	429	(425)	(468)
Investment property activities	-	-	853	853	-	387	466	202
Factoring	-	-	568	568	44	1,162	(638)	(333)
Contracted out services undertaken for registered social landlords	-	-	231	231	-	124	107	187
Contracted out services undertaken for other organisations	-	-	285	285	-	100	185	(11)
NSSE/Help to Buy	1	2	-	3	-	-	3	1
Other activities	22	-	1,068	1,090	-	216	874	827
Total From Other Activities	23	6	3,005	3,034	44	2,418	572	405
2024	84	46	2,768	2,898	39	2,454	405	

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES - PARENT

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2025	Operating surplus / (deficit) 2024
	£000	£000	£000	£000	£000	£000	£000	£000
Wider role activities	-	4	-	4	-	429	(425)	(468)
Factoring	-	-	568	568	44	1,162	(638)	(333)
Contracted out services undertaken for registered social landlords	-	-	18	18	-	-	18	84
Contracted out services undertaken for other organisations	-	-	285	285	-	100	185	(11)
NSSE/Help to Buy	1	2	-	3	-	-	3	1
Other activities	22	-	1,068	1,090	-	216	874	827
Total From Other Activities	23	6	1,939	1,968	44	1,907	17	100
2024	84	46	1,889	2,019	39	1,880	100	

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS - GROUP

	2025 £000	2024 £000
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board of Management, managers and employees of the Group.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	445	416
Pension contributions made on behalf of Officers with emoluments greater than £60,000	49	43
Emoluments payable to Chief Executive (excluding pension contributions)	113	106
Pension contributions paid on behalf of the Chief Executive	12	10
Total emoluments payable to the Chief Executive	125	116
Total emoluments paid to key management personnel	751	583
The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-		
	Number	Number
£60,001 to £70,000	-	2
£80,001 to £90,000	3	3
£100,001 to £110,000	1	1
£110,001 to £140,000	1	1

5. OFFICERS' EMOLUMENTS - PARENT

	2025 £000	2024 £000
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board of Management, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	445	416
Pension contributions made on behalf of Officers with emoluments greater than £60,000	49	43
Emoluments payable to Chief Executive (excluding pension contributions)	113	106
Pension contributions paid on behalf of the Chief Executive	12	10
Total emoluments payable to the Chief Executive	125	116
Total emoluments paid to key management personnel	751	583
The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-		
	Number	Number
£60,001 to £70,000	-	2
£80,001 to £90,000	3	3
£100,001 to £110,000	1	1
£110,001 to £140,000	1	1

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

6. EMPLOYEE INFORMATION - GROUP

	2025	2024
	No.	No.
Average monthly number of full time equivalent persons employed during the year	<u>126</u>	<u>122</u>
Average total number of employees employed during the year	<u>133</u>	<u>132</u>
Staff costs were:	£000	£000
Wages and salaries	5,101	4,663
National insurance costs	463	416
Pension costs	442	424
	<u>6,006</u>	<u>5,503</u>

6. EMPLOYEE INFORMATION - PARENT

	2025	2024
	No.	No.
Average monthly number of full time equivalent persons employed during the year	<u>100</u>	<u>99</u>
Average total number of employees employed during the year	<u>107</u>	<u>106</u>
Staff costs were:	£000	£000
Wages and salaries	4,196	3,938
National insurance costs	383	359
Pension costs	367	353
	<u>4,946</u>	<u>4,650</u>

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

7. (LOSS) / GAIN ON SALE OF HOUSING STOCK

	Group		Parent	
	2025	2024	2025	2024
	£000	£000	£000	£000
Sales proceeds	1,448	2,235	1,446	2,222
Cost of sales	1,477	1,735	1,477	1,735
(Loss) / Gain on sale of housing stock	(29)	500	(31)	487

8. INTEREST PAYABLE AND SIMILAR CHARGES

	Group		Parent	
	2025	2024	2025	2024
	£000	£000	£000	£000
On bank loans and overdrafts	5,703	5,562	5,702	5,561
Other loan Interest	191	215	191	215
	5,894	5,777	5,893	5,776
Less: Interest Capitalised on developments	(47)	(92)	(47)	(92)
	5,847	5,685	5,846	5,684

The capitalisation rate of capitalised development period interest was 6.5% (2024 - 5%).

