



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 2024

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 2024

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GRAMPIAN HOUSING ASSOCIATION LIMITED

BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024

Board of Management

| | |
|----------------------------|---|
| Dr Abhishek Agarwal | (Chair) Re-elected 19 September 2023 |
| Christopher Bennett-Taylor | Resigned 12 July 2023 |
| James Cargill | (Vice Chair) Re-elected 19 September 2023 |
| Shenthiel Selvam | |
| Stewart Davidson | |
| Ritchie Johnson | |
| Kristi Kelly | |
| Stuart Rothnie | |
| Donna Darling | |
| Tigan Daspan | |
| Alex Drummond | |
| David Thomson | |
| Freya Lees | |
| Charlotte Torrance | |
| Nikola Will | |

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
180 St Vincent Street
Glasgow
G2 5SG

INTERNAL AUDITORS

Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

Contract start date of 15th May 2024

GRAMPIAN HOUSING ASSOCIATION LIMITED

BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024 (continued)

BANKERS

The Royal Bank of Scotland plc
78 Union Street
Aberdeen
AB10 1HH

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 2024

The Board of Management presents its report and the financial statements for the year ended 31 March 2024.

Legal Status

The Association 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. HAL 120 AL) under the Housing (Scotland) Act 2010 and as a registered Scottish Charity with the charity number SC042023.

Principal Activities

The principal activity of Grampian Housing Association (the Group) is to provide and manage quality affordable accommodation for people in housing need. The Association owns and manages a wide range of housing for rent. It also has a significant portfolio of shared ownership properties. The Association works closely with local authorities to provide accommodation for homeless households and in partnership with others it provides special needs accommodation throughout the Grampian area. The Association also has relationships with other agencies including NHS Grampian.

There are two active subsidiaries Kirkgate Developments Limited and TLC Housing Maintenance Limited. The former develops and manages properties for sale, mid-market and market rent properties as well as developing opportunities for social enterprise and commercial and community facilities.

TLC Housing Maintenance Limited, provides maintenance services to the Association and its main objectives are to provide better quality services to tenants and provide value for money to the Association through VAT savings on services provided.

Delivering our Strategic Ambitions

Notwithstanding the impact of Brexit, Covid lockdown and the rising cost of living, to date, our commitment to improving corporate planning has ensured that the Group continues to remain financially healthy with another positive outcome for 2023-24.

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 2024-25 to ensure it can remain resilient and sustainable in the delivery of affordable rents whilst managing growing tenant expectations, rising interest rates, and rising service and material costs.

Good stewardship throughout 2023-24 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 2024-25, 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 1 of the Business Plan by the Board of Management, the annual plan for 2024-25 (which aligns with the 5-year plan) has also been reviewed and following 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.

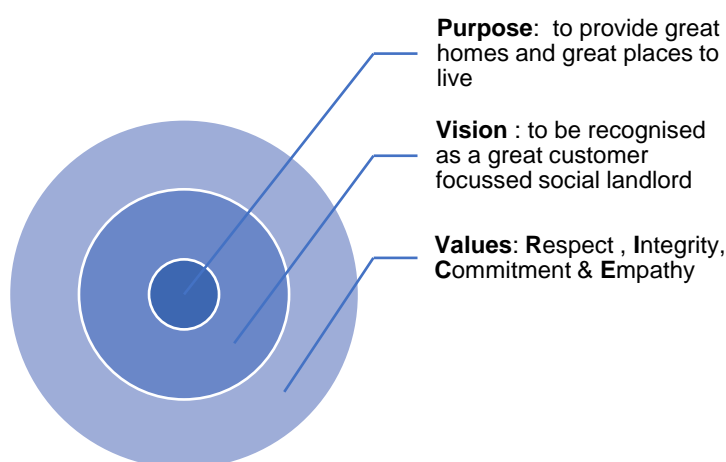
GRAMPIAN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2024

Strategic Business Plan 2023-28 Annual review (continued)

Although an overall good year for 2023-24, the Executive team are not complacent by 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 ensures that the organisation manages its resources effectively to sustain financial well-being, whilst maintaining rents at an affordable level.

Following a strategic review awayday, which included a PESTLE and SWOT analysis, the Board in May 2024 approved a revised year two of the Business Plan providing greater clarity on purpose and strategic objectives:



The review of the Business Plan in May 2024 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 on an annual basis defines 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

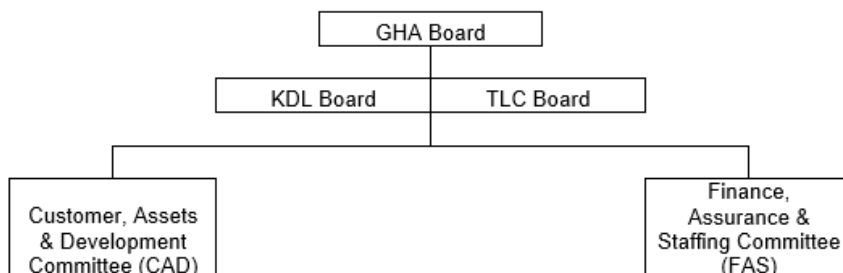
REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2024

Governance and Management

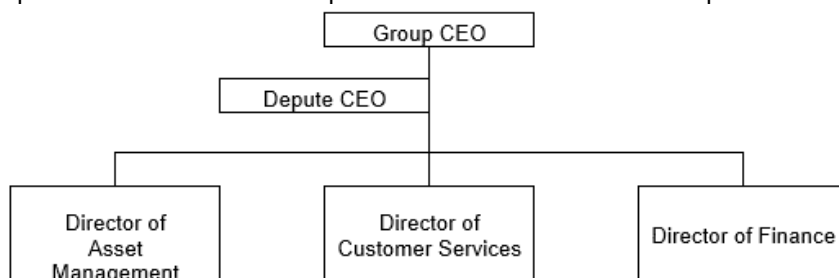
During the year, the Board and its sub committees consider and scrutinise information and data across a wide range of areas and which is aligned with regulatory and governance standards as defined within the 2024 Regulatory Framework. Throughout the year the Board is involved in the development and monitoring 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;

- "The presentation of performance monitoring reports including those in respect of finance, treasury, asset management, housing management, cyber security, service delivery, risk management, people, health and safety by the Executive Team and Heads of Service"
- 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, Depute 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 2024

Equipping its People for Excellence (Continued)

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

That commitment is underpinned by a bold and progressive People Strategy – 'Great Growth, Great Futures' – and a pro-active and recently expanded People Team, who are unswerving in their upholding its delivery.

This work is guided by, and dovetails neatly with, the Chartered Institute of Personnel and Development's (CIPD) definition of what constitutes 'good work' and in turn, creates a workplace environment and culture where people are appreciated, recognised, remunerated fairly, developed and given opportunities to attain new skills and learning, where wellbeing is concerned, work-life balance maintained and where organisational values are not only upheld – but permeate each decision and all areas of the organisation.

During the period 2023-24, and in furtherance of these strategic and corporate objectives, a number of new initiatives were brought forward, which enhance and strengthen Grampian's Total Reward Package and employee experience.

