OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Registered in Scotland

Company Number: SC198586

Registered Social Landlord Number: 312

Scottish Registered Charity Number: SC029461

RSM UK AUDIT LLP
Chartered Accountants
Edinburgh

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Contents **Page**

Officers and Professional Advisers	3 - 4
Report of the Board (incorporating Strategic Report)	5 - 16
Statement of Board Responsibilities	17
Statement on Internal Financial Control	18 - 19
Report by the Auditors on Corporate Governance Matters	20
Independent Auditor's Report	21 - 25
Statement of Comprehensive Income	26
Statement of Financial Position	27
Statement of Changes in Reserves	28
Statement of Cash flows	29
Notes to the Financial Statements	30 - 52

Registration Particulars:

Company Number	SC198586
Charity Number	SC029461
RSL Number	312

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

OFFICERS AND PROFESSIONAL ADVISERS

31 MARCH 2026

Osprey Housing Limited Board of Directors
Brian Watson, Chair
Leslie Allan, Vice Chair
Stuart Robertson
Robert Hepburn
Brian Topping
Jonathan Young
Douglas Bodie
Simpson Buglass
Michael Scott
Alison Mitchell
John Connelly
Claire Crawford (Resigned 28/05/2025)
Raymond Edgar (Resigned 28/05/2025)
Kay Diack (Resigned 24/03/2026)
Lauren Allan (Appointed 27/08/2025)
Gillian Houston (Appointed 27/08/2025)
Jacqueline Gordon (Appointed 27/05/2026)
Colin Hawkins

Key Management Personnel
Stacy Angus, Chief Executive
Gary Walker, Director of Finance
Dan Thomson, Director of Housing
Ryan Swan, Director of Assets
Clare Ruxton, Director of Corporate Services

Registered Office
22 Abercrombie Court
Prospect Road
Arnhall Business Park
Westhill
Aberdeenshire
AB32 6FE

Company Secretary
Clare Ruxton

Solicitors
TC Young
69 George Street
Edinburgh
EH2 2JG

Peterkins
60 Market Place
Inverurie
AB51 3XN

Bankers
Lloyds Banking Group
PO Box 72, Bailey Drive
Gillingham
Kent
ME8 0LS

Nationwide
Kings Park Road
Moulton Park
Northampton
NN3 6NW

Auditors
RSM UK Audit LLP
Chartered Accountants
Third Floor, 2 Semple Street
Edinburgh
EH3 8BL

Internal Auditors
WBG Services LLP
168 Bath Street
Glasgow
G2 4TP

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

31 MARCH 2026

The Board present their report and audited financial statements for the year ended 31 March 2026.

Background and Legal structure

Osprey Housing Limited (OHL) was registered in August 1999 under the Companies Act 1999 (now Companies Act 2006) (Company No SC198586). OHL is governed by its Articles of Association that have been aligned with the Scottish Federation of Housing Associations (SFHA) model rules (Scotland) 2020.

In January 2013, following approval by the Scottish Housing Regulator (SHR), OHL entered into a constitutional partnership with Osprey Housing Moray (OHM). This was further progressed during 2019 to begin the process for transfer of engagements (ToE) to a single entity. Following successful completion of the Transfer of Engagements, effective from 1 April 2021, Osprey Housing and Osprey Housing Moray, became a single landlord.

On 1 November 2021, OHL completed a Transfer of Engagements from Aberdeen Soroptimist Housing Society, a small, locally based Association.

The table below shows the number of properties owned by OHL on 31 March 2026:

Owned Properties	**2026**	**2025**
Tenanted	1,874	1,829
Leased to Third Parties	7	7
Total	**1,881**	**1,836**

In addition, OHL owns 21 standalone garages (2025: 21) and 29 shared ownership properties (2025: 29).

Charitable Status

OHL is a registered social landlord and was granted charitable status (Charity No SC029461) with effect from 4 October 1999.

Delivering our Strategy and Ambitions

The economic environment we operate in continues to be uncertain as we find ourselves during 2025-26 seeing inflation and interest rates remaining less stable than predicted due to global political impacts. This brings with it significant challenges for both the organisation and our tenants.

OHL has delivered well under these ongoing pressurised circumstances, continually making progress and growth as an organisation, maintaining strong performance throughout all service areas. OHL has demonstrated that we are robust and that our agile working approach sets us up well to meet unforeseen challenges. We continually seek opportunities for improvement and growth by being responsive to the environment we operate in.

We prioritise tenant support and strong tenant landlord relationships by consistently delivering excellent core services.