9. SURPLUS FOR THE YEAR

	Group		Parent	
	2025	2024	2025	2024
	£000	£000	£000	£000
Surplus For The Year is stated after charging/(crediting):				
Depreciation - non-current assets	6,041	5,715	6,038	5,713
Amortisation of intangible assets	44	43	44	43
Auditors' remuneration - audit services	28	27	28	27
Auditors' remuneration - other services	2	2	2	2
Gain on sale of other non-current assets	(2)	(13)	-	-

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. CORPORATION TAX

	Group	
	2025	2024
	£000	£000
Analysis of Charge in Year		
<i>Current Tax:</i>		
Current tax on income for the year	14	22
Adjustments in respect of previous years	-	-
Total current tax	14	22
Deferred tax movement	19	(29)
Tax on surplus on ordinary activities	33	(7)

Factors affecting the charge charge for the current year

The current tax charge for the year differs from the charge calculated at the UK corporation tax rate of 25% (2024 - 25%). The difference is explained below:

	2025	2024
	£000	£000
Surplus on ordinary activities before tax	1,513	1,003
Less current year charity profit	(1,197)	(1,131)
	316	(128)
Effects of:		
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 25% (2024 - 25%)	79	30
Expenses not deductible for tax purposes	-	3
Fixed Asset differences	-	1
Income not taxable for tax purposes	15	(9)
Amounts relating to other comprehensive income or otherwise transferred	-	(78)
Chargeable gains/losses	18	48
Adjustments in respect of previous periods	(79)	(1)
Adjustments to tax charge in respect of previous periods - deferred tax	-	(1)
Movement in deferred tax not recognised	-	(16)
Total current tax charge above	33	(7)

Deferred taxation

The movement in the deferred taxation account consists of the tax effect of timing differences in respect of:

	2025	2024
	£000	£000
Balance brought forward	487	516
Income and expenditure account movement arising during the year	33	(7)
Difference in movement between Statement of Financial position and Statement of comprehensive income	(14)	(22)
Balance carried forward	506	487

The balance of the deferred taxation account consists of the tax effect of timing in respect of:

	2025	2024
	£000	£000
Effect of taxation allowances over depreciation of fixed assets	63	62
Capital gains	443	425
Deferred tax liability/(assets)	506	487

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Intangible assets		
- Group and parent	Computer software £000	Total £000
COST		
At 1 April 2024	640	640
Additions	70	70
Eliminated on disposals	-	-
	<u> </u>	<u> </u>
At 31 March 2025	710	710
	<u> </u>	<u> </u>
AMORTISATION		
At 1 April 2024	(546)	(546)
Charge for year	(44)	(44)
Eliminated on disposal	-	-
	<u> </u>	<u> </u>
At 31 March 2025	(590)	(590)
	<u> </u>	<u> </u>
NET BOOK VALUE		
At 31 March 2025	120	120
	<u> </u>	<u> </u>
At 31 March 2024	94	94
	<u> </u>	<u> </u>

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON-CURRENT ASSETS

(a) Housing Properties Group	Housing Properties Held for Letting £000	Housing Properties In course of Construction £000	Shared Ownership Completed £000	Total £000
COST				
At 1 April 2024	330,349	12,646	17,545	360,540
Additions	3,913	9,690	-	13,603
Disposals	(1,778)	-	(899)	(2,677)
Abortive Costs	-	(1,711)	-	(1,711)
Transfers	9,449	(9,449)	-	-
At 31 March 2025	341,933	11,176	16,646	369,755
DEPRECIATION				
At 1 April 2024	73,024	-	3,052	76,076
Charge for Year	5,826	-	134	5,960
Disposals	(1,532)	-	(155)	(1,687)
At 31 March 2025	77,318	-	3,031	80,349
NET BOOK VALUE				
At 31 March 2025	264,615	11,176	13,615	289,406
At 31 March 2024	257,325	12,646	14,493	284,464
	2025	2024		
Expenditure on Existing Properties	<i>Component replacement</i> £000	<i>Improvement / Repairs</i> £000	<i>Component replacement</i> £000	<i>Improvement / Repairs</i> £000
Amounts capitalised	3,777	-	3,937	-
Amounts charged to the statement of comprehensive income	-	1,190	-	1,247

