Home in Scotland Limited

Reports and Financial Statements for the year ended 31 March 2025

Contents

Registered Office and Head Office

Home in Scotland Limited
Pavilion 6, 321 Springhill Parkway
Glasgow Business Park
Baillieston
Glasgow
G69 6GA

Co-operative and Community Benefit Societies Act 2014 No: SP1935RS
Scottish Housing Regulator Registered No: HAL90
Scottish Charity No: SC005247

Part of Home Group

Chair's Report

It is with great pleasure that I introduce the financial statements for the year ended 31 March 2025.

As always, I would firstly like to thank all of our Home in Scotland colleagues for their outstanding effort and support this past year.

Home in Scotland manages almost 5,000 homes across six local authority areas and provides factoring services to a further 706 homes.

In the year ended 31 March 2025, our turnover was £34.8 million, delivering a surplus before tax of £5.5 million. This is an increase of £0.5 million compared to the previous year.

During 2024-25 we have taken advantage of stabilising costs to maximise investment in our existing homes, exceed our targets for building new homes, whilst continuing to ensure affordable rents for our customers.

Whilst our costs have stabilised, the cost-of-living crisis has continued to impact our customers. In response to this, support for our customers has also continued. During 2024-25 our customers benefitted from food and fuel vouchers and white goods through The Home Group Fund. We also allocated £180k in cash support from another provision, the Home in Scotland Cost of Living Fund, to support customers in rent arrears. Our Financial Inclusion colleagues supported 578 customers and increased their income by over £1.2m over the course of the year. We also secured external funding support through HACT to provide further fuel vouchers for customers in need.

During 2024-25 we also invested in our homes and our services. We completed reactive repairs more quickly, let empty homes more quickly, and reduced rent arrears by over £100k.

We invested in our homes to make a difference to our customers lives, ensuring we provide the right homes in the right places. We secured over £500k in external grant funding to deliver an exemplar deep net zero retrofit of two blocks in Dundee and have made a further application to this funding stream in 2025, demonstrating our commitment to meeting net zero and reducing customers' fuel bills. We have brought empty homes back to life in Dundee, ensuring we deliver the investment to make these properties attractive, sustainable homes for the future. This one-off investment is on top of our annual cyclical decoration and planned maintenance programmes. During 2024-25 we invested £6.6 million and installed 74 boilers and 159 kitchens.

We have delivered 75 new homes in 2025 across Edinburgh, Dundee and West Lothian. This included 12 family homes funded through the acquisitions funding stream announced by the Scottish Government in autumn 2024. These were allocated directly to families living in unsuitable temporary accommodation in Edinburgh.

We have strengthened our external partnerships throughout 2024-25 to deliver for our customers and communities. We partnered with social enterprise Homes for Good to complete the regeneration of East Balornock; contributed to new housing strategies in Dumfries and Galloway and Edinburgh and developed a joint external funding bid with the third sector and local authority in Dundee. We play a proactive role in all of our local authorities and during 2024-25 significantly increased the proportion of homes we allocate to homeless households, helping to tackle the housing emergencies declared in Glasgow, Edinburgh and Dumfries and Galloway.

During 2024-25 we also refreshed our branding to be known as Home Group Scotland, ensuring we are clearly part of Home Group, but with a uniquely Scottish identity. Our legal name will be changed in September 2025. We have stepped up our influencing role in the sector, playing a key part in issues such as rent controls, net zero standards and defining rent affordability.

We recruited three new Board Members in 2024-25 (two of which will be appointed in September 2025) bringing diversity, lived experience, relevant skills and knowledge to strengthen our existing Board.

Overall, we are proud of our performance this past year. Our colleagues have shown brilliant commitment and lived our values to ensure we deliver for our customers and communities. We look forward to the coming year where we will continue to build the right homes in the right places and invest in improving customer experience.

[redacted]

Susan Deacon CBE
Chair
18 September 2025

Report of the Board

Board

E Asante (appointed 25 July 2024)

G A Campbell, MCIH (until 12 March 2025)

G Campbell

S Deacon CBE (Chair)

M Henderson, BSc (Hons)

R Inglis, BA (Hons) EDSud P

G MacKenzie, BA, CA

K Macleod, MSc, MTOPRA, MRQA (until 9 October 2024)

H Meehan, ACA, BA (Hons)

C Wood (Mappin), BSc (Hons), Dip Surv, MRTPI

J Wylie, MSc, BSc OT, ILM Level 7

Company Secretary

C Burnham (until 2 August 2024)

A Woods (appointed 2 August 2024)

Advisors

Bankers:

Barclays Bank Plc
7th floor, Bank House
East Pilgrim Street
Newcastle upon Tyne
NE1 6QE

Independent Auditor:

Deloitte LLP
One Trinity Gardens
Broad Chare
Newcastle upon Tyne
NE1 2HF

Solicitors:

T C Young
7 West George Street
Glasgow
G2 1BA

Report of the Board (continued)

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

Registration of the Association

Home in Scotland Limited (the Association) is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 - registered number 1935R(S) - and with The Scottish Housing Regulator under the Housing (Scotland) Act 2010 - registered number HAL90. The Association's rules are based on the Scottish Federation of Housing Associations' Charitable Model Rules (Scotland) 2013.

Parent Association

Home Group Limited (HGL) is registered with the Financial Conduct Authority under the Co-operative and Community Benefit Societies Act 2014 (registered number 22981R) and with the Regulator of Social Housing (registered number L3076).

Principal Activities

The principal activities of the Association are the provision of rented accommodation for those in housing need and the development of new build homes for social or mid-market rent, and low cost home ownership.