Strategic Report

Strategic Business Plan 2025-28

- In May 2025, the Board approved a new 3 year Strategic Plan for 2025-2028 setting out the vision, mission and ambitions for the next three year period leading to 2028.
- There are two underpinning drivers within the strategic plan – to keep improving and to keep growing. How we deliver this is designed into the culture that we embrace and the effective delivery of our strategic ambition. A full review of the strategic SWOT was carried out to support our aim to remain vigilant to our strengths, weaknesses, opportunities and threats, remaining fully aware of our operating environment.

The plan sets out our Vision, Mission & Values:

Our Vision

Making a difference every day.

Our Mission

To provide high quality affordable housing and services to people in the communities we serve.

Our Values

The Core Values of the organisation reflect the foundation from which we perform and conduct our business and are the essence of the Osprey identity. These values provide a framework to deliver our Mission Statement.

Strategic Business Plan 2025-28 (continued)

✓ **AMBITION and ACHIEVEMENT**

We are a high performing organisation delivering through innovation and challenge

✓ **EQUALITY and RESPECT**

We recognise and celebrate the unique value in everyone

✓ **QUALITY and PROFESSIONALISM**

We strive to deliver high standards

✓ **AGILE and RESPONSIVE**

We are flexible and quick to deal with change without diminishing our delivery

The plan also highlights our four key Strategic Ambitions, and how we will deliver and measure their success:

- Make customers the focus of everything we do
- Provide more and better homes
- Be a stronger organisation
- Be a great place to work

During 2025-26 we have made good progress on our strategic ambitions and their delivery plans, these remain under review by the board on an annual basis to measure success.

Awareness of Risk and Mitigation

Osprey has a culture of being risk aware but not risk averse. Our strategic approach to Business planning and risk assessment are complementary. It is vital to assess risks that affect the organisation's ability to meet key objectives and financial forecasting, both short and long term. We ensure that objectives and risks are clear, current and relevant with the interlinking of each fully understood and agreed at a strategic level with Board approval.

During 2025-26 we have carried out a review of how we record and score strategic risk, implementing a new digital platform and enhanced board level dashboard reporting. We also include a focus on emerging risk to be proactive and forward looking in risk mitigation. We review and revise risks on a revolving basis through the Leadership team and formally through the governance cycle with a strategic risk update at each Board meeting.

Awareness of Risk and Mitigation (continued)
We face a broad range of risks reflecting our responsibilities as a Registered Social Landlord, including in the areas of financial viability, tenant safety, cyber security, customer satisfaction and engagement, governance, and change management. In addition, the political, statutory, and regulatory environment alongside the potential for significant economic volatility create wider risks.

Regular review and scenario testing of our Financial Business Plan is an essential part of our risk mitigation strategy. Osprey have proactively incorporated the cost of delivering Net Zero without the anticipation of grant support within our business planning however this will be re-assessed when the Scottish Government Guidance is published.

We remain committed to developing new properties having strong relationships with local partners to ensure delivery is achieved and this is done in a way that manages risk and delivers value for money.

The potential for increasing arrears levels as a result of pressure on households due to the impact of higher cost of living remains a risk that the organisation continues to prioritise mitigating through consistent performance on income management indicators.

Cyber Security remains one of the biggest threats facing Osprey and to this end we have successfully retained our Cyber Essentials and Cyber Essentials Plus accreditations, following a comprehensive audit of our systems, and continue to invest heavily in staff and Board training through our KnowB4 programme.

Governance and Management
The Board and Key Leadership Personnel of OHL are listed on page 3. The Board ensure that comprehensive evidence is available to them throughout the year and opportunity for these to be scrutinised and challenged appropriately. We have an Assurance Working group of Board members to supplement the scrutiny involved during the annual Assurance Statement process. A key element of the assurance process and governance system is an evolving Governance improvement action plan that cross references good practice in addition to the Regulatory standards. This allows the Board to be assured that Osprey complies with the regulatory Governance requirements and standards set out in the SHR's Regulatory Framework and remain fully assured on how OHL manages the business for the best interests and outcomes for tenants.