Included in the net book value of housing properties are long leasehold properties of £27,808,000 (2024 - £28,295,000). All other housing properties are heritable.

The aggregate amount of finance costs included in the cost of housing properties amounted to £1,552,000 (2024 - £1,490,000).

Development administration costs capitalised amounted to £22,000 (2024 - £78,000) and development allowances amounted to £18,000 (2024 - £80,000). The abortive costs of £1,711 relates to impairment of a development project.

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON-CURRENT ASSETS (continued)

(a) Housing Properties Parent	Housing Properties Held for Letting £000	Housing Properties In course of Construction £000	Shared Ownership Completed £000	Total £000
COST				
At 1 April 2024	330,349	12,646	17,545	360,540
Additions	3,913	9,690	-	13,603
Disposals	(1,778)	-	(899)	(2,677)
Abortive Costs	-	(1,711)	-	(1,711)
Transfers	9,449	(9,449)	-	-
At 31 March 2025	341,933	11,176	16,646	369,755
DEPRECIATION				
At 1 April 2024	73,024	-	3,052	76,076
Charge for Year	5,826	-	134	5,960
Disposals	(1,532)	-	(155)	(1,687)
At 31 March 2025	77,318	-	3,031	80,349
NET BOOK VALUE				
At 31 March 2025	264,615	11,176	13,615	289,406
At 31 March 2024	257,325	12,646	14,493	284,464

	2025		2024	
Expenditure on Existing Properties	Component replacement £000	Improvement / Repairs £000	Component replacement £000	Improvement / Repairs £000
Amounts capitalised	3,777	-	3,937	-
Amounts charged to the statement of comprehensive income	-	1,190	-	1,247

Included in the net book value of housing properties are long leasehold properties of £27,808,000 (2024 - £28,295,000). All other housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £22,000 (2024 - £78,000).

The Association's lenders have standard securities over housing property with a carry value (net of grants) of £32,207,000 (2024 - £31,046,000).

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. NON CURRENT ASSETS (continued)

(b) Other tangible assets - Group	Office Premises £000	Furniture & Equipment £000	Machinery & Equipment £000	Computer Equipment £000	Total £000
COST					
At 1 April 2024	3,337	411	38	236	4,022
Additions	-	7	-	-	7
Eliminated on disposals	-	-	(36)	-	(36)
At 31 March 2025	3,337	418	2	236	3,993
DEPRECIATION					
At 1 April 2024	1,561	401	38	181	2,181
Charge for year	54	3	-	24	81
Eliminated on disposals	-	-	(36)	-	(36)
At 31 March 2025	1,615	404	2	205	2,226
NET BOOK VALUE					
At 31 March 2025	1,722	14	-	31	1,767
At 31 March 2024	1,776	10	-	55	1,841

Included in heritable land and buildings is land costing £250,000. Net interest capitalised in tangible fixed assets at 31 March 2025 amounted to £515,000 (2024 - £515,000). Interest of £nil was capitalised in the year (2024 - £nil).