Results

The Association has made a surplus of £5.5 million in the year to 31 March 2025 (2024: £5.0 million). Annual surpluses are required to cover long term maintenance obligations, the development of property for sale (the profits of which are invested into our core services and the provision of more affordable homes), repayment of loans and future risks.

Review of Business

Following a challenging couple of years, the external business environment has stabilised in the UK but is still subject to uncertainties in the global economy.

We have, and will continue, to see employment costs continue to increase due to changes in NI contributions and as we continue to commit to providing the Real Living Wage to all colleagues.

Despite some challenges continuing, we report an increased operating surplus of £10.4 million (2024: £8.2 million), the main driver of which was increased rental income and tightly controlled costs.

Cost of living continues to impact our customers, so we provide a wide range of financial and non-financial support, particularly through our financial inclusion team.

As we enter a new financial year, we continue to monitor the economic environment closely and we respond to these factors by reviewing our business plan and making changes to mitigate risk.

Report of the Board (continued)

Impact on stakeholders

The factors discussed above are reflected in our financial modelling and stress testing, discussed further in our going concern assessment on pages 16-17. A summary of the key impacts and our response is included below:

Customers and the community – During these challenging times it is imperative that we continue to support our customers, many of whom are extremely vulnerable. We continue to provide direct support through our financial inclusion team who provide advice, support and solutions for our customers who are struggling with rent or their bills. We've worked with partners to provide further support, for example by accessing the Scottish Government's Social Housing Fuel Support Fund.

Colleagues – The cost-of-living challenge continues to have an impact and we are committed to supporting colleagues where we can. We have also continued our commitment to the Living Wage Foundation Rate.

Supply chain – Many of our major suppliers (maintenance and development contractors) have been significantly impacted by increasing costs brought on by global supply chain issues. We've worked closely with our maintenance contractors and customers to ensure the service offering remains at a standard that meets our customer promise. Our live development contracts are fixed price which gives us protection against increasing costs in the construction sector. We remain vigilant against price increases and take them into consideration when considering the viability of future potential schemes.

Financial position and liquidity

We continue to perform risk-based scenario planning to understand the potential impact on our financial position for the current year and in the future. This includes the impact on loan covenants, cash flow, liquidity and funding requirements. The results are shared with our Board during the year and gave them confidence that the Association remains financially strong.

In addition, our parent association HGL (which provides loan facilities to Home in Scotland) remains in a strong financial position with the capacity to respond to future financial challenges. We maintain flexibility in our plans for growth which are being continually reviewed and can be altered to maintain our financial strength if required. Further details are discussed in our going concern assessment on pages 16-17 where we discuss the current economic environment, what we expect to happen in the future and stress testing.

Treasury Policy

Treasury management is operated within a framework of clearly defined Board approved policies and procedures that serve to control the use of financial instruments. The overall aim is to ensure sufficient liquidity is available to meet foreseeable needs, surplus cash is invested prudently and financial risk is minimised. The Board receives regular reports on relevant treasury matters.

The Association finances its operations through a mixture of retained earnings, grants, long term loans and short term facilities. Borrowings are in sterling at both fixed and floating rates of interest. The Association has a five year £10 million intercompany loan from HGL, which currently expires in May 2030, and a five year £20 million intercompany loan from HGL, which is due to expire in June 2028.

The Association also holds a £40 million revolving credit facility with a term of five years, expiring in June 2030. This facility provides additional liquidity to support the Association's future development programme. Of these facilities, £23.0 million was committed, undrawn and immediately available as at 31 March 2025. Full details of the Association's borrowings are shown in notes 15 and 16 to the financial statements.

The Association's lending agreements include a number of financial and non-financial covenants. The key financial covenants are interest cover and gearing ratios. Loan covenants are monitored by the Treasury team on a monthly basis and reported to Board regularly. All covenants were met throughout the year.

Report of the Board (continued)

Statement of Internal Controls

The Association Board acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and reviewing its effectiveness across the Association.
The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives. It can only provide reasonable and not absolute assurance against material misstatement or loss.

The process for identifying, evaluating and managing significant risks faced by the Association is ongoing, and has been in place throughout the period from 1 April 2024 up to the date of approval of the financial statements. This process is set out in the Group's Risk Management Framework, which includes the organisation's defined risk appetite, and is followed by the Association.

Key elements of the internal control framework include:

- Board approved terms of reference and delegated authorities throughout the Association;
- clearly defined management responsibilities for the identification, evaluation and control of significant risks;
- risk registers which are regularly reviewed by senior management, Executive, the Group Audit Committee and the Association Board;
- a robust planning process with detailed financial budgets, forecasts and performance measures;
- regular reporting to senior management, Executive and the Board of key performance indicators to monitor progress against objectives;
- an established health and safety management system and compliance framework;
- a structured approach to the appraisal and authorisation of all significant new business initiatives and commitments;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- a considered and documented approach to treasury management which is subject to annual review;
- formal recruitment, retention, and training and development policies;
- detailed Confidential Reporting Policy and Fraud, Tax Evasion and Bribery Prevention, Detection and Response Policy;
- detailed policies and procedures in each area of the Association's activities; and
- an Internal Audit team which reviews internal controls across the Association and provides regular reports to Board on any significant control weaknesses.

The Board has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2025. The Board has received the Internal Audit Annual Report from the Head of Audit and the Annual Assurance Statement from the General Counsel.

During the year there were no significant findings or weaknesses identified in internal controls, which resulted in the material losses, contingencies or uncertainties that require disclosure in the financial statements or in the report of the auditors.

Statement of Board's responsibilities

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

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

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

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

Report of the Board (continued)

Statement of Board's responsibilities (continued)

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2019.

It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of Information to Auditors

The Board members and Directors who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the Association's auditors are unaware; and each Board member and Director has taken all the steps that he/she ought to have taken as a Board member or Director to make himself/herself aware of any relevant audit information and to establish that the Association's auditors are aware of that information.