Governance and Management (continued)

Evidence that forms ongoing levels of assurance through the governance cycle include:

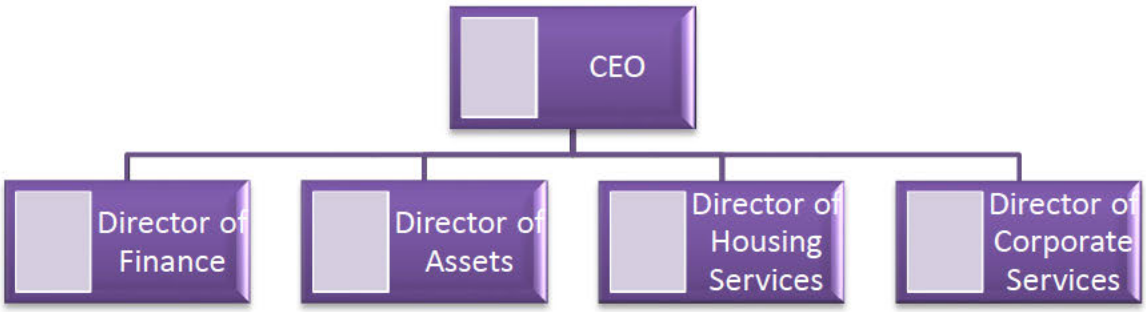
- Performance monitoring reports on key business areas such as finance, asset management, Health and Safety, Cyber Security, housing management and service delivery from the Chief Executive and Senior Leadership team
- Internal audit reports
- External audit reports
- Risk management reporting
- Development framework – both financial and quality performance reporting
- Procurement strategy and reporting
- Financial Business Plan annually scrutinised and stress tested by external consultant
- Annual treasury management strategy and reporting
- Reports and analysis presented directly by external auditors, appointed advisers and specialist consultant advisers who provide independent evaluation, feedback, and validation
- Consultation with Osprey Tenants and Residents Association and outcomes of scrutiny projects undertaken by the Association's Scrutiny Panel
- Assessment of information submitted to regulatory bodies

Our governance structure is detailed below:



OHL is led on a day-to-day basis by a highly skilled, knowledgeable, experienced and committed Leadership Team consisting of a Chief Executive and Directors responsible for each of the core disciplines.

Governance and Management (continued)



We have fully developed hybrid working across our staff team and this has now been well embedded for a number of years. Given our geographic area this has many benefits for tenants, staff and the organisation overall. Our office headquarters are in Westhill, Aberdeenshire with staff in Moray having access to more local hot desk and meeting room facilities.

Our People

A clearly stated ambition of the Strategic Business Plan is a commitment to making OHL "A Great Place to Work." Our approach encompasses effective human resource management processes, recruitment, training, retention, succession planning, talent management as part of our overall organisational development plans. This approach also applies to Board members as well as the staff team.

The Board recognises the importance of employee involvement and encourages engagement in all aspects of the business through a variety of ways. In this context Osprey currently have Gold level Investors in People (IIP) Status accreditation demonstrating continual improvement meeting the assessment criteria. We have sustained Gold IIP status since 2020.

OHL understands the positive impact of pro-active and engaging personal development opportunities for staff and Board members, and this has been incorporated into organisational wide training, events, conference attendance and a culture that promotes continual personal development. A programme of organisational development to accelerate this has been continued for the year 2025-26 to further improve the motivation and effectiveness of our team through a series of all staff training inputs and briefings.

Overview of Activities and Performance

We continue to prioritise quality service delivery and continual improvement to improve efficiency, performance and value for money through investment into technology and digital services. We are keen to maximise digital options to enhance operational efficiency however prioritise retaining the right balance of personal service to our customers at the same time.

Our key focus areas include;

1. Sustaining financial resilience with a clear view of both short and long term planning
2. Improving services to tenants and other customers through continual improvement
3. Improving tenant engagement and satisfaction
4. Increasing the effectiveness of our strategic partnership working with local authorities to deliver local priorities
5. Maximising our contribution to the provision of new homes through planned strategic growth of our stock portfolio

The OHL surplus remains healthy at the 31 March 2026 and is ahead of assumptions. However, with the impact of the economic climate being uncertain, detailed monitoring and review of budgets and forecasting remains of paramount importance. The financial business plan inclusive of 30-year projections is subjected to ongoing stringent stress testing given the impending impact of Net Zero costs.

The OHL Board monitors corporate performance in terms of finance, housing management, business services and asset management. A range of financial and non-financial ratios and indicators are produced on a quarterly basis to monitor how the organisation is performing.

Indicators in line with the Annual Return on the Charter (ARC) definitions were set for the year to 31 March 2026 based on historic and benchmark material, with targets agreed by the Board in February 2026.

The performance outcomes for 2025-26 alongside the demonstratable consistent performance over a number of years assures the Board of strong operational performance across all indicators, in particular around income management.