(b) Other tangible assets - Parent	Office Premises £000	Furniture & Equipment £000	Machinery & Equipment £000	Computer Equipment £000	Total £000
COST					
At 1 April 2024	3,337	381	26	234	3,978
Additions	-	-	-	-	-
Eliminated on disposals	-	-	(24)	-	(24)
At 31 March 2025	3,337	381	2	234	3,954
DEPRECIATION					
At 1 April 2024	1,561	381	26	181	2,149
Charge for year	54	-	-	24	78
Eliminated on disposals	-	-	(24)	-	(24)
At 31 March 2025	1,615	381	2	205	2,203
NET BOOK VALUE					
At 31 March 2025	1,722	-	-	29	1,751
At 31 March 2024	1,776	-	-	53	1,829

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

13. FIXED ASSET INVESTMENTS - GROUP AND PARENT

	2025	2024
	£000	£000
Investment properties	5,596	5,595
	<u>5,596</u>	<u>5,595</u>

Subsidiary Undertakings

Grampian Housing Association has the following wholly owned subsidiary undertakings. Kirkgate Developments Limited develops and manages properties for sale, mid-market and market rent properties, as well as developing opportunities for social enterprise, commercial and community facilities. TLC Housing Maintenance Limited provides maintenance services for the Group. Kirkgate Homes Limited is dormant. The registered offices of the subsidiaries is Huntly House, 74 Huntly Street, Aberdeen, AB10 1TD. Grampian Community Energy Limited was dissolved on 18th June 2024.

	2025		2024	
	Reserves	Profit /	Reserves	Profit /
	£000	(Loss) £000	£000	(Loss) £000
Kirkgate Developments Limited	2,728	300	2,495	116
TLC Housing Maintenance Limited	(140)	49	(189)	74
Kirkgate Homes Limited	2	-	2	-
Grampian Community Energy Limited	-	-	1	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Investment Properties

	2025	2024
	£000	£000
At 1 April 2024	5,595	5,649
Disposals	-	(90)
Revaluations taken to the statement of comprehensive income	1	36
At 31 March 2025	<u>5,596</u>	<u>5,595</u>

Investment properties, which are all freehold, were valued on a desktop basis at 31 March 2025 by J & E Shepherd, Chartered Surveyors, in accordance with the Royal Institution of Chartered Surveyors ('RICS') Appraisal and Valuation Manual.

On a historical cost basis these fixed assets would have been included at a cost of £3,799,000 (2024 - £3,799,000) and aggregate depreciation of £730,000 (2024 - £692,000).

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

14. STOCK AND WORK IN PROGRESS

	GROUP		PARENT	
	2025	2024	2025	2024
	£000	£000	£000	£000
Properties for sale	115	167	85	167
Stock of maintenance materials	-	60	-	-
	<u>115</u>	<u>227</u>	<u>85</u>	<u>167</u>

15. RECEIVABLE AMOUNTS DUE AFTER MORE THAN ONE YEAR

	GROUP		PARENT	
	2025	2024	2025	2024
	£000	£000	£000	£000
Loans due from subsidiary	-	-	2,978	3,053

Loans to subsidiary companies are at a commercial rate with defined payback terms.

16. RECEIVABLES

	GROUP		PARENT	
	2025	2024	2025	2024
	£000	£000	£000	£000
Gross arrears of rent and service charges	1,096	1,131	1,096	1,131
Less: Provision for doubtful debts	(576)	(635)	(576)	(635)
<i>Net arrears of rent and service charges</i>	<u>520</u>	<u>496</u>	<u>520</u>	<u>496</u>
Social housing grant receivable	2,039	894	2,039	894
Other receivables	1,763	775	1,282	677
Amounts due from group undertakings	-	-	281	242
	<u>4,322</u>	<u>2,165</u>	<u>4,122</u>	<u>2,309</u>

17. CASH AND CASH EQUIVALENTS

	GROUP		PARENT	
	2025	2024	2025	2024
	£000	£000	£000	£000
Cash at bank and in hand	3,329	2,864	2,609	2,515
	<u>3,329</u>	<u>2,864</u>	<u>2,609</u>	<u>2,515</u>