Key Activities and Key Performance Outcomes

During 2023-24, Grampian Housing Association increased capital investment in its properties: this included 72 new bathrooms, 196 new boilers, 48 full heating systems, 48 insulation replacements, 216 new kitchens, 268 new door entry systems and 57 full window installations. A number of new properties were also built during the year, with 85 units added to the Group's portfolio including an additional 7 off the shelf properties 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 turnover was £25,761,000 which represented an increase of £1,686,000 (2023: £24,075,000) This increase relates to rent received from new build properties moving into management and a rent increase applied from April 2023. Operating costs of £19,696,000 which represents 6.5% increase when compared to (2023: £18,489,000), the Grampian group has experienced increased costs during a difficult economic environment with high inflation. Interest payable and similar charges has increased to £5,685,000 when compared to £4,284,000 in 2023. This has been impacted by high interest rates however is in line with budget expectations. Surplus before taxation was £1,003,000 for 2024 compared with £1,981,000 for 2023, a decrease of £978,000. 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.

The Group had net current liabilities of £46,000 when compared to the previous years net current assets (2023: £1,953,000). This is mainly due to timings in relation to cash drawdown requirements for new development projects.

Key Performance Indicators

| Performance Area | Scottish RSL ARC average 2022/23 | GHA ARC average 2022/23 | GHA ARC average 2023/24 | GHA Change between 22/23 & 22/24 | GHA Target 2024/25 |
|--|--|----------------------------------|----------------------------------|--|--------------------------|
| % Stock EESSH 1 compliant | NA | 93.70% | 97.80% | 4.10% | 98% |
| Average days to complete an adaptation | 53.56 | 42.8 | 29.19 | 13.61 | 30 |
| Average calendar days to re-let voids | 36.11 | 39.4 | 27.63 | 11.67 | 23 |
| % Rent loss due to voids | 0.92% | 1.02% | 0.55% | 0.47 | 0.47% |
| % Gross rent arrears due | 3.92% | 4.77% | 4.78% | 0.01% | 4.42% |
| % Tenants satisfied with quality of home | 92.28% | 91.50% | 95.36% | 3.86% | 96% |

GRAMPIAN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2024

Key Performance Indicators (Continued)

Despite difficult conditions and pressures, overall the Grampian Group has continued to perform well. EESSH1 is no longer reported and we await detail of its replacement SHNZS. The planned Improvements in stock condition should help meet any new standard when the SHNZS is expected to be introduced in 2025-26. EESSH1 and SHQS performance is still currently negatively impacted by no access. Refused access to carry out servicing or safety checks is a national issue and an area with an improvement plan for 2024-25.

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

We have worked hard to understand the reasons for tenant dissatisfaction. The launch of the Grampian Deal and our ambition to achieve Customer Service Excellence accreditation strengthens our commitment to delivering customer focussed services. This ensures our business objectives needs, service income and expenditure risk will be more closely scrutinised in support of good outcomes for customers and staff.

Having seconded a team of Neighbourhood Officers to work solely on reducing the time it takes us to let our properties, we have seen a vast improvement in performance with a reduction of 11.67 days, thus exceeding our target of 37 days. The reduction in re-let days has also had a positive effect on the percentage of rent loss due to voids (empty properties).

Gross rent arrears remain stable, albeit they are still sitting slightly above the national average. A team of Income Recovery Officers are working hard in this area to focus on reducing arrears whilst also supporting tenants through the cost of living crisis.

Tenancy sustainment is high on our agenda with the tenancy sustainment teams working proactively with our housing team to ensure that we are taking a proactive approach to supporting tenants and enabling them to live comfortably within 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.

GRAMPIAN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2024

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.

Two years into the strategy, and in light of the new 'Grampian Deal' launching, we have completed a review of our digital vision and strategic objectives. This sets out Grampian Housing Association's updated digital strategy, to guide investment in the development of tools to deliver the 'Grampian Deal' and identifies our digital ambitions for the first two years of the Business Plan.

The review also highlights 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.

As the technological landscape continues to evolve at a rapid rate, a planned and further revision in Q3 of 2024-25 will outline how Grampian will utilise and adopt these emerging technologies to deliver continuous improvement while delivering greater efficiency and value.

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.

GRAMPIAN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2024

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 2024. 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 2024

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 2024. 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 £697 (2023 - £399).

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.

GRAMPIAN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2024

Auditor

In accordance with obligations regarding procurement, the Grampian Group will be arranging to tender external audit.

By order of the Board of Management



MALCOLM MCNEIL

Secretary
27 August 2024

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 10 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 10 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
27 August 2024



GRAMPIAN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GRAMPIAN HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2024

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 2024 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 2024 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 2024 (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 2024 (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 2024 (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
27 August 2024



GRAMPIAN HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

| | Notes | 2024 £000 | 2023 £000 |
|---|-------|--------------|--------------|
| Revenue | 2 | 25,761 | 24,075 |
| Operating costs | 2 | 19,696 | 18,489 |
| OPERATING SURPLUS | | 6,065 | 5,586 |
| Gain on sale of housing stock | 7 | 500 | 651 |
| Gain on sale of other assets | | - | 1 |
| Interest receivable and other income | | 87 | 106 |
| Interest payable and similar charges | 8 | (5,685) | (4,284) |
| Movement in fair value of financial instruments | | 36 | (79) |
| | | (5,062) | (3,605) |
| Surplus on ordinary activities before taxation | 9 | 1,003 | 1,981 |
| Tax on surplus on ordinary activities | 10 | 7 | (80) |
| SURPLUS FOR THE YEAR | | 1,010 | 1,901 |
| TOTAL COMPREHENSIVE INCOME | | 1,010 | 1,901 |

The results relate wholly to continuing activities.

The notes on pages 25 to 51 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

PARENT STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

| | Notes | 2024 £000 | 2023 £000 |
|--|-------|----------------|----------------|
| Revenue | 2 | 24,882 | 23,250 |
| Operating costs | 2 | 19,122 | 18,143 |
| OPERATING SURPLUS | | 5,760 | 5,107 |
| Gift aid received | | 311 | 34 |
| Gain on sale of housing stock | 7 | 487 | 651 |
| Interest receivable and other income | | 257 | 263 |
| Interest payable and similar charges | 8 | (5,684) | (4,283) |
| | | <u>(4,629)</u> | <u>(3,335)</u> |
| Surplus on ordinary activities before taxation | 9 | 1,131 | 1,772 |
| Tax on surplus on ordinary activities | 10 | - | - |
| SURPLUS FOR THE YEAR | | 1,131 | 1,772 |
| TOTAL COMPREHENSIVE INCOME | | 1,131 | 1,772 |

The results relate wholly to continuing activities.