Colleagues

We work with colleagues to make sure people feel aware, informed and involved with our strategic direction and we welcome views and suggestions. We use a range of ways to engage with colleagues, including Workplace (an enterprise social network), our intranet, seminars, meetings and events as well as a strong team culture of briefings, meetings and brilliant conversations. We have vibrant colleague networks with strong ally support that cover gender, multicultural, LGBTQ+, neurodiversity and people with disabilities. We also have a successful and engaged colleague forum.

We've also continued with our Living Our Values cultural programme, for all new starters and new managers, which aims to support colleagues, both in work and out of work, to be truly at their best and experience our values in practice. In this space we have increased the number of face to face culture sessions to maximise impact.

Our recruitment approach is one that is inclusive and as a Disability Confident and 'Mindful Employer' we support future and current colleagues to develop meaningful careers, offering a comprehensive training and development approach that welcomes a diverse pool of colleagues. We've partnered with DFN Project Search on a Supported Internship programme for young people with disabilities providing meaningful access to employment, with 100% of the first cohort achieving a positive outcome of gaining employment or moving onto another training programme.

Events after the end of the reporting period

The Board considers that there have been no events since the year end that have had a significant impact on the Association's financial position.

Auditor

A resolution to reappoint Deloitte LLP as auditors was proposed at the Annual General Meeting.

On behalf of the Board

[redacted]

Susan Deacon CBE
Chair
18 September 2025

Independent Auditor's Report to Home in Scotland Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Home in Scotland Limited (the 'association'):

- give a true and fair view of the state of the association's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – December 2019.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in reserves;
- the cash flow statement;
- the related notes 1 to 26.

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).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the report of the board, other than the financial statements and our auditor's report thereon. The board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of the board

As explained more fully in the board's responsibilities statement, the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board 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 is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

We considered the nature of the association's industry and its control environment, and reviewed the association's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the board about their own identification and assessment of the risks of irregularities, including those that are specific to the association's business sector.

We obtained an understanding of the legal and regulatory framework that the association operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the Co-operative and Community Benefit Societies Act 2014 and Part 6 of the Housing (Scotland) Act 2010; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the association's ability to operate or to avoid a material penalty. This included the association's compliance with the regulatory standards set by the Scottish Housing Regulator.

We discussed among the audit engagement team including relevant internal specialists such as tax, valuations, and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our procedures performed to address it are described below:

- housing property impairment due to the existence of significant management judgement and estimation uncertainty. In response we evaluated management's assessment of potential impairment triggers using our experience of the association and wider sector, engaged our valuations specialists to challenge the assumptions and calculations and compared a sample of key information used in the impairment calculations with published information sources to test the reasonableness of management's assumptions.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing regulatory correspondence.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the association's members as a body, in accordance with section 87 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.

[redacted]

Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom
22 September 2025

Report by the auditors to the members of Home in Scotland Limited on corporate governance matters

In addition to our audit of the financial statements, we have reviewed your statement on page 6 concerning the association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Controls on page 6 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls 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 Homes Group Scotland Limited and officers of the association and examination of relevant documents, we have satisfied ourselves that the management committee's Statement on Internal Financial Controls 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 Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

Use of our report

This report is made solely to the association's members as a body, in accordance with the Regulatory Advisory Notes which are issued by the Scottish Housing Regulator. Our work has been undertaken so that we might state to the association's members those matters we are required to state to them in our 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 work, for this report, or for the opinions we have formed.

[redacted]

Deloitte LLP
Statutory Auditor
Newcastle upon Tyne, United Kingdom
22 September 2025

Statement of Comprehensive Income for the year ended 31 March 2025

	Notes	2025	2024
		£000	£000
Turnover	2	34,758	30,777
Cost of sales	2	(470)	(761)
Operating expenditure	2	(23,980)	(21,796)
Surplus / (loss) on disposal of social housing properties	3	100	(5)
Operating surplus		10,408	8,215
Interest receivable	7	27	22
Finance costs	8	(4,934)	(3,246)
Surplus before taxation	9	5,501	4,991
Taxation		-	-
Surplus for the year		5,501	4,991

All activities of the Association are classed as continuing.

There are no other surpluses or deficits to be recognised in the current or prior year other than the surplus for the year reported above.

The notes on pages 16 to 31 form part of the financial statements.

The financial statements on pages 12 to 31 were approved by the Board on 18 September 2025 and were signed on its behalf by:

[redacted]

Susan Deacon
Chair

[redacted]

Gavin Mackenzie
Board member

[redacted]

Austin Woods
Company Secretary

Statement of Financial Position as at 31 March 2025

	Notes	2025 £000	2024 £000
Fixed assets			
Tangible fixed assets	10 & 11	412,692	389,509
Other investments	12	620	424
		413,312	389,933
Current assets			
Properties held for sale	13	26	497
Debtors	14	1,937	1,591
Cash and cash equivalents		2	2
		1,965	2,090
Creditors: amounts falling due within one year	15	(19,835)	(11,832)
Net current liabilities		(17,870)	(9,742)
Total assets less current liabilities		395,442	380,191
Creditors: amount falling due after more than one year	16	(315,705)	(305,955)
Net assets		79,737	74,236
Capital and reserves			
Non-equity share capital	18	-	-
Income and expenditure reserve		79,737	74,236
Total capital and reserves		79,737	74,236

The notes on pages 16 to 31 form part of the financial statements.