Overview of Activities and Performance (continued)
Performance against Key Performance Indicators (Core Business) is set out below:

	Actual 2023/2024	Actual 2024//2025	Actual 2025//2026	Target 2025/2026
Current rent arrears	3.7%	2.9%	2.7%	3.2%
Former rent arrears	1.0%	1.3%	1.2%	1.1%
Gross rent arrears	4.7%	4.2%	3.9%	4.3%
Rent Collected	100.4%	99.7%	100.2%	100%
Void loss	0.4%	0.5%	0.5%	0.5%
Void performance	26 days	27 days	27 days	22 days
Average completion time – Emergency Repairs	2.2 hours	4 hours	2.5 hours	2.5 hours
Average completion time – Routine Repairs	6 days	10 days	10 days	9 days
Board attendance	92%	76%	67%	80%

The operating and economic environment continues to present an uncertain backdrop however our consistent and sustained strong performance provides stability in our approach to running the organisation. Our Void performance was impacted by implementing recommendations from our Tenant Scrutiny exercise that increased our void standards but added additional days to the process. However, we remain committed to reducing the number of days properties are empty.

Our business planning and budgeting retain a high degree of prudence in establishing our key financial targets which will be subject to regular monitoring by the Senior Leadership Team and the Board. Our performance overall has remained consistent with operating surplus ahead of targets and our lender covenants being comfortably attained.

ESG - Environmental, Social and Governance
The ethos of ESG aligns with Osprey's values, principles and ambitions and is part of our culture and how we operate as a business. Therefore, it forms the foundation for how we want to progress into the future. There are many benefits for Osprey aligning ESG with the Strategic Business Plan.

Osprey have made a commitment to ESG by formally adopting the Sustainability Reporting Standard (SRS) framework since 2023. In addition to this commitment, OHL during 2025-26 updated relevant lending to be Sustainability Linked Loan (SLL) with three core KPI measurements in relation to new build properties, sustainable property upgrades and tenancy sustainment.

Digital Development
We made significant progress through delivery of our Digital action plan from 2023-2026, and a refresh of our Digital Strategy took place in 2026. The key aims of the Strategy remain the same, focussing on our aim to deliver value for money, efficient, effective services and working practices through maximisation of digital solutions.

The previous Strategy saw Osprey deliver significant milestones in creating a strong foundation system for future improvement through full migration to Microsoft 365 alongside implementation of a new housing and finance database. Osprey also delivered a refreshed website and enhanced tenant portal during the delivery of the current strategy. Having integrated cloud-based systems gives us an excellent base position to continually improve our digital operations both via effective internal process review and better tenant information.

Future Growth
The Strategic plan outlines the ambition to continue to build more affordable homes in a sustainable way that compliments the current stock portfolio and delivers housing fit for the future. The current Strategic Business Plan and lending profile allow us to continue our growth towards our aim of owning 2,000 units within the next 2 years. We continue to work closely with our local authority partners and retain good relationships with existing developer partners to ensure that what we are delivering is meeting key priorities in our local communities.

New developments have continued to be delivered primarily through Section 75 Agreements. This has proven to be an efficient, effective, and lower risk model for OHL and enables a successful development programme while keeping related overheads manageable. The programme has contributed significantly to our improved financial position and steady growth.

	Number of Units Delivered
2022-23	78
2023-24	35
2024-25	34
2025-26	45
2026-27	Projected 61

In addition to pursuing growth through new developments and the acquisition of additional units, Osprey remains committed to exploring alternative opportunities to strengthen the organisation and enhance service delivery. During 2025/26, the Osprey Senior Leadership Team and Board have been assessing options for delivering repairs services and investment programmes through a new subsidiary company. While this proposal remains under development and is currently subject to detailed due diligence, the primary objective is to determine whether this approach can deliver improved outcomes for tenants, achieve higher service quality, and provide greater long-term control over expenditure in these areas.

Treasury Management

The Board's agreed policy is that OHL should not enter into transactions of a speculative nature. At 31 March 2026, OHL had an appropriate mix of fixed and variable rate finance following reduction of our variable finance in the midst of high interest rates. This has been a planned proactive step in managing our finances.

We produce an annual treasury management strategy through the governance cycle to ensure the Board are making strategic business decisions that are deliverable through an interlinked funding/borrowing strategy.

It was decided in the February 2026 governance cycle to carry out an externally facilitated review of our current treasury management and how this aligns with our business planning and growth ambitions. Chatham Financial no longer provide services to the sector and following a thorough procurement exercise, Osprey appointed Allia C&C to undertake this project. The anticipated outcomes are to be taken to our Board Strategy event in September 2026.