The notes on pages 25 to 51 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

| | Notes | 2024 | | 2023 |
|--|-------|----------------|----------------------|----------------------|
| | | £000 | £000 | £000 |
| NON-CURRENT ASSETS | | | | |
| Intangible assets | 11 | | 94 | 167 |
| Housing properties - depreciated cost | 12 | | 284,464 | 269,886 |
| Other tangible assets | 12 | | 1,841 | 1,912 |
| Investments | 13 | | 5,595 | 5,649 |
| | | | <u>291,994</u> | <u>277,614</u> |
| CURRENT ASSETS | | | | |
| Stock and work in progress | 14 | 227 | | 666 |
| Receivables | 16 | 2,165 | | 1,118 |
| Cash and cash equivalents | 17 | 2,864 | | 5,824 |
| | | <u>5,256</u> | | <u>7,608</u> |
| CREDITORS: Amounts falling due within one year | 18 | <u>(5,302)</u> | | <u>(5,655)</u> |
| NET CURRENT (LIABILITIES) / ASSETS | | | <u>(46)</u> | <u>1,953</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 291,948 | 279,567 |
| CREDITORS: Amounts falling due after more than one year | 19 | | (94,001) | (89,638) |
| PROVISIONS FOR LIABILITIES AND CHARGES | | | | |
| Other Provision | 27 | <u>(611)</u> | | <u>(632)</u> |
| | | | (611) | (632) |
| DEFERRED INCOME | | | | |
| Social housing grants | 21 | (161,436) | | (154,690) |
| Other grants | 21 | <u>(9,516)</u> | | <u>(9,233)</u> |
| | | | <u>(170,952)</u> | <u>(163,923)</u> |
| NET ASSETS | | | <u>26,384</u> | <u>25,374</u> |
| EQUITY | | | | |
| Share capital | 22 | | 1 | 1 |
| Revenue reserves | | | 24,274 | 23,290 |
| Revaluation reserve | | | 2,063 | 2,060 |
| Furniture reserves | | | <u>46</u> | <u>23</u> |
| | | | <u>26,384</u> | <u>25,374</u> |

The financial statements were approved by the Board of Management and authorised for issue and signed on their behalf on 27 August 2024.


Board Member


Board Member


Secretary

The notes on pages 25 to 51 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

PARENT STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

| | Notes | 2024 | | 2023 |
|--|-------|--------------|----------------------|----------------------|
| | | £000 | £000 | £000 |
| NON-CURRENT ASSETS | | | | |
| Intangible assets | 11 | | 94 | 167 |
| Housing properties - depreciated cost | 12 | | 284,464 | 269,886 |
| Other tangible assets | 12 | | 1,829 | 1,907 |
| | | | <u>286,387</u> | <u>271,960</u> |
| RECEIVABLES: Amounts falling due after more than one year | | | | |
| | 15 | | 3,053 | 3,125 |
| CURRENT ASSETS | | | | |
| Stock and work in progress | 14 | 167 | 640 | |
| Receivables | 16 | 2,309 | 1,238 | |
| Cash and cash equivalents | 17 | 2,515 | 5,168 | |
| | | <u>4,991</u> | <u>7,046</u> | |
| CREDITORS: Amounts falling due within one year | | | | |
| | 18 | (5,288) | (5,530) | |
| NET CURRENT (LIABILITIES) / ASSETS | | | | |
| | | | <u>(297)</u> | <u>1,516</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | |
| | | | 289,143 | 276,601 |
| CREDITORS: Amounts falling due after more than one year | | | | |
| | 19 | | (93,989) | (89,616) |
| PROVISIONS FOR LIABILITIES AND CHARGES | | | | |
| Other Provision | 29 | (124) | (115) | |
| | | | <u>(124)</u> | <u>(115)</u> |
| DEFERRED INCOME | | | | |
| Social housing grants | 21 | (161,436) | (154,690) | |
| Other grants | 21 | (9,516) | (9,233) | |
| | | | <u>(170,952)</u> | <u>(163,923)</u> |
| NET ASSETS | | | | |
| | | | <u>24,078</u> | <u>22,947</u> |
| EQUITY | | | | |
| Share capital | 22 | | 1 | 1 |
| Revenue reserves | | | 24,077 | 22,946 |
| | | | <u>24,078</u> | <u>22,947</u> |

The financial statements were approved by the Board of Management and authorised for issue and signed on their behalf on 27 August 2024.


Board Member


Board Member


Secretary

The notes on pages 25 to 51 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

| | Notes | 2024 £000 | 2023 £000 | 2023 £000 |
|---|-------|--------------|---------------------|---------------------|
| Surplus for the Year | | | 1,010 | 1,901 |
| <i>Adjustments for non-cash items:</i> | | | | |
| Depreciation of tangible fixed assets | 12 | 5,715 | 5,405 | |
| Amortisation of intangible assets | 11 | 43 | 37 | |
| Amortisation of capital grants | 21 | (1,799) | (1,711) | |
| (Decrease)/increase in provisions | | 9 | (6) | |
| Gain on disposal of tangible fixed assets | | (500) | (652) | |
| Taxation | 10 | (7) | 80 | |
| Change in market value of investments | | (36) | 79 | |
| | | | <u>3,425</u> | <u>3,232</u> |
| Interest receivable | | (75) | (106) | |
| Interest payable | 8 | 5,684 | 4,284 | 4,178 |
| | | | <u>5,609</u> | <u>4,178</u> |
| Operating cash flows before movements in working capital | | | 10,044 | 9,311 |
| Change in stock | | 439 | (314) | |
| Change in debtors | | (221) | 119 | |
| Change in creditors | | (392) | (1,173) | |
| | | | <u>(174)</u> | <u>(1,368)</u> |
| Net cash inflow from operating activities | | | <u>9,870</u> | <u>7,943</u> |
| Investing Activities | | | | |
| Acquisition and construction of properties | | (21,658) | (14,481) | |
| Purchase of Intangible Fixed Assets | | - | (68) | |
| Purchase of other fixed assets | | (13) | (16) | |
| Social housing grant received | | 7,901 | 8,832 | |
| Social housing grant repaid | | (329) | (477) | |
| Other grants received | | 392 | - | |
| Other grants repaid | | - | (7) | |
| Proceeds on disposal of housing properties | | 2,068 | 2,216 | |
| | | | <u>2,216</u> | |
| Net cash outflow from investing activities | | | <u>(11,639)</u> | <u>(4,001)</u> |
| Financing Activities | | | | |
| Loan Advances Received | | 6,500 | 52,750 | |
| Interest received on cash and cash equivalents | | 75 | 106 | |
| Interest paid on loans | | (5,684) | (4,284) | |
| Loan principal repayments | | (2,082) | (50,724) | |
| | | | <u>(50,724)</u> | |
| Net cash outflow from financing activities | | | <u>(1,191)</u> | <u>(2,152)</u> |
| (decrease)/increase in cash | 23 | | <u>(2,960)</u> | <u>1,790</u> |
| Opening cash & cash equivalents | | | <u>5,824</u> | <u>4,034</u> |
| Closing cash & cash equivalents | | | <u><u>2,864</u></u> | <u><u>5,824</u></u> |
| Cash and cash equivalents as at 31 March | | | | |
| Cash | 23 | | 2,864 | 5,824 |
| | | | <u><u>2,864</u></u> | <u><u>5,824</u></u> |

The notes on pages 25 to 51 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