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent	
	2025	2024	2025	2024
	£000	£000	£000	£000
Bank loans	2,264	2,130	2,254	2,120
Trade payables	1,215	1,175	1,121	1,146
Rent received in advance	652	612	652	612
Other taxation and social security	36	17	36	17
Amounts due to group undertakings	-	-	84	245
Other payables	1,639	86	1,610	64
Accruals and deferred income	1,733	1,282	1,294	1,084
	<u>7,539</u>	<u>5,302</u>	<u>7,051</u>	<u>5,288</u>

19. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Parent	
	2025	2024	2025	2024
	£000	£000	£000	£000
Bank loans	94,224	94,001	94,222	93,989
	<u>94,224</u>	<u>94,001</u>	<u>94,222</u>	<u>93,989</u>

20. DEBT ANALYSIS - BORROWINGS

	Group		Parent	
	2025	2024	2025	2024
	£000	£000	£000	£000
Bank Loans				
Amounts due within one year	2,264	2,130	2,254	2,120
Amounts due in one year or more but less than two years	940	2,266	938	2,256
Amounts due in two years or more but less than five years	18,631	12,504	18,631	12,502
Amounts due in more than five years	74,652	79,232	74,652	79,232
	<u>96,487</u>	<u>96,132</u>	<u>96,475</u>	<u>96,110</u>

The Association has a number of bank loans the principal terms of which are as follows:

Lender	Number of Properties	Effective Interest Rate	Maturity (Year)	Variable or Fixed
Nationwide	45	SONIA + 0.35%	2026	Variable
Bank of Scotland - Syndicate	674	6.0%	2032	Fixed
Bank of Scotland - Syndicate	-	SONIA + 1%	2032	Variable
Bank of Scotland - Syndicate	-	5.5%	2032	Fixed
Royal Bank of Scotland - Syndicate	-	5.5%	2032	Fixed
Royal Bank of Scotland	-	4.9%	2037	Fixed
Royal Bank of Scotland	1,532	4.8%	2036	Fixed
Royal Bank of Scotland	-	5.7%	2047	Fixed
Royal Bank of Scotland	-	SONIA + 1.6%	2047	Variable
Royal Bank of Scotland	-	SONIA + 1.4%	2037	Variable
THFC	113	3.5%	2043	Fixed
HEEPS	-	0.0%	2028	N/A

A cash charge exists between THFC (Social Housing Finance) Limited and Grampian Housing Association Limited, whereby the Association maintains a balance of £276,466 (2024 - £263,701) on a specific deposit account.

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. DEFERRED INCOME - GROUP AND PARENT

	Social Housing Grants £000	Other Housing Grants £000	Total £000
Capital grants received			
At 1 April 2024	186,753	11,422	198,175
Additions in the year	7,165	35	7,200
Eliminated on disposal	(18)	(392)	(410)
Transfers to current liabilities	(1,543)		(1,543)
At 31 March 2025	192,357	11,065	203,422
Amortisation			
At 1 April 2024	25,317	1,906	27,223
Amortisation in year	1,781	109	1,890
Eliminated on disposal	(115)	-	(115)
At 31 March 2025	26,983	2,015	28,998
Net book value			
At 31 March 2025	165,374	9,050	174,424
At 31 March 2024	161,436	9,516	170,952

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2025 £000	2024 £000
Amounts due within one year	1,942	1,858
Amounts due in more than one year	172,482	169,094
	174,424	170,952

22. SHARE CAPITAL

	PARENT	
Shares of £1 each, issued and fully paid	2025 £	2024 £
At 1 April	47	55
Issued in year	3	4
Cancelled in year	(4)	(12)
At 31 March	46	47

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

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

23. STATEMENT OF CASH FLOWS - GROUP

Reconciliation of net cash flow to movement in net debt

	2025	2024
	£000	£000
Increase / (decrease) in cash	465	(2,960)
Cashflow from change in net debt	(357)	(4,490)
Movement in net debt during the year	108	(7,450)
Net debt at 1 April	(93,267)	(85,817)
Net debt at 31 March	(93,159)	(93,267)