Going Concern

In response to a period of unstable inflation and the sustained impact of a cost of living crisis, the Board and the Senior Leadership Team have undertaken a careful analysis and review of the financial position of OHL and its longer term financial outlook. Our business planning projections incorporate revised assumptions on levels of inflation, interest, potential rent increases and associated income. OHL's expenditure budgets and investment plans have been revised accordingly to ensure our continuing financial strength and compliance with all lenders' financial covenants. The Board is satisfied, on the basis of the stress testing and scenario planning undertaken, that it remains appropriate to prepare the financial statements on a going concern basis.

Health and Safety

Board Members are aware of their responsibilities in respect of the Health & Safety at Work Act 1976 and a wide range of associated legislation and received training to support and enhance their understanding in November 2025. The Governing Bodies have reviewed health and safety systems and the arrangements in place across OHL. The Board is assured of compliance in respect of direct service provision to tenants and health and safety of our staff. In addition, there is a Health and Safety Committee which meets at least bi-monthly with members of the Board, leadership team and staff team representatives to embed H&S as part of our culture.

Health and Safety is a standing item on governing body, internal management and staff meetings and our Health and Safety systems are subject to internal audit through our membership of EVH.

Financial Review

OHL achieved an operating surplus for the year of £4,329,725 (2025: £3,679,294).

Income from social letting activities rose by 5.9% to £12,203,791 (2025: £11,527,652). An average rent increase of 3.7% was applied from 1 April 2025, taking account of the rent harmonisation process detailed below. The was in line with benchmark rent increases across the sector. The remaining increase is due to the positive impact of additional new build units.

Operating costs include expenditure on reactive, cyclical and planned maintenance totalling £2,811,757 (2025: £2,770,037), with an additional spend of £918,369 (2025: £840,493) being treated as capital expenditure. The level of capital expenditure remained low during the year due to ongoing contractual issues, and it is the intention to catch up on outstanding renewals over the next 12 months. Expenditure on planned maintenance is derived from 30 year life cycle costing reports designed to ensure that all housing properties are maintained to a specific standard, thereby continuing to maintain the useful life of the properties.

The total comprehensive income for OHL was £2,489,991 (2025: £1,875,818).

At 31 March 2026, OHL's total reserves amounted to £36,581,888 (2025: £34,091,897), an increase of £2,489,991 (2025: £1,875,818). The increase is solely attributable to the surplus achieved by OHL in the year.

After reviewing day to day working capital requirements, the Board set a target to ensure that OHL maintains free reserves of at least an amount which would allow it to meet its operating costs for approximately six months. At 31 March 2026, six months operating costs equate to approximately £4,034,687, including all repairs. This target has been met in the current financial year. Undesignated revenue reserves at 31 March 2026 are £36,581,853 (2025: £34,091,862).

Rent Harmonisation and Rent Policy

The Board has taken significant steps to minimise rent increases over the last 5 years. Through driving efficiencies, we have been able to mitigate rent increases for our tenants during this time and it will continue to be a priority going forward.

During 2024-25 Osprey undertook a full review of the rent structure and point allocation for all general needs properties. The variation in rent levels across our stock profile had been highlighted by our Financial Consultants as a key issue for a number of years. However, due to the pandemic and instable economic impact this project had not been taken forward until 2024. A full and comprehensive tenant engagement and consultation process had been completed during 2024 with the new rent structure being implemented from 1st April 2025. This consultation and tenant information process was supported, designed and in agreement with Osprey Tenant & Resident Association (OTRA) was rolled out effectively.

Rent Harmonisation and Rent Policy (continued)
From 1st April 2026 our rental income increased by an average 4.8% (CPI + 1%).

Rent affordability will continue to be a strategic priority and critical to the wellbeing of both our tenants and Osprey. Regular stress testing through affordability analysis is a feature of our approach to rent setting.

Credit Payment Policy
The payment policy, which OHL operates, is to pay all purchases within 28 days or in accordance with specific creditor payment terms.

Statement as to Disclosure of Information to Auditors
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Appointment of auditors
OHL undertook a procurement and tender process for the provision of External Audit services in 2024 as this is deemed good practice for ensuring the delivery of high quality scrutiny, assurance and value for money. RSM were reappointed on a three year contractual basis.

By order of the Board



Brian Watson
Chair

Date: 26 August 2026

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

STATEMENT OF BOARD RESPONSIBILITIES

31 MARCH 2026

The directors are responsible for preparing the Report of the Board (incorporating the Strategic Report) and financial statements in accordance with applicable law and regulations.

Company law and registered social housing legislation requires the directors to prepare company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. The directors must also satisfy themselves that the financial statements comply with The Statement of Recommended Practice Accounting by Registered Social Landlords 2018.