PARENT STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

| | Notes | 2024 £000 | 2023 £000 |
|---|-------|---------------------|---------------------|
| Surplus for the Year | | 1,131 | 1,772 |
| <i>Adjustments for non-cash items:</i> | | | |
| Depreciation of tangible fixed assets | 12 | 5,713 | 5,404 |
| Amortisation of intangible assets | 11 | 43 | 37 |
| Amortisation of capital grants | 21 | (1,799) | (1,711) |
| (Decrease)/increase in provisions | | 9 | (6) |
| Gain on disposal of tangible fixed assets | | (487) | (651) |
| | | <u>3,479</u> | <u>3,073</u> |
| Interest receivable | | (257) | (263) |
| Interest payable | 8 | 5,684 | 4,283 |
| | | <u>10,037</u> | <u>8,865</u> |
| Operating cash flows before movements in working capital | | | |
| Change in stock | | 473 | (326) |
| Change in debtors | | (135) | 68 |
| Change in creditors | | (369) | (1,091) |
| | | <u>(31)</u> | <u>(1,349)</u> |
| Net cash inflow from operating activities | | <u>10,006</u> | <u>7,516</u> |
| Investing Activities | | | |
| Acquisition and construction of properties | | (21,658) | (14,481) |
| Purchase of Intangible Fixed Assets | | - | (68) |
| Purchase of other fixed assets | | (3) | (12) |
| Social housing grant received | | 7,901 | 8,832 |
| Social housing grant repaid | | (329) | (477) |
| Other grants received | | 392 | - |
| Other grants repaid | | - | (7) |
| Proceeds on disposal of housing properties | | 1,965 | 2,212 |
| Net cash outflow from investing activities | | <u>(11,732)</u> | <u>(4,001)</u> |
| Financing Activities | | | |
| Loan Advances Received | | 6,500 | 52,750 |
| Interest received on cash and cash equivalents | | 257 | 263 |
| Interest paid on loans | | (5,684) | (4,283) |
| Loan principal repayments | | (2,000) | (50,644) |
| Net cash outflow from financing activities | | <u>(927)</u> | <u>(1,914)</u> |
| (decrease)/increase in cash | 23 | <u>(2,653)</u> | <u>1,601</u> |
| Opening cash & cash equivalents | | <u>5,168</u> | <u>3,567</u> |
| Closing cash & cash equivalents | | <u><u>2,515</u></u> | <u><u>5,168</u></u> |
| Cash and cash equivalents as at 31 March | | | |
| Cash | 23 | 2,515 | 5,168 |
| | | <u><u>2,515</u></u> | <u><u>5,168</u></u> |

The notes on pages 25 to 51 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2024

| | Share Capital £000 | Revaluation Reserve £000 | Furniture Reserve £ | Revenue Reserve £000 | Total £000 |
|------------------------------------|--------------------------|--------------------------------|---------------------------|----------------------------|---------------|
| Balance as at 1 April 2022 | 1 | 2,139 | 2 | 21,331 | 23,473 |
| Other movements | - | (79) | | 79 | - |
| Surplus for the year | - | - | 21 | 1,880 | 1,901 |
| Balance as at 31 March 2023 | 1 | 2,060 | 23 | 23,290 | 25,374 |
| 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 |

The notes on pages 25 to 51 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

PARENT STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2024

| | Share Capital £000 | Revenue Reserve £000 | Total £000 |
|------------------------------------|--------------------------|----------------------------|---------------|
| Balance as at 1 April 2022 | 1 | 21,174 | 21,175 |
| Surplus for the year | - | 1,772 | 1,772 |
| Balance as at 31 March 2023 | <u>1</u> | <u>22,946</u> | <u>22,947</u> |
| 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> |

The notes on pages 25 to 51 form an integral part of these financial statements.

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 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 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

| | | | 2024 | | 2023 | | |
|-------------------------------|-------|---------------|-----------------|-------------------------------|---------------|-----------------|-------------------------------|
| | Notes | Turnover | Operating costs | Operating surplus / (deficit) | Turnover | Operating costs | Operating surplus / (deficit) |
| | | £000 | £000 | £000 | £000 | £000 | £000 |
| Affordable letting activities | 3 | 22,863 | 17,203 | 5,660 | 21,109 | 16,121 | 4,988 |
| Other Activities | 4 | 2,898 | 2,493 | 405 | 2,966 | 2,368 | 598 |
| Total | | 25,761 | 19,696 | 6,065 | 24,075 | 18,489 | 5,586 |

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

| | General Needs Housing | Shared Ownership | 2024 Total | 2023 Total |
|---|-----------------------|------------------|---------------|---------------|
| | £000 | £000 | £000 | £000 |
| Revenue from Lettings | | | | |
| Rent receivable net of service charges | 19,080 | 1,105 | 20,185 | 18,721 |
| Service charges receivable | 953 | 131 | 1,084 | 965 |
| Gross income from rent and service charges | 20,033 | 1,236 | 21,269 | 19,686 |
| Less: Rent losses from voids | 180 | 24 | 204 | 288 |
| Income from rents and service charges | 19,853 | 1,212 | 21,065 | 19,398 |
| Grants released from deferred income | 1,690 | 108 | 1,798 | 1,711 |
| Total turnover from affordable letting activities | 21,543 | 1,320 | 22,863 | 21,109 |
| Expenditure on affordable letting activities | | | | |
| Management and maintenance administration costs | 5,264 | 88 | 5,352 | 5,062 |
| Service costs | 1,540 | - | 1,540 | 1,107 |
| Planned and cyclical maintenance, including major repairs | 1,305 | - | 1,305 | 1,274 |
| Reactive maintenance costs | 2,886 | - | 2,886 | 2,924 |
| Bad Debts - rents and service charges | 475 | 13 | 488 | 433 |
| Depreciation of affordable let properties | 5,485 | 147 | 5,632 | 5,321 |
| Operating costs of affordable letting activities | 16,955 | 248 | 17,203 | 16,121 |
| Operating surplus on affordable letting activities | 4,588 | 1,072 | 5,660 | 4,988 |
| 2023 | 3,968 | 1,020 | | |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

| | | 2024 | | | 2023 | | |
|-------------------------------|-------|---------------|-----------------|-------------------------------|---------------|-----------------|-------------------------------|
| | Notes | Turnover | Operating costs | Operating surplus / (deficit) | Turnover | Operating costs | Operating surplus / (deficit) |
| | | £000 | £000 | £000 | £000 | £000 | £000 |
| Affordable letting activities | 3 | 22,863 | 17,203 | 5,660 | 21,109 | 16,121 | 4,988 |
| Other Activities | 4 | 2,019 | 1,919 | 100 | 2,141 | 2,022 | 119 |
| Total | | 24,882 | 19,122 | 5,760 | 23,250 | 18,143 | 5,107 |