The financial statements on pages 12 to 31 were approved by the Board on 18 September 2025 and were signed on its behalf by:

[redacted]

Susan Deacon
Chair

[redacted]

Gavin Mackenzie
Board member

[redacted]

Austin Woods
Company Secretary

Statement of Changes in Reserves for the year ended 31 March 2025

	Income and expenditure reserve
	£000
As at 1 April 2023	69,245
Surplus for the year	4,991
As at 31 March 2024	74,236
Surplus for the year	5,501
As at 31 March 2025	**79,737**

The notes on pages 16 to 31 form part of the financial statements.

Cash Flow Statement for the year ended 31 March 2025

	Notes	2025 £000	2024 £000
Net cash inflow from operating activities	19	**15,818**	10,417
Cash flow from investing activities			
Purchase of tangible fixed assets		**(29,676)**	(30,198)
Additions to investments		**(225)**	(14)
Disposals of investments		**29**	27
Proceeds from sale of tangible fixed assets		**254**	76
Capital grants received		**13,845**	10,776
Interest received		**27**	22
Net cash outflow from investing activities		**(15,746)**	(19,311)
Cash flow from financing activities			
Interest paid		**(4,402)**	(3,936)
New secured loans		**6,707**	18,000
Repayment of borrowings		**(2,377)**	(5,174)
Net cash (outflow) / inflow from financing activities		**(72)**	8,890
Net change in cash and cash equivalents		**-**	(4)
Cash and cash equivalents at the beginning of the year		**2**	6
Cash and cash equivalents at the end of the year		**2**	2

The notes on pages 16 to 31 form part of the financial statements.

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with UK Accounting FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), the Co-operative and Community Benefit Societies and Credit Unions Act 2014, the Housing (Scotland) Act 2010, the Registered Social Landlords Determination of Accounting Requirements 2019 and the Statement of Recommended Practice for registered social housing providers Update 2018 ('SORP 2018').

As a public benefit entity, the Association has applied the public benefit entity 'PBE' prefixed paragraphs of FRS 102.

The Association's parent undertaking, Home Group Limited (HGL), includes the Association in its consolidated financial statements, and these are the smallest and largest set of financial statements that the Association is consolidated into. The consolidated financial statements of HGL are available to the public and may be obtained from The Secretary, Home Group Limited, 1 Strawberry Lane, Newcastle upon Tyne, NE1 4BX.

As the consolidated financial statements of HGL include the equivalent disclosures and the Association is a wholly owned subsidiary of HGL, it has also taken the exemptions under FRS 102 available in respect of the following:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1; and
- The disclosures required by FRS 102.33A Related Party Disclosures in respect of transactions or balances with subsidiaries which form part of the group.

The financial statements are prepared on the historical cost basis of accounting. There are no material differences between the surplus before taxation and the surplus for the current or prior year and their historical cost equivalents.

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

Going concern

As set out below the Board has a reasonable expectation that the Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months after the date on which the report and financial statements are signed. For this reason, the Association continues to adopt the going concern basis in the financial statements.

The Association's business activities, its current financial position and factors likely to affect its future development are set out within the Report of the Board. Whilst the Statement of Financial Position (SOFP) shows net current liabilities, the Association has in place loan agreements which allow the Association sufficient funding to pay its liabilities as they fall due; these are set out in note 15 and 16.

Our reported surplus before tax of £5.5 million was ahead of our 2025 budget (£4.6 million), driven by careful cost management and our ability to react to external pressures by implementing mitigating actions. The most significant external factor that has impacted us during the year has been the continuation of a challenging external environment with high inflation and interest rates which put pressure on our financial position. Our loan covenants were not stretched and at 31 March 2025 we had significant (£23.0 million) undrawn facilities.

Looking forwards

As part of our 2026 budget and business planning process we have undertaken detailed forecasting covering the next five financial years which show the Association growing and building on its current financial strength.

When reviewing our financial projections we have paid particular focus on the period to September 2026, which would be one year from the time the financial statements are submitted to the Scottish Housing Regulator (SHR). Our forecasts show that we anticipate remaining inside the parameters of our loan covenants at all times and we do not anticipate any breaches occurring.

1. Principal accounting policies (continued)

Stress testing

We regularly stress test our financial forecasts to understand the risks they face and the impact of them transpiring. We also model the impact of the mitigations we have identified to address these events if they occur. We are currently operating in a volatile economic environment and this risk has been reflected in our stress testing.

The detailed stress testing our financial forecasts have been subjected to include:

- Property market crash
- Economic downturn – high inflation and continued cost of living crisis
- Regulatory breach without Government support
- Perfect storm (combination of all stress tests)

We always stress test our five-year financial projections to identify what would 'break' them. This is an important step in making sure our plans are robust and the SHR expects to see this. To breach our loan covenants would require more than one of the above stresses being realised together. Our work shows that in all scenarios we can implement mitigations so that covenants are adhered to.

On this basis, the Board has a reasonable expectation that the Association will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months after the date on which the report and financial statements are signed. For this reason, the Association continues to adopt the going concern basis in the financial statements.

Turnover

Rental income is recognised on a straight line basis in accordance with the terms of the tenancy agreement on an accrual basis. Revenue arising from the sale of property is recognised on legal completion. Fees receivable are recognised in line with the underlying management agreements. Revenue from government grants is recognised in line with the accounting policy set out below.

Housing properties

Housing properties are stated at cost less accumulated depreciation and impairment. Housing properties in the course of construction are stated at cost and are transferred into housing properties and depreciated from the date of practical completion of the scheme. The cost of a property comprises its purchase price and any costs directly attributable to bringing it into working condition for its intended use. Directly attributable costs include the employment costs of development, finance and legal colleagues, and surveyors arising directly from the construction or acquisition of the property, together with other incremental costs which would have been avoided only if the property had not been constructed or acquired. Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme. The capitalisation rate is the weighted average of the rates applicable to general borrowings that are outstanding during the period.