In preparing the company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

BOARD'S STATEMENT ON INTERNAL FINANCIAL CONTROL

31 MARCH 2026

The Board acknowledge their ultimate responsibility for ensuring that OHL has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within OHL or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of assets (against unauthorised use or disposition).

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

- Policies and procedures are in place, all key systems have either been documented or are in the process of being documented, including the rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of OHL's assets;
- Experienced and suitably qualified staff takes responsibility for important business functions;
- Forecasts and budgets are prepared regularly which allow the Board and staff to monitor the key business risks and financial objectives and progress towards the financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and any significant variance from budgets are investigated as appropriate;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures;
- The Board review reports from management and from internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed;
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports;
- The Board have implemented an outsourced internal audit function which reports to the Finance and Audit Committee, in the first instance; and
- The Board have completed a Strategic Risk Map and identified the controls necessary to manage and mitigate the risks identified.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

BOARD'S STATEMENT ON INTERNAL FINANCIAL CONTROL
(Continued)

31 MARCH 2026

The Board has reviewed the system of internal financial control in OHL during the year ended 31 March 2026. No weaknesses were found in internal financial controls which could result in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements. These arrangements are considered appropriate to the scale and range of OHL's activities and comply with the requirements contained in the Scottish Housing Regulator's Guidance.

By order of the Board



Brian Watson
Chair

Date: 26 August 2026

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

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

31 MARCH 2026

In addition to our audit of the Financial Statements, we have reviewed your statement on Pages 18 to 19 concerning the Housing 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 through enquiry of certain members of the Board and Officers of the Association and examination of relevant documents. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion
In our opinion the Statement on Internal Financial Control on pages 18 and 19 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.



Thomas Bright CA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP
Chartered Accountants
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

Date: 04/09/26

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OSPREY HOUSING LIMITED

31 MARCH 2026

Opinion

We have audited the financial statements of Osprey Housing Limited (the 'Association') for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

Basis for opinion

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Board (incorporating Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board (incorporating Strategic Report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board (incorporating Strategic Report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the Board's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board
As explained more fully in the Board's responsibilities statement set out on page 17, 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 company'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 company 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Association operates in and how the Association is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, the Housing (Scotland) Acts 2006, 2010, 2014, 2025, the Housing SORP and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Scottish Housing Regulator's regulatory framework and the Data Protection Act. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). 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.



Thomas Bright CA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

Date: 04/09/26

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	Year ended 31 March 2026 £	Year ended 31 March 2025 £
Turnover	2	12,454,892	11,850,706
Less: Operating Costs	2	(8,070,544)	(8,123,924)
Loss on disposal of Property		(54,623)	(47,488)
Operating Surplus	2	4,329,725	3,679,294
Fair value gain on Investment Property	10d	-	27,500
Interest receivable and other income		22,010	34,570
Interest payable and similar charges	5	(1,861,744)	(1,865,546)
Surplus for the year	6	2,489,991	1,875,818
Total Comprehensive Income for the year		2,489,991	1,875,818

The results relate wholly to continuing activities.

The accompanying notes on pages 30 to 52 form part of these financial statements.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026
Company Number: SC198586

	Notes	31 March 2026 £	31 March 2025 £
Intangible Fixed Assets	9	-	3,296
Tangible Fixed Assets			
Housing Properties	10a	138,848,539	131,347,185
Other Fixed Assets	10c	438,224	461,745
Investment Properties	10d	410,000	410,000
		139,696,763	132,218,930
Current Assets			
Debtors	11	1,747,140	1,445,930
Cash at bank and in hand		3,264,345	1,286,789
		5,011,485	2,732,719
Creditors: amounts falling due within one year	12	(6,184,194)	(4,435,992)
Net current (liabilities)		(1,172,709)	(1,703,273)
Total assets less current liabilities		138,524,054	130,518,953
Creditors: amounts falling due after more than one year	13	(101,942,166)	(96,427,056)
Net assets		36,581,888	34,091,897
Capital and Reserves			
Share Capital	18	35	35
General Reserve	19	36,581,853	34,091,862
		36,581,888	34,091,897

These financial statements on pages 30 to 52 were approved by the Board, authorised for issue on 26 August 2026, and signed on their behalf by:

Board Member [redacted]_ Brian Watson

Board Member [redacted]_Leslie Allan

Board Member [redacted] _Douglas Bodie

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2026

	Share Capital	Income and expenditure reserve	Pension Reserve	Total
	£	£	£	£
Balance at 1 April 2024	**35**	**32,216,044**	**-**	**32,216,079**
Surplus for the year	-	1,875,818	-	1,875,818
Balance as at 31 March 2025	**35**	**34,091,862**	**-**	**34,091,897**
Surplus for the year	-	2,489,991	-	2,489,991
Balance at 31 March 2026	**35**	**36,581,853**	**-**	**36,581,888**