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

| | General Needs Housing £000 | Shared Ownership £000 | 2024 Total £000 | 2023 Total £000 |
|---|----------------------------|-----------------------|-----------------|-----------------|
| Revenue from Lettings | | | | |
| Rent receivable net of service charges | 19,080 | 1,105 | 20,185 | 18,721 |
| Service charges receivable | 953 | 131 | 1,084 | 965 |
| Gross income from rent and service charges | 20,033 | 1,236 | 21,269 | 19,686 |
| Less: Rent losses from voids | 180 | 24 | 204 | 288 |
| Income from rents and service charges | 19,853 | 1,212 | 21,065 | 19,398 |
| Grants released from deferred income | 1,690 | 108 | 1,798 | 1,711 |
| Total turnover from affordable letting activities | 21,543 | 1,320 | 22,863 | 21,109 |
| Expenditure on affordable letting activities | | | | |
| Management and maintenance administration costs | 5,264 | 88 | 5,352 | 5,062 |
| Service costs | 1,540 | - | 1,540 | 1,107 |
| Planned and cyclical maintenance, including major repairs | 1,305 | - | 1,305 | 1,274 |
| Reactive maintenance costs | 2,886 | - | 2,886 | 2,924 |
| Bad Debts - rents and service charges | 475 | 13 | 488 | 433 |
| Depreciation of affordable let properties | 5,485 | 147 | 5,632 | 5,321 |
| Operating costs of affordable letting activities | 16,955 | 248 | 17,203 | 16,121 |
| Operating surplus on affordable letting activities | 4,588 | 1,072 | 5,660 | 4,988 |
| 2023 | 3,968 | 1,020 | | |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
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) 2024 | Operating surplus / (deficit) 2023 |
|--|---|----------------------------|-----------------|-------------------|-----------------------------------|-----------------------------|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Wider role activities | - | 45 | - | 45 | - | 513 | (468) | (429) |
| Investment property activities | - | - | 879 | 879 | - | 677 | 202 | 454 |
| Factoring | - | - | 515 | 515 | 39 | 809 | (333) | (314) |
| Contracted out services undertaken for registered social landlords | - | - | 84 | 84 | - | (103) | 187 | 76 |
| Contracted out services undertaken for other organisations | - | - | 279 | 279 | - | 290 | (11) | (39) |
| NSSE/Help to Buy | - | 1 | - | 1 | - | - | 1 | 3 |
| Other activities | 84 | - | 1,011 | 1,095 | - | 268 | 827 | 847 |
| Total From Other Activities | 84 | 46 | 2,768 | 2,898 | 39 | 2,454 | 405 | 598 |
| 2023 | 132 | 222 | 2,612 | 2,966 | 33 | 2,335 | 598 | |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
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) 2024 | Operating surplus / (deficit) 2023 |
|--|---|----------------------------|-----------------|-------------------|-----------------------------------|-----------------------------|---|---|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Wider role activities | - | 45 | - | 45 | - | 513 | (468) | (429) |
| Factoring | - | - | 515 | 515 | 39 | 809 | (333) | (314) |
| Contracted out services undertaken for registered social landlords | - | - | 84 | 84 | - | - | 84 | 53 |
| Contracted out services undertaken for other organisations | - | - | 279 | 279 | - | 290 | (11) | (41) |
| NSSE/Help to Buy | - | 1 | - | 1 | - | - | 1 | 3 |
| Other activities | 84 | - | 1,011 | 1,095 | - | 268 | 827 | 847 |
| Total From Other Activities | 84 | 46 | 1,889 | 2,019 | 39 | 1,880 | 100 | 119 |
| 2023 | 132 | 222 | 1,787 | 2,141 | 33 | 1,989 | 119 | |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS - GROUP

| | 2024 £000 | 2023 £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) | <u>416</u> | <u>250</u> |
| Pension contributions made on behalf of Officers with emoluments greater than £60,000 | <u>43</u> | <u>25</u> |
| Emoluments payable to Chief Executive (excluding pension contributions) | 106 | 100 |
| Pension contributions paid on behalf of the Chief Executive | <u>10</u> | <u>9</u> |
| Total emoluments payable to the Chief Executive | <u>116</u> | <u>109</u> |
| Total emoluments paid to key management personnel | <u>583</u> | <u>400</u> |

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 | 3 |
| £80,001 to £90,000 | 3 | - |
| £90,001 to £100,000 | - | 1 |
| £100,001 to £110,000 | 1 | 1 |
| £110,001 to £140,000 | <u>1</u> | <u>-</u> |

5. OFFICERS' EMOLUMENTS - PARENT

| | 2024 £000 | 2023 £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) | <u>416</u> | <u>250</u> |
| Pension contributions made on behalf of Officers with emoluments greater than £60,000 | <u>43</u> | <u>25</u> |
| Emoluments payable to Chief Executive (excluding pension contributions) | 106 | 100 |
| Pension contributions paid on behalf of the Chief Executive | <u>10</u> | <u>9</u> |
| Total emoluments payable to the Chief Executive | <u>116</u> | <u>109</u> |
| Total emoluments paid to key management personnel | <u>583</u> | <u>400</u> |

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 | 3 |
| £80,001 to £90,000 | 3 | - |
| £90,001 to £100,000 | - | 1 |
| £100,001 to £110,000 | 1 | 1 |
| £110,001 to £140,000 | <u>1</u> | <u>-</u> |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

6. EMPLOYEE INFORMATION - GROUP

| | 2024 | 2023 |
|---|--------------|--------------|
| | No. | No. |
| Average monthly number of full time equivalent persons employed during the year | <u>122</u> | <u>124</u> |
| Average total number of employees employed during the year | <u>132</u> | <u>129</u> |
| Staff costs were: | £000 | £000 |
| Wages and salaries | 4,663 | 4,455 |
| National insurance costs | 416 | 414 |
| Pension costs | 424 | 370 |
| | <u>5,503</u> | <u>5,239</u> |

6. EMPLOYEE INFORMATION - PARENT

| | 2024 | 2023 |
|---|--------------|--------------|
| | No. | No. |
| Average monthly number of full time equivalent persons employed during the year | <u>99</u> | <u>103</u> |
| Average total number of employees employed during the year | <u>106</u> | <u>108</u> |
| Staff costs were: | £000 | £000 |
| Wages and salaries | 3,938 | 3,806 |
| National insurance costs | 359 | 362 |
| Pension costs | 353 | 312 |
| | <u>4,650</u> | <u>4,480</u> |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

7. GAIN ON SALE OF HOUSING STOCK

| | Group | | Parent | |
|-------------------------------|------------|------------|------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £000 | £000 | £000 | £000 |
| Sales proceeds | 2,235 | 2,500 | 2,222 | 2,500 |
| Cost of sales | 1,735 | 1,849 | 1,735 | 1,849 |
| Gain on sale of housing stock | <u>500</u> | <u>651</u> | <u>487</u> | <u>651</u> |

8. INTEREST PAYABLE AND SIMILAR CHARGES

| | Group | | Parent | |
|---|--------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £000 | £000 | £000 | £000 |
| On bank loans and overdrafts | 5,562 | 4,310 | 5,561 | 4,309 |
| Other loan Interest | 215 | 172 | 215 | 172 |
| | 5,777 | 4,482 | 5,776 | 4,481 |
| Less: Interest Capitalised on developments | <u>(92)</u> | <u>(198)</u> | <u>(92)</u> | <u>(198)</u> |
| | <u>5,685</u> | <u>4,284</u> | <u>5,684</u> | <u>4,283</u> |

The capitalisation rate of capitalised development period interest was 5% (2023 - 3%).