Housing properties are split under component accounting between their land, structure costs and a specific set of major components which require periodic replacement. Refurbishment, replacement or addition to such components is capitalised if it brings future economic benefits such as increasing future rents, extends the useful economic life or reduces future maintenance costs. Costs are depreciated on a straight line basis over the estimated useful economic life of components as follows:

Component	Estimated useful economic life (years)
Property structure	50 - 100
Roof	40 - 55
Insulated render	35
Heating systems	30
Windows	30
Bathroom	25 - 30
Electrical	25 - 30
Solar panels	25
Doors (including fire doors)	20 - 25
Kitchen	15 - 20
Boiler	15
External boundaries	15
Lift	15
Specialist equipment	5 - 15
Land	Not depreciated

1. Principal accounting policies (continued)

Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation and impairment. Depreciation is charged on a straight line basis to write off the cost less any estimated residual value over the expected useful economic lives of the assets.

Asset type	Estimated useful economic life (years)
Plant, machinery and fixtures	4 – 8
Motor vehicles	4
Computer equipment	3 – 5
Leased equipment	Over the life of the lease

Housing Association Grant (HAG)

Government grants include grants receivable from the Scottish Housing Regulator, Scottish Ministers and local authorities. Government grants received for housing properties are recognised in income over the useful life of the housing property structure and, where applicable, its individual components (excluding land) under the accruals model.

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

HAG is repayable under certain circumstances, primarily following the sale of property, but such repayment will normally be restricted to the net proceeds of sale.

Other grants

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

Impairment

Reviews for indicators of impairment of housing properties are carried out on an annual basis and any impairment in an income generating unit is recognised by a charge to the SOCI. An impairment is recognised where the carrying amount of an income generating unit exceeds its recoverable amount being the higher of its fair value less costs to sell and its value in use, or where there is a material change to a development programme or scheme, for example when there is a change in the planned use of the properties or a change in the way the properties are to be managed, or a material increase in development costs as a result of contamination, change in government policy, or a change in demand for a property that is considered irreversible.

Disposals of housing properties

Where properties built for sale are disposed of during the year, the disposal proceeds are included in turnover and the attributable costs included in cost of sales. Where properties previously rented out to customers are disposed of, the surplus on disposal is included in operating surplus.

Where a component is replaced or restored, the old component is written off to the SOCI, to avoid double counting, and the new component is capitalised. Charges arising from the early replacement of a component are reflected as part of the overall depreciation charge.

Where any HAG to be repaid is less than the HAG relating to the disposal, the difference is treated as abated HAG and included as a component of the surplus or deficit on disposal.

1. Principal accounting policies (continued)

Properties for sale

Completed properties for outright sale and properties under construction are valued at the lower of cost and net realisable value.

Grants are received from the Scottish Ministers for the construction of properties under the Homestake scheme. The costs net of grants up to the point of sale are reflected as stock within current assets. Upon sale of the Homestake properties to eligible beneficiaries the cost and grants relating to such properties are accounted for in the SOCI as other activities; within turnover and operating costs respectively. 100% of the property is sold between the owner and the Government.

Shared ownership

The costs of shared ownership properties are split between current and fixed assets on the basis of the first tranche portion. The first tranche portion is accounted for as a current asset and on disposal the first tranche sale proceeds are shown in turnover. The remaining element of the shared ownership property is accounted for as a fixed asset. Any grant attributable to shared ownership assets is wholly attributed to the element retained and held in liabilities. Subsequent tranches sold ('staircasing') are accounted for as disposals of housing properties, as noted above.

Improvements to properties

Expenditure on housing properties which is capable of generating increased future rents, or extends their useful lives, or significantly reduces future maintenance costs, is capitalised.

Finance costs

Interest is capitalised on borrowings related to the development of qualifying assets, to the extent that it accrues in respect of the period of development if it represents interest on borrowings specifically financing the development programme after deduction of related grants received in advance. Other interest payable is charged to income and expenditure in the year.

Financial instruments

Financial instruments which meet the criteria of a basic financial instrument as defined in Section 11 of FRS 102 are accounted for under an amortised cost model.

Debtors

Short term debtors are measured at transaction price, less any impairment. Where deferral of payment terms has been agreed and the impact of discounting is material, the balance is shown at the present value, discounted at a market rate.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Provisions for liabilities and charges

The Association recognises in the financial statements provisions to meet liabilities arising from past events, which are likely or certain to be incurred, but for which the amount or timing cannot be determined accurately.

Pension costs

The Association is a member of the defined contribution pension scheme operated by Home Group Limited. The contributions paid into this scheme are charged to the SOCI as incurred.

1. Principal accounting policies (continued)

Significant estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. The judgements and estimates which have the most significant impact on amounts recognised in the financial statements are set out below.

Significant management judgement

Carrying value of completed housing properties and stock

Judgement is exercised in determining the carrying value of competed housing properties and stock in line with the accounting policies set out on pages 17 to 19.

The value of a property may be impaired if it's not providing the social benefit for which it is held and is therefore unable to fulfil its service potential. The Association has conducted a review of the financial performance and future prospects of its full portfolio of existing rented housing properties to assess whether there has been a trigger event for an impairment review. Indicators of impairment used as part of the review were: a fall in market values, a significant change in our operating environment, change in market interest rates, evidence of obsolescence in our stock, a change in how we use our stock, or a deterioration in asset performance.

Specifically, we have considered whether properties are planned to be sold, demolished or earmarked for regeneration, whether they require major works or whether they have been void for an extended period of time. As the circumstances of individual properties varies from year to year, the size of any impairment charge (or release of prior years' impairments) is expected to fluctuate.