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

STATEMENT OF CASHFLOWS

YEAR TO 31 MARCH 2026

	Notes	2026 £	2025 £
NET CASH GENERATED FROM OPERATING ACTIVITIES	15	6,444,092	5,661,604
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(9,685,557)	(11,530,010)
Proceeds from sale of tangible fixed assets		(2,821)	22,540
Grants received		6,208,786	7,388,894
Interest received		22,010	34,570
NET CASH (USED IN) INVESTING ACTIVITIES		(3,457,582)	(4,084,006)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(1,906,642)	(1,931,338)
Proceeds of new borrowings		1,500,000	-
Repayments of borrowings		(602,312)	(486,133)
NET CASH (USED IN) FINANCING ACTIVITIES		(1,008,954)	(2,417,471)
NET INCREASE IN CASH AND CASH EQUIVALENTS		1,977,556	(839,873)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,286,789	2,126,662
CASH AND CASH EQUIVALENTS AT END OF YEAR		3,264,345	1,286,789
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		3,264,345	1,286,789
		3,264,345	1,286,789

1. Accounting Policies

The Association is a private company limited by guarantee registered in Scotland under the Companies Act 2006 (registered number SC198586) and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010 (registered number 312). The address of the Association's registered office and principal place of business is 22 Abercrombie Court, Prospect Road, Arnhall Business Park, Westhill, Aberdeen, AB32 6FE. The Association's principal activities and the nature of the Association's operations are detailed in the Report of the Board.

Osprey Housing Limited meets the definition of a Public Benefit Entity.

Introduction and accounting basis
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 2018 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Determination of Accounting Requirements 2019, and under the historical cost convention.

The financial statements are prepared in Sterling (£).

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.

Principal judgements
- The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

1. Accounting Policies (continued)

Critical Accounting Estimates and Areas of Judgement (continued)

Principal judgements – continued

- In estimating impairment, reviews of impairment indicators of housing properties are carried out on an annual basis. Indicators of impairment can be any of the following
  - Negative Existing Use Value for Social Housing (EUV-SH)
  - Long-term void trends
  - Change in Government Policy
  - Excessive New Build Costs

Critical accounting estimates

- Investment Properties are independently valued on a bi-annual basis
- In estimating the useful lives of housing properties, capitalised components and other fixed assets. Reviews are based on historical data and sector standards and undertaken annually
- In estimating grant amortisation
- In estimating the recoverable amounts of rental and other trade receivables

Going Concern

The Association's business activities, together with the factors likely to affect its future development, performance and position are set out within the Report of the Board.

In response to an unpredictable inflation environment and the cost of living crisis, the Board and the Senior Leadership Team have undertaken a careful analysis and review of the financial position of the Association and its longer term financial outlook.

Our business planning projections incorporate revised assumptions on levels of inflation, potential rent increases and bad debt provision. Expenditure budgets and investment plans have been revised accordingly to ensure our continuing financial strength and compliance with all lenders' financial covenants. We have secured liquidity through our Revolving Credit Facility (RCF) with Lloyds (£20.5M undrawn at 31 March 2026) until April 2029 and this, along with government funded Housing Association Grant, will be used to fund our development programme.

1. Accounting Policies (continued)

Going Concern (continued)

The financial projections demonstrate that OHL has sufficient financial resources to ensure that it meets its commitments in the short, medium and longer term. The Board has considered the net current liability position shown on the Statement of Financial Position and is satisfied that this does not create a going concern issue, as it is principally attributable to non-cash balances, including deferred grant income and rent received in advance, rather than immediate cash obligations. Therefore, the Board believes that the Association is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future which is defined as 12 months after the date of these financial statements. For this reason, the going concern basis has been adopted in these Financial Statements.

Turnover

Turnover comprises rental and service charge income receivable in the period, other services provided at the invoice value (excluding VAT) and revenue grants receivable in the period.

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

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met. Charges for support services are recognised as they fall due under the contractual arrangements with Administering Authorities.

Service Charges

Surpluses and deficits arising on the provision of services to the Association's tenants are held in service equalisation accounts and are carried forward and used to adjust charges levied in future years.

Intangible Fixed Assets (note 9)

All intangible assets shall be considered to have a finite useful life. The useful life 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. Intangible assets are amortised over the following rate:

IT Software 10% - 25% per annum straight line

1. Accounting Policies (continued)

Amortisation is charged to Operating Costs within the Statement of Comprehensive Income.