9. SURPLUS FOR THE YEAR

| | Group | | Parent | |
|--|-------------|----------|----------|----------|
| | 2024 | 2023 | 2024 | 2023 |
| | £000 | £000 | £000 | £000 |
| Surplus For The Year is stated after charging/(crediting): | | | | |
| Depreciation - non-current assets | 5,715 | 5,405 | 5,713 | 5,404 |
| Amortisation of intangible assets | 43 | 37 | 43 | 37 |
| Auditors' remuneration - audit services | 27 | 23 | 27 | 23 |
| Auditors' remuneration - other services | 2 | 1 | 2 | 1 |
| Operating lease rentals - land & buildings | - | 14 | - | 14 |
| Gain on sale of other non-current assets | <u>(13)</u> | <u>-</u> | <u>-</u> | <u>-</u> |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. CORPORATION TAX

| | Group | |
|--|------------|-----------|
| | 2024 | 2023 |
| | £000 | £000 |
| Analysis of Charge in Year | | |
| <i>Current Tax:</i> | | |
| Current tax on income for the year | 22 | - |
| Adjustments in respect of previous years | - | 8 |
| | <u>22</u> | <u>8</u> |
| Total current tax | 22 | 8 |
| Deferred tax movement | (29) | 72 |
| | <u>(7)</u> | <u>80</u> |

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% (2023 - 19%). The difference is explained below:

| | 2024 | 2023 |
|---|--------------|------------|
| | £000 | £000 |
| Surplus on ordinary activities before tax | 1,003 | 1,981 |
| Less current year charity profit | (1,131) | (1,772) |
| | <u>(128)</u> | <u>209</u> |
| Effects of: | | |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK 25% (2023 - 19%) | 30 | 46 |
| Expenses not deductible for tax purposes | 3 | 15 |
| Fixed Asset differences | 1 | - |
| Income not taxable for tax purposes | (9) | - |
| Adjustments for overprovision in previous years | - | 8 |
| Amounts relating to other comprehensive income or otherwise transferred | (78) | (6) |
| Chargeable gains/losses | 48 | - |
| Adjustments in respect of previous periods | (1) | - |
| Adjustments to tax charge in respect of previous periods - deferred tax | (1) | - |
| Adjustments closing deferred tax to average rate | - | 17 |
| Movement in deferred tax not recognised | (16) | - |
| | <u>(7)</u> | <u>80</u> |

Deferred taxation

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

| | 2024 | 2023 |
|--|------------|------------|
| | £000 | £000 |
| Balance brought forward | 516 | 444 |
| Income and expenditure account movement arising during the year | (7) | 80 |
| Difference in movement between Statement of Financial position and Statement of comprehensive income | (22) | (8) |
| | <u>487</u> | <u>516</u> |

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

| | 2024 | 2023 |
|--|------------|------------|
| | £000 | £000 |
| Effect of taxation allowances over depreciation of fixed assets | 62 | 60 |
| Capital gains | 425 | 377 |
| Difference in movement between Statement of Financial position and Statement of comprehensive income | - | 79 |
| | <u>487</u> | <u>516</u> |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

| 11. Intangible assets | Computer software under construction | Computer software | Total |
|-------------------------|---|----------------------|-----------------|
| - Group and parent | £000 | £000 | £000 |
| COST | | | |
| At 1 April 2023 | 68 | 602 | 670 |
| Additions | - | 38 | 38 |
| Eliminated on disposals | (68) | - | (68) |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 March 2024 | - | 640 | 640 |
| | <u> </u> | <u> </u> | <u> </u> |
| AMORTISATION | | | |
| At 1 April 2023 | - | (503) | (503) |
| Charge for year | - | (43) | (43) |
| Eliminated on disposal | - | - | - |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 March 2024 | - | (546) | (546) |
| | <u> </u> | <u> </u> | <u> </u> |
| NET BOOK VALUE | | | |
| At 31 March 2024 | - | 94 | 94 |
| | <u> </u> | <u> </u> | <u> </u> |
| At 31 March 2023 | 68 | 99 | 167 |
| | <u> </u> | <u> </u> | <u> </u> |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
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 2023 | 312,147 | 11,023 | 19,109 | 342,279 |
| Additions | 5,364 | 16,294 | - | 21,658 |
| Disposals | (1,945) | - | (1,481) | (3,426) |
| Transfers | 14,783 | (14,671) | (83) | 29 |
| At 31 March 2024 | <u>330,349</u> | <u>12,646</u> | <u>17,545</u> | <u>360,540</u> |
| DEPRECIATION | | | | |
| At 1 April 2023 | 69,218 | - | 3,175 | 72,393 |
| Charge for Year | 5,485 | - | 147 | 5,632 |
| Transfers | 10 | - | (10) | - |
| Disposals | (1,689) | - | (260) | (1,949) |
| At 31 March 2024 | <u>73,024</u> | <u>-</u> | <u>3,052</u> | <u>76,076</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2024 | <u>257,325</u> | <u>12,646</u> | <u>14,493</u> | <u>284,464</u> |
| At 31 March 2023 | <u>242,929</u> | <u>11,023</u> | <u>15,934</u> | <u>269,886</u> |
| | 2024 | | 2023 | |
| 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 | 3,937 | - | 3,790 | - |
| Amounts charged to the statement of comprehensive income | <u>-</u> | <u>1,247</u> | <u>-</u> | <u>1,181</u> |

Included in the net book value of housing properties are long leasehold properties of £28,295,000 (2023 - £27,114,000). All other housing properties are heritable.

The aggregate amount of finance costs included in the cost of housing properties amounted to £1,490,000 (2023 - £1,143,000).

Development administration costs capitalised amounted to £78,000 (2023 - £126,000) and development allowances amounted to £80,000 (2023 - £48,000).

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

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 2023 | 312,147 | 11,023 | 19,109 | 342,279 |
| Additions | 5,364 | 16,294 | - | 21,658 |
| Disposals | (1,945) | - | (1,481) | (3,426) |
| Transfers | 14,783 | (14,671) | (83) | 29 |
| At 31 March 2024 | <u>330,349</u> | <u>12,646</u> | <u>17,545</u> | <u>360,540</u> |
| DEPRECIATION | | | | |
| At 1 April 2023 | 69,218 | - | 3,175 | 72,393 |
| Charge for Year | 5,485 | - | 147 | 5,632 |
| Transfers | 10 | - | (10) | - |
| Disposals | (1,689) | - | (260) | (1,949) |
| At 31 March 2024 | <u>73,024</u> | <u>-</u> | <u>3,052</u> | <u>76,076</u> |
| NET BOOK VALUE | | | | |
| At 31 March 2024 | <u>257,325</u> | <u>12,646</u> | <u>14,493</u> | <u>284,464</u> |
| At 31 March 2023 | <u>242,929</u> | <u>11,023</u> | <u>15,934</u> | <u>269,886</u> |

| Expenditure on Existing Properties | 2024 | | 2023 | |
|--|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| | <i>Component replacement</i> £000 | <i>Improvement / Repairs</i> £000 | <i>Component replacement</i> £000 | <i>Improvement / Repairs</i> £000 |
| Amounts capitalised | 3,937 | - | 3,790 | - |
| Amounts charged to the statement of comprehensive income | - | 1,247 | - | 1,181 |
| | <u>3,937</u> | <u>1,247</u> | <u>3,790</u> | <u>1,181</u> |

Included in the net book value of housing properties are long leasehold properties of £28,295,000 (2023 - £27,114,000). All other housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £78,000 (2023 - £126,000).

The Association's lenders have standard securities over housing property with a carry value of £31,046,000 (2023 - £29,942,000).