When indicators for impairment exist, we compare our carrying values against the sector standard valuation of Existing Use Value for Social Housing (EUV-SH). This is the value at which we would expect to transfer properties to another registered provider. Where the carrying value of identified properties is higher than EUV-SH, the properties have been impaired by the difference and the cost has been taken to the SOCI. It is a standard valuation method and as such is not considered to cause significant uncertainty.

Impairment charges and reversals identified and included in the SOCI are set out in note 9 to the financial statements.

Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expense is provided below.

Carrying value of housing properties and stock under construction

When reviewing our housing properties and stock under construction for indications of impairment, we make a number of estimates. For the purpose of our review, we consider each development scheme an individual cash generating unit (CGU).

For housing properties under construction (i.e. those affordable homes we're building to retain) we calculate whether the scheme's anticipated costs to build (current carrying value plus expected future costs) is higher than its recoverable amount and impair it if it is. We initially calculate value in use which takes into account costs incurred to date and forecast future cash flows including those generated from rental income. If this value in use is lower than the carrying value, we then compare the scheme's carrying value to its EUV-SH which we obtain from an independent valuer. Any impairment expense is the difference between the total anticipated costs to build and the higher of value in use and EUV-SH, with the impairment being restricted to the carrying value.

The following sensitivity analysis has been carried out:

Uncertainty	Impact
Future costs	For our active developments we have considered a number of cost increase scenarios. A 3% uplift in 2024/25 costs across all active sites would lead to a £0.2 million increase in the carrying value of housing properties; a 5% uplift would mean a £0.3 million increase; and a 10% uplift a £0.7 million increase. The majority of our contracts, however, are fixed price and we would not expect (and have not experienced) significant deviations from agreed terms.

1. Principal accounting policies (continued)

For properties held for sale, a scheme under development is impaired if its anticipated costs to build (current carrying value plus expected future costs) are higher than its selling price less costs to sell, with the impairment provision being restricted to the current carrying value. We calculate anticipated costs to build for each scheme by taking into account costs incurred to date, estimated costs to complete and future grant receipts. Future grants are either based upon formal agreements held with grant providers or anticipated based on communications held with the provider and could be subject to change.

Impairment charges and reversals identified are included in the SOCI and are set out in Notes 9 and 10 of the financial statements.

2a. Particulars of turnover, operating costs and operating surplus / (deficit)

	Note	Turnover	Cost of sales	Operating costs	**Operating surplus 2025**	Operating surplus 2024
		£000	£000	£000	**£000**	£000
Affordable letting activities	2(b)	34,068	-	(23,668)	**10,400**	8,434
Other activities	2(c)	690	(470)	(312)	**(92)**	(214)
Surplus / (loss) on disposal of social housing properties	3	-	-	-	**100**	(5)
Total for the year ended 31 March 2025		**34,758**	**(470)**	**(23,980)**	**10,408**	
Total for the year ended 31 March 2024		30,777	(761)	(21,796)		8,215

Turnover and operating costs are all derived from UK customers and suppliers.

2b. Particulars of turnover, operating costs and operating surplus from affordable letting activities

	General needs social housing £000	Shared ownership housing £000	Mid-market rent £000	**2025 Total £000**	2024 Total £000
Rent receivable net of service charges	24,579	82	5,276	**29,937**	25,677
Service charges	1,734	1	428	**2,163**	1,905
Gross income from rents and service charges	**26,313**	**83**	**5,704**	**32,100**	27,582
Less voids	(194)	-	(64)	**(258)**	(273)
Net income from rents and service charges	**26,119**	**83**	**5,640**	**31,842**	27,309
Grants released from deferred income	1,703	6	314	**2,023**	1,814
Revenue grants from Scottish Ministers	203	-	-	**203**	558
Total turnover from affordable letting activities	**28,025**	**89**	**5,954**	**34,068**	29,681
Management and maintenance administration costs	(5,518)	(8)	(680)	**(6,206)**	(5,711)
Service costs	(1,944)	(4)	(359)	**(2,307)**	(1,951)
Planned and cyclical maintenance including major repairs costs	(2,793)	-	(192)	**(2,985)**	(2,458)
Reactive maintenance costs	(3,996)	-	(489)	**(4,485)**	(4,304)
Bad debts – rent and service charges	(343)	-	(49)	**(392)**	(303)
Depreciation of affordable let properties	(6,155)	(7)	(1,145)	**(7,307)**	(6,507)
(Impairment) / reversal of impairment of affordable let properties	14	-	-	**14**	(13)
Operating costs for affordable letting activities	**(20,735)**	**(19)**	**(2,914)**	**(23,668)**	(21,247)
Operating surplus for affordable letting activities	**7,290**	**70**	**3,040**	**10,400**	
Operating surplus for affordable letting activities for the year ended 31 March 2024	6,904	63	1,467		8,434

2c. Particulars of turnover, operating costs and operating deficit from other activities

	Turnover £000	Cost of sales £000	Operating costs £000	**Operating surplus / (deficit) 2025 £000**	Operating surplus / (deficit) 2024 £000
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	-	-	(83)	**(83)**	(141)
Factoring	184	-	(184)	-	(31)
Developments and improvements for sale to other organisations	426	(470)	-	**(44)**	-
Uncapitalised development administration costs	80	-	(45)	35	(42)
Total for the year ended 31 March 2025	**690**	**(470)**	**(312)**	**(92)**	
Total for the year ended 31 March 2024	1,096	(761)	(549)		(214)

3. Surplus / (deficit) on disposal of social housing properties

	2025	2024
	£000	£000
Sales proceeds	255	98
Cost of sales	(155)	(103)
	100	(5)

4. Housing stock

The disclosure below relates to units of housing accommodation and therefore excludes commercial properties and garages.