	At 01 April 2024	Cashflows	Other Changes	At 31 March 2025
	£000	£000	£000	£000
Cash and cash equivalents	2,864	465	-	3,329
	2,864	465	-	3,329
Debt: Due within one year	(2,130)	(357)	223	(2,264)
Due after more than one year	(94,001)	-	(223)	(94,224)
Net debt	(93,267)	108	-	(93,159)

23. STATEMENT OF CASH FLOWS - PARENT

Reconciliation of net cash flow to movement in net funds

	2025	2024
	£000	£000
Increase / (decrease) in cash	94	(2,653)
Cashflow from change in net debt	(367)	(4,500)
Movement in net debt during the year	(273)	(7,153)
Net debt at 1st April 2024	(93,594)	(86,441)
Net debt at 31 March 2025	(93,867)	(93,594)

	At 01 April 2024	Cashflows	Other Changes	At 31 March 2025
	£000	£000	£000	£000
Cash at bank and in hand	2,515	94	-	2,609
	2,515	94	-	2,609
Debt: Due within one year	(2,120)	(367)	233	(2,254)
Due after more than one year	(93,989)	-	(233)	(94,222)
Net Debt	(93,594)	(273)	-	(93,867)

24. CAPITAL COMMITMENTS - GROUP AND PARENT

	2025	2024
	£000	£000
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	4,657	19,421

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

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. DETAILS OF ASSOCIATION

The Association is a Registered Society registered with the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is Huntly House, 74 Huntly Street, Aberdeen, AB10 1TD.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Aberdeen, Aberdeenshire & Moray.

26. BOARD OF MANAGEMENT MEMBER EMOLUMENTS - GROUP AND PARENT

Board of Management members received £535 (2024 - £374) in the year by way of reimbursement of expenses. No remuneration is paid to Board of Management members in respect of their duties to the Association.

27. PROVISIONS FOR LIABILITIES AND CHARGES - GROUP

	2025 £	2024 £
Deferred Tax and Holiday Pay		
At 1 April	611	632
Increase / (decrease) in provision	(7)	(21)
At 31 March	<u>604</u>	<u>611</u>

At the year end the balance of provisions was split £506,000 (2024 - £487,000) for deferred tax and £98,000 (2024 - £124,000) for holiday pay.

28. PROVISIONS FOR LIABILITIES AND CHARGES - PARENT

	2025 £	2024 £
Holiday Pay		
At 1 April	124	115
Increase / (decrease) in provision	(25)	9
At 31 March	<u>99</u>	<u>124</u>

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

29 HOUSING STOCK - GROUP

The number of units of accommodation in management at the year end was:-	2025 No.	2024 No.
General needs	3,964	3,915
Non-social	31	31
Shared ownership	327	345
Units under development	279	357
	<u>4,601</u>	<u>4,648</u>

Housing units managed by the Association and leased to its subsidiary:

Name of Organisation	Number of Units	
	2025 No.	2024 No.
Kirkgate Developments Limited	<u>210</u>	<u>210</u>

30 RELATED PARTY TRANSACTIONS

Members of the Board of Management are related parties of the Association as defined by Financial Reporting Standard 102.

Any transactions between the Association and any entity with which a Board of Management member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Board of Management members (and their close family) were as follows:

	2025 £	2024 £
Rent received from tenants on the Board of Management and their close family members	<u>16,552</u>	<u>6,608</u>
Factoring charges received from factored owners on the Board of Management and their close family members	<u>470</u>	<u>867</u>

The Chief Executive is a Board member of the Governing Body Members Forum at SFHA and there is an amount of £nil paid in relation to his membership fee.

The company has taken the exemption available under Section 33 of FRS102 in relation to disclosing related party transactions with Kirkgate Developments Limited and TLC Housing Management Limited.

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

31. RETIREMENT BENEFITS

Grampian Housing Association participates in a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Association in an independently administered fund. The contributions payable by the Association charged to the statement of comprehensive income amounted to £626,000 (2024 - £353,000). This increase is due to the Association operating a salary sacrifice scheme.

No other post-retirement benefits are provided. The schemes are fully funded schemes.