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 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 2023 | 3,337 | 404 | 89 | 231 | 4,061 |
| Additions | - | 7 | - | 5 | 12 |
| Eliminated on disposals | - | - | (51) | - | (51) |
| At 31 March 2024 | <u>3,337</u> | <u>411</u> | <u>38</u> | <u>236</u> | <u>4,022</u> |
| DEPRECIATION | | | | | |
| At 1 April 2023 | 1,506 | 399 | 89 | 155 | 2,149 |
| Charge for year | 55 | 2 | - | 26 | 83 |
| Eliminated on disposals | - | - | (51) | - | (51) |
| At 31 March 2024 | <u>1,561</u> | <u>401</u> | <u>38</u> | <u>181</u> | <u>2,181</u> |
| NET BOOK VALUE | | | | | |
| At 31 March 2024 | <u>1,776</u> | <u>10</u> | <u>-</u> | <u>55</u> | <u>1,841</u> |
| At 31 March 2023 | <u>1,831</u> | <u>5</u> | <u>-</u> | <u>76</u> | <u>1,912</u> |

Included in heritable land and buildings is land costing £250,000. Net interest capitalised in tangible fixed assets at 31 March 2024 amounted to £515,000 (2023 - £515,000). Interest of £nil was capitalised in the year (2023 - £nil).

| (b) Other tangible assets - Parent | Office Premises £000 | Furniture & Equipment £000 | Machinery & Equipment £000 | Computer Equipment £000 | Total £000 |
|------------------------------------|-------------------------|-------------------------------|-------------------------------|----------------------------|---------------|
| COST | | | | | |
| At 1 April 2023 | 3,337 | 381 | 40 | 231 | 3,989 |
| Additions | - | - | - | 3 | 3 |
| Eliminated on disposals | - | - | (14) | - | (14) |
| At 31 March 2024 | <u>3,337</u> | <u>381</u> | <u>26</u> | <u>234</u> | <u>3,978</u> |
| DEPRECIATION | | | | | |
| At 1 April 2023 | 1,506 | 381 | 40 | 155 | 2,082 |
| Charge for year | 55 | - | - | 26 | 81 |
| Eliminated on disposals | - | - | (14) | - | (14) |
| At 31 March 2024 | <u>1,561</u> | <u>381</u> | <u>26</u> | <u>181</u> | <u>2,149</u> |
| NET BOOK VALUE | | | | | |
| At 31 March 2024 | <u>1,776</u> | <u>-</u> | <u>-</u> | <u>53</u> | <u>1,829</u> |
| At 31 March 2023 | <u>1,831</u> | <u>-</u> | <u>-</u> | <u>76</u> | <u>1,907</u> |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

13. FIXED ASSET INVESTMENTS - GROUP AND PARENT

| | 2024 | 2023 |
|-----------------------|--------------|--------------|
| | £000 | £000 |
| Investment properties | 5,595 | 5,649 |
| | <u>5,595</u> | <u>5,649</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.

| | 2024 | | 2023 | |
|-----------------------------------|-------------------|----------------------------|-------------------|----------------------------|
| | <i>Reserves</i> | <i>Profit / (Loss)</i> | <i>Reserves</i> | <i>Profit / (Loss)</i> |
| | £000 | £000 | £000 | £000 |
| Kirkgate Developments Limited | 2,495 | 116 | 2,670 | 115 |
| TLC Housing Maintenance Limited | (189) | 74 | (263) | 7 |
| Kirkgate Homes Limited | 2 | - | 2 | - |
| Grampian Community Energy Limited | 1 | - | 1 | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Investment Properties

| | 2024 | 2023 |
|---|--------------|--------------|
| | £000 | £000 |
| At 1 April 2023 | 5,649 | 5,728 |
| Disposals | (90) | - |
| Revaluations taken to the statement of comprehensive income | 36 | (79) |
| At 31 March 2024 | <u>5,595</u> | <u>5,649</u> |

Investment properties, which are all freehold, were valued on a desktop basis at 31 March 2024 by J & E Shepherd, Chartered Surveyors, in accordance with the Royal Institution of Chartered Surveyors ('RICS') Appraisal and Valuation Manual. A number of site visits were also undertaken in the year.

On a historical cost basis these fixed assets would have been included at a cost of £3,799,000 (2023 - £3,867,000) and aggregate depreciation of £692,000 (2023 - £844,000).

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

14. STOCK AND WORK IN PROGRESS

| | GROUP | | PARENT | |
|--------------------------------|------------|------------|------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £000 | £000 | £000 | £000 |
| Properties for sale | 167 | 153 | 167 | 153 |
| Stock of maintenance materials | 60 | 513 | - | 487 |
| | <u>227</u> | <u>666</u> | <u>167</u> | <u>640</u> |

15. RECEIVABLE AMOUNTS DUE AFTER MORE THAN ONE YEAR

| | GROUP | | PARENT | |
|---------------------------|-------|------|--------|-------|
| | 2024 | 2023 | 2024 | 2023 |
| | £000 | £000 | £000 | £000 |
| Loans due from subsidiary | - | - | 3,053 | 3,125 |

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

16. RECEIVABLES

| | GROUP | | PARENT | |
|--|--------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £000 | £000 | £000 | £000 |
| Gross arrears of rent and service charges | 1,131 | 1,064 | 1,131 | 1,064 |
| Less: Provision for doubtful debts | (635) | (603) | (635) | (603) |
| <i>Net arrears of rent and service charges</i> | 496 | 461 | 496 | 461 |
| Social housing grant receivable | 894 | 30 | 894 | 30 |
| Other receivables | 775 | 627 | 677 | 596 |
| Amounts due from group undertakings | - | - | 242 | 151 |
| | <u>2,165</u> | <u>1,118</u> | <u>2,309</u> | <u>1,238</u> |

17. CASH AND CASH EQUIVALENTS

| | GROUP | | PARENT | |
|--------------------------|--------------|--------------|--------------|--------------|
| | 2024 | 2023 | 2024 | 2023 |
| | £000 | £000 | £000 | £000 |
| Cash at bank and in hand | 2,864 | 5,824 | 2,515 | 5,168 |
| | <u>2,864</u> | <u>5,824</u> | <u>2,515</u> | <u>5,168</u> |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

18. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group | | Parent | |
|------------------------------------|--------------|--------------|--------------|--------------|
| | 2024 £000 | 2023 £000 | 2024 £000 | 2023 £000 |
| Bank loans | 2,130 | 2,003 | 2,120 | 1,993 |
| Trade payables | 1,175 | 1,174 | 1,146 | 1,140 |
| Rent received in advance | 612 | 625 | 612 | 625 |
| Other taxation and social security | 17 | 16 | 17 | 16 |
| Amounts due to group undertakings | - | - | 245 | 56 |
| Other payables | 86 | 78 | 64 | 78 |
| Accruals and deferred income | 1,282 | 1,759 | 1,084 | 1,622 |
| | <u>5,302</u> | <u>5,655</u> | <u>5,288</u> | <u>5,530</u> |

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

| | Group | | Parent | |
|------------|---------------|---------------|---------------|---------------|
| | 2024 £000 | 2023 £000 | 2024 £000 | 2023 £000 |
| Bank loans | 94,001 | 89,638 | 93,989 | 89,616 |
| | <u>94,001</u> | <u>89,638</u> | <u>93,989</u> | <u>89,616</u> |

20. DEBT ANALYSIS - BORROWINGS

| | Group | | Parent | |
|---|---------------|---------------|---------------|---------------|
| | 2024 £000 | 2023 £000 | 2024 £000 | 2023 £000 |
| Bank Loans | | | | |
| Amounts due within one year | 2,130 | 2,003 | 2,120 | 1,993 |
| Amounts due in one year or more but less than two years | 2,266 | 2,129 | 2,256 | 2,119 |
| Amounts due in two years or more but less than five years | 12,504 | 7,157 | 12,502 | 7,145 |
| Amounts due in more than five years | 79,232 | 80,352 | 79,232 | 80,352 |
| | <u>96,132</u> | <u>91,641</u> | <u>96,110</u> | <u>91,609</u> |