	At 1 April 2024	New units developed or acquired	Units sold or demolished	Other movements	At 31 March 2025
General needs – social					
Owned and managed	4,187	113	-	-	4,300
Total general needs units	**4,187**	**113**	-	-	**4,300**
Low cost home ownership					
Owned and managed	21	-	-	-	21
Total low cost home ownership units	**21**	-	-	-	**21**
Total social housing					
Owned and managed	4,208	113	-	-	4,321
Total social housing	**4,208**	**113**	-	-	**4,321**
Mid-market rent units	661	-	(2)	-	659
Total non-social housing	**661**	-	**(2)**	-	**659**
Total social and non-social housing owned and / or managed	**4,869**	**113**	**(2)**	-	**4,980**

Number of residential properties where we provide factoring services: 706 (2024: 700).

New units includes 38 homes which were previously being held for demolition but have been added back into social housing stock.

5. Directors' emoluments

The directors are paid through the parent undertaking, HGL. One director has been identified as key management personnel and the aggregate amount of emoluments payable was £82,263 (2024: £104,645) which includes £3,977 employer's pension contributions (2024: £5,382). Details of the remunerated members of the Board (Mark Henderson and Helen Meehan) are included within financial statements of HGL which are publicly available. No other Board members received any payment other than expenses.

	2025	2024
	£	£
Directors' expenses reimbursed to the directors not chargeable to United Kingdom income tax	1,324	1,997

6. Employee information

The employee costs of those persons employed by the Association who are utilised wholly and exclusively by the Association are summarised below:

	2025 Number	2024 Number
Office staff	58	55
	58	55

	2025	2024
Employee costs (for the above persons):	£000	£000
Wages and salaries	2,393	2,257
Social security costs	240	223
Other pension costs	140	132
	2,773	2,612

Temporary staff costs in the year were £1,000 (2024: £14,000).

The full time equivalent number of staff whose remuneration payable in the year fell above £60,000 was:

	2025 Number	2024 Number
£60,000 - £70,000	4	3
£70,001 - £80,000	2	2
£80,001 - £90,000	2	-
£100,001 - £110,000	1	1

7. Interest receivable

	2025 £000	2024 £000
Interest receivable from bank and building society deposits	27	22

8. Finance costs

	2025 £000	2024 £000
Interest payable to other group companies	291	355
Interest payable on bank loans and overdrafts	3,179	2,753
Interest payable on other loans	1,984	1,935
	5,454	5,043
Less: Interest capitalised on housing property development	(520)	(1,797)
	4,934	3,246
Average rate applicable to capitalised interest	4.63%	4.44%

9. Surplus before taxation

	2025	2024
	£000	£000
Surplus before taxation is stated after charging / (crediting):		
Depreciation	7,308	6,507
(Reversal of impairment) / impairment	(14)	13
Grant amortisation	(2,023)	(1,814)
External auditor's remuneration for the audit of these financial statements	40	35
Operating lease rentals	112	115

10. Tangible fixed assets – housing properties

	Completed housing properties £000	Housing properties under construction £000	Completed shared ownership housing properties £000	Total £000
Cost				
At 1 April 2024	385,878	68,170	1,250	455,298
Additions	-	26,794	-	26,794
Capitalised interest	-	520	-	520
Capitalised works	3,317	-	-	3,317
Transfer to completed schemes	66,296	(66,296)	-	-
Disposals	(154)	-	-	(154)
At 31 March 2025	**455,337**	**29,188**	**1,250**	**485,775**
Depreciation				
At 1 April 2024	65,657	-	132	65,789
Charge for year	7,301	-	7	7,308
Impairment	(14)	-	-	(14)
Eliminated in respect of disposals	-	-	-	-
At 31 March 2025	**72,944**	-	**139**	**73,083**
Net book value at 31 March 2025	**382,393**	**29,188**	**1,111**	**412,692**
Net book value at 31 March 2024	320,221	68,170	1,118	389,509

	2025	2024
	£000	£000
Completed housing properties, at net book value, comprise:		
Freeholds	383,504	321,339
Works to existing properties in the year:		
Components capitalised	3,317	2,127
Amounts charged to expenditure	2,985	2,458
	6,302	4,585

Additions to housing properties in the course of construction during the year included development administration costs of £386,800 (2024: £404,000). There were assets under charge included in the above net book value amount of £144,392,546 as at 31 March 2025 (2024: £160,821,225).

11. Tangible fixed assets – other fixed assets

	Plant, machinery, fixtures and vehicles £000	Computer equipment and leased equipment £000	Total £000
Cost			
At 1 April 2024	87	2	89
Additions	-	-	-
Disposals	-	-	-
At 31 March 2025	**87**	**2**	**89**
Depreciation			
At 1 April 2024	87	2	89
Charge for year	-	-	-
Eliminated in respect of disposals	-	-	-
At 31 March 2025	**87**	**2**	**89**
Net book value at 31 March 2025	-	-	-
Net book value at 31 March 2024	-	-	-

12. Fixed asset investments

	2025 £000	2024 £000
At 1 April	424	437
Additions	225	14
Disposals	(29)	(27)
At 31 March	620	424

13. Properties held for sale

	2025 £000	2024 £000
Outright sale properties:		
- Completed	-	-
- Work in progress	26	497
	26	497

14. Debtors

	2025	2024
	£000	£000
Amounts falling due within one year:		
Rental and service charges receivable	1,943	1,945
Less: Provision for bad debts	(892)	(919)
Net rental debtors	1,051	1,026
Prepayments and accrued income	561	232
Leasehold debtors	207	217
Other amounts due from Group undertakings	71	-
Other debtors	47	116
	1,937	1,591

15. Creditors: amounts falling due within one year

	2025	2024
	£000	£000
Housing loans from third parties	2,000	2,161
Loans from group undertakings	6,957	-
Trade creditors	1,705	1,216
Social Housing Grant in advance	4	-
Deferred capital grant	2,205	1,821
Other taxation and social security payable	120	75
Accruals and deferred income	4,521	4,128
Other amounts due to group undertakings	85	175
Retentions	1,570	2,148
Other creditors	668	108
	19,835	11,832

Whilst the SOFP shows net current liabilities, the Association has in place external loan agreements which allow the Association sufficient funding to pay its liabilities as they fall due. The parent undertaking, HGL, acts as guarantor for some of these loans, as well as providing a £30 million intercompany facility. As at 31 March 2025, the Association had £23.0 million (2024: £29.8 million) committed and undrawn facilities which were immediately available for drawing.