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

| Lender | Number of Properties Secured | Effective Interest Rate | Maturity (Year) | Variable or Fixed |
|------------------------------------|------------------------------------|-------------------------------|--------------------|----------------------|
| Nationwide | 45 | SONIA + 0.35% | 2026 | Variable |
| Bank of Scotland - Syndicate | 1,028 | 6.0% | 2032 | Fixed |
| Bank of Scotland - Syndicate | - | 5.9% | 2032 | Fixed |
| Bank of Scotland - Syndicate | - | 5.5% | 2025 | Fixed |
| Bank of Scotland - Syndicate | - | SONIA + 1% | 2025 | Variable |
| Royal Bank of Scotland - Syndicate | - | 5.5% | 2032 | Fixed |
| Royal Bank of Scotland | 1,308 | 4.9% | 2037 | Fixed |
| Royal Bank of Scotland | - | 4.8% | 2036 | Fixed |
| Royal Bank of Scotland | - | SONIA + 1.6% | 2047 | Variable |
| Royal Bank of Scotland | - | SONIA + 1.4% | 2047 | 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 £263,701 (2023 - £251,474) on a specific deposit account.

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024
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 2023 | 178,459 | 11,030 | 189,489 |
| Additions in the year | 8,765 | 392 | 9,157 |
| Eliminated on disposal | (471) | - | (471) |
| At 31 March 2024 | <u>186,753</u> | <u>11,422</u> | <u>198,175</u> |
| Amortisation | | | |
| At 1 April 2023 | 23,769 | 1,797 | 25,566 |
| Amortisation in year | 1,690 | 109 | 1,799 |
| Eliminated on disposal | (142) | - | (142) |
| At 31 March 2024 | <u>25,317</u> | <u>1,906</u> | <u>27,223</u> |
| Net book value | | | |
| At 31 March 2024 | <u>161,436</u> | <u>9,516</u> | <u>170,952</u> |
| At 31 March 2023 | <u>154,690</u> | <u>9,233</u> | <u>163,923</u> |

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

| | 2024 £000 | 2023 £000 |
|-----------------------------------|----------------|----------------|
| Amounts due within one year | 1,858 | 1,711 |
| Amounts due in more than one year | 169,094 | 162,212 |
| | <u>170,952</u> | <u>163,923</u> |

22. SHARE CAPITAL

| Shares of £1 each, issued and fully paid | PARENT | |
|--|-----------|-----------|
| | 2024 £ | 2023 £ |
| At 1 April | 55 | 58 |
| Issued in year | 4 | 3 |
| Cancelled in year | (12) | (6) |
| At 31 March | <u>47</u> | <u>55</u> |

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

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

23. STATEMENT OF CASH FLOWS - GROUP

Reconciliation of net cash flow to movement in net debt

| | £000 | 2024 £000 | £000 | 2023 £000 |
|--------------------------------------|---------|--------------|---------|--------------|
| (Decrease) / increase in cash | (2,960) | | 1,790 | |
| Cashflow from change in net debt | (4,490) | | (2,096) | |
| Movement in net debt during the year | | (7,450) | | (306) |
| Net debt at 1 April | | (85,817) | | (85,511) |
| Net debt at 31 March | | (93,267) | | (85,817) |

| | At 01 April 2023 £000 | Cashflows £000 | Other Changes £000 | At 31 March 2024 £000 |
|------------------------------|-----------------------------|-------------------|--------------------------|-----------------------------|
| Cash and cash equivalents | 5,824 | (2,960) | - | 2,864 |
| Debt: Due within one year | 5,824 | (2,960) | - | 2,864 |
| Due after more than one year | (2,003) | (4,490) | 4,363 | (2,130) |
| Net debt | (89,638) | - | (4,363) | (94,001) |
| | (85,817) | (7,450) | - | (93,267) |

23. STATEMENT OF CASH FLOWS - PARENT

Reconciliation of net cash flow to movement in net funds

| | £000 | 2024 £000 | £000 | 2023 £000 |
|--------------------------------------|---------|--------------|---------|--------------|
| (Decrease) / increase in cash | (2,653) | | 1,601 | |
| Cashflow from change in net debt | (4,500) | | (2,106) | |
| Movement in net debt during the year | | (7,153) | | (505) |
| Net debt at 1st April 2023 | | (86,441) | | (85,936) |
| Net debt at 31 March 2024 | | (93,594) | | (86,441) |

| | At 01 April 2023 £000 | Cashflows £000 | Other Changes £000 | At 31 March 2024 £000 |
|------------------------------|-----------------------------|-------------------|--------------------------|-----------------------------|
| Cash at bank and in hand | 5,168 | (2,653) | - | 2,515 |
| Debt: Due within one year | 5,168 | (2,653) | - | 2,515 |
| Due after more than one year | (1,993) | (4,500) | 4,373 | (2,120) |
| Net Debt | (89,616) | - | (4,373) | (93,989) |
| | (86,441) | (7,153) | - | (93,594) |

24. CAPITAL COMMITMENTS - GROUP AND PARENT

| | 2024 £000 | 2023 £000 |
|--|--------------|--------------|
| Capital Expenditure that has been contracted for but has not been provided for in the financial statements | 19,421 | 49,986 |

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 2024 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 £374 (2023 - £132) 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

| | 2024 £ | 2023 £ |
|------------------------------------|------------|------------|
| Deferred Tax and Holiday Pay | | |
| At 1 April | 632 | 565 |
| Increase / (decrease) in provision | (21) | 67 |
| At 31 March | <u>611</u> | <u>632</u> |

At the year end the balance of provisions was split £487,000 (2023 - £516,000) for deferred tax and £124,000 (2023 - £116,000) for holiday pay.

28. PROVISIONS FOR LIABILITIES AND CHARGES - PARENT

| | 2024 £ | 2023 £ |
|------------------------------------|------------|------------|
| Holiday Pay | | |
| At 1 April | 115 | 121 |
| Increase / (decrease) in provision | 9 | (6) |
| At 31 March | <u>124</u> | <u>115</u> |

GRAMPIAN HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024 NOTES TO THE FINANCIAL STATEMENTS (continued)

29 HOUSING STOCK - GROUP

| | | |
|--|---------------------------|---------------------------|
| The number of units of accommodation in management at the year end was:- | 2024 No. | 2023 No. |
| General needs | 3,915 | 3,823 |
| Non-social | 31 | 32 |
| Shared ownership | 348 | 375 |
| Units under development | 357 | 434 |
| | <u>4,651</u> | <u>4,664</u> |

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

| | | |
|-------------------------------|---------------------------|---------------------------|
| Name of Organisation | Number of Units | |
| | 2024 No. | 2023 No. |
| Kirkgate Developments Limited | 210 | 203 |

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:

| | | |
|---|-------------|-------------|
| | 2024 | 2023 |
| | £ | £ |
| Rent received from tenants on the Board of Management and their close family members | 6,608 | 6,198 |
| Factoring charges received from factored owners on the Board of Management and their close family members | 867 | 1,022 |

A member of the board is a Board member of the Governing Body Members Forum at SFHA and there is an amount of £nil paid in relation to a 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 2024
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 £353,000 (2023 - £312,000). 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.