16. Creditors: amounts falling due after more than one year

	2025	2024
	£000	£000
Housing loans from third parties	**107,445**	103,879
Loans from group undertakings	-	5,250
Deferred capital grant	**208,260**	196,826
	315,705	305,955

Housing loans are secured by specific charges on the Association's housing properties. They are repayable at varying rates of interest due as follows:

	2025	2024
	£000	£000
In instalments:		
In one year or less	**8,957**	2,161
Between one and two years	**2,000**	42,177
Between two and five years	**6,000**	6,000
In five years or more	**99,445**	60,952
	116,402	111,290

17. Deferred capital grant

	2025	2024
	£000	£000
At 1 April	**198,647**	189,685
Grant received in the year	**13,841**	10,776
Released to income in the year	**(2,023)**	(1,814)
At 31 March	**210,465**	198,647
Amount due to be released within one year	**2,205**	1,821
Amount due to be released in more than one year	**208,260**	196,826
	210,465	198,647

The total accumulated government grant and financial assistance received or receivable at 31 March:

	2025	2024
	£000	£000
Held as deferred capital grant	**210,465**	198,647
Recognised as income in the SOCI	**21,525**	19,502
Grant within cost on properties at fair values at acquisition	**8,043**	8,043
	240,033	226,192

18. Called up share capital

Each national member of the Association holds one voting share (nominal value £1). Each community member of the Association holds one non-voting share (nominal value £1). All shares are surrendered on the cessation of membership. Shares carry no rights to dividend or repayment of capital.

Allotted, issued and fully paid:	£
At 1 April 2024	10
Issued during the year	1
Surrendered during the year	(2)
At 31 March 2025	**9**

19. Reconciliation of surplus to net cash inflow from operating activities

	2025 £000	2024 £000
Surplus for the year	**5,501**	4,991
Adjustments for:		
Depreciation of tangible fixed assets	**7,308**	6,507
(Reversal of impairment) / impairment	**(14)**	13
Decrease in properties held for sale	**471**	861
(Increase) / decrease in debtors	**(346)**	107
Increase / (decrease) in trade and other creditors	**114**	(3,477)
(Surplus) / deficit on disposal of tangible fixed assets	**(100)**	5
Adjustments for investing or financing activities:		
Government grants utilised in the year	**(2,023)**	(1,814)
Finance costs	**4,934**	3,246
Interest receivable	**(27)**	(22)
Net cash inflow from operating activities	**15,818**	10,417

20. Analysis of changes in net debt

	At 1 April 2024 £000	Cash flows £000	Other non-cash changes £000	At 31 March 2025 £000
Cash and cash equivalents	2	-	-	2
Debt due within one year:				
- Housing loans from third parties	(2,161)	2,161	(2,000)	(2,000)
Debt due after one year:				
- Housing loans from third parties	(103,879)	(4,784)	1,218	(107,445)
- Loans from group undertakings	(5,250)	(1,707)	-	(6,957)
Total net debt	**(111,288)**	**(4,330)**	**(782)**	**(116,400)**

21. Reconciliation of net cash flow to movement in net debt

	2025	2024
	£000	£000
Decrease in cash in the period	-	(4)
Cash outflow from decrease in debt	**(4,330)**	(12,826)
Change in net debt resulting from cash flows	**(4,330)**	(12,830)
Non cash changes	**(782)**	(88)
Movement in net debt in the period	**(5,112)**	(12,918)
Opening net debt	**(111,288)**	(98,370)
Closing net debt	**(116,400)**	(111,288)

22. Capital commitments

	2025	2024
	£000	£000
Capital expenditure that has been contracted for but not provided for in the financial statements	**12,171**	28,307
Capital expenditure that has been authorised by the Board but has not yet been contracted for	-	-

The amounts contracted for at 31 March 2025 will be HAG funded, loan financed and funded from the Association's reserves. The above commitments, that have been contracted for but not provided, included £1,227k (2024: £610k) on-costs required to manage effective delivery of the contracts.

23. Financial commitments

At the year end the total contractual payments under non-cancellable operating leases were as follows:

	2025	2024
	£000	£000
Less than one year	-	33
	-	33

The Association uses certain assets acquired under operating leases entered into by the parent association, HGL. The relevant lease charges are included in the SOCI, and the commitments under these leases have been included in the above note.

24. Related party transactions

The Association has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, on the grounds that it is a wholly owned subsidiary of a group headed by HGL, whose financial statements are publicly available.

During the year the Association entered into the following related party transactions with its customer board members:

	2025	2024
	£	£
Charges in respect of rent and service charges	**10,373**	6,647
Amounts owed to customer board members at the year-end	**87**	-

25. Parent association

The Board regards HGL as the ultimate parent company and the ultimate controlling party. Copies of the consolidated financial statements of HGL can be obtained from the Secretary, Home Group Limited, 1 Strawberry Lane, Newcastle upon Tyne, NE1 4BX.

26. Pension obligations

Employees of the parent undertaking, HGL, are eligible to participate in a number of pension schemes. Full disclosure of these schemes is included within the financial statements of HGL which are publicly available.