Tangible fixed assets – Housing Properties (note 10a)
Housing properties are properties for the provision of social and affordable housing or to otherwise provide social benefit and are principally properties available for rent and are therefore classed as property, plant and equipment rather than investment properties in accordance with the SORP.

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

Housing properties, all of which are heritable properties, are stated at cost less accumulated depreciation. The development costs of housing properties include the following:

- Cost of acquiring land and buildings
- Development expenditure including administration costs

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

Works to existing properties will generally be capitalised under the following circumstances:

- Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life is replaced or restored; or
- Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

Works to existing properties which fail to meet the above criteria are charged to the Statement of Comprehensive Income.

The major components of the Association are Land, Structure, Kitchen, Bathroom, Doors, Windows, Heating System, Boiler and Insulation. Each component has a substantially different economic life and is depreciated over this individual life. This is compliant with the SORP 2018.

1. Accounting Policies (continued)

Investment Properties

Investment property represents the proportion of the Association's office property that is held to generate rental income. This therefore falls under the definition of a mixed use property and this proportion is held at fair value. Any changes in the valuation are recognised in the Statement of Comprehensive Income.

Depreciation – Housing Properties

Depreciation is charged on a straight line basis over the expected economic useful lives of each major component that makes up the housing property as follows:

	Useful Life
Land	Not Depreciated
Structure	100 years
Roof	100 years
Kitchen	20 years
Bathroom	25 years
Doors	25 years
Windows Pre 2010	25 years
Windows Post 2010	30 years
Heating System	30 years
Boiler - Gas	15 years
Boiler – Oil	18 years
Air Source Heat Pumps	18 years

No depreciation is charged in the year of acquisition.

Depreciation – Other Fixed Assets

Depreciation is provided at the following rates; no depreciation is charged in the year of acquisition.

Fixtures, Fittings and Equipment	25% per annum straight line
Motor Vehicle	25% per annum straight line
IT Equipment	25% per annum straight line
Office Property	2% per annum straight line

1. Accounting Policies (continued)

Development Administration Costs
Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

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.

On disposal of an asset for which government grant was received, if 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.

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

Impairment 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, the RSL 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 operating costs 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.

1. Accounting Policies (continued)

Sale of Housing Properties
Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

Operating Leases
Rentals paid in respect of operating leases are charged to the Statement of Comprehensive Income.

Value Added Tax
A Single Entity VAT registration was granted, effective from 1 April 2024. Osprey Housing Limited is partially exempt and irrecoverable VAT is calculated throughout the year. As such, expenditure in these financial statements is shown as VAT inclusive.

Deposits and Liquid Resources
Cash, for the purpose of the statement of cash flows, comprises cash in hand and deposits repayable on demand.

Investments
Investments are stated at cost.

Taxation
As a Registered Social Landlord, the Association is exempt from payment of corporation tax on its social letting activities.

1. Accounting Policies (continued)

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 asset and settle the liability simultaneously.

Financial assets

Debtors

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 the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

1. Accounting Policies (continued)

Financial Instruments (continued)

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

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. The entity has been in receipt of an interest free loan as detailed in note 13. In accordance with the PBE paragraphs of FRS 102, the entity has accounted for this as a concessionary loan and recorded the loan at cost.

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 and 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.

1. Accounting Policies (continued)

Pensions
OHL operates a defined contribution scheme through Smart Pension. Contributions paid into the pension scheme over the financial year are recognised as an expense item in the Statement of Comprehensive Income.

2) Particulars of turnover, operating costs, operating surplus

	Note	Turnover	Operating Costs	(Loss)/Gain on Disposal of fixed assets	Operating Surplus/(Loss)	Operating Surplus for Previous period of account
		£	£	£	£	£
Affordable Lettings	3a	12,203,791	(7,944,084)	-	4,259,707	3,856,616
Other activities	3b	251,101	(126,460)	-	124,641	(129,834)
Loss on disposal of fixed assets		-	-	(54,623)	(54,623)	(47,488)
Total		12,454,892	(8,070,544)	(54,623)	4,329,725	3,679,294
Total for previous period		11,850,706	(8,123,924)	(47,488)	3,679,294	

3a) Particulars of turnover, operating costs and operating surplus from affordable letting activities (note all from General Needs Housing)

	2026	2025
	£	£
Rents receivable net of identifiable service charges	11,269,824	10,630,454
Service charges	19,047	18,890
Gross income from rents and service charges	11,288,871	10,649,344
Less: voids	(58,180)	(48,424)
Net income from rents and service charges	11,230,691	10,600,920
Grants released from deferred income	973,100	926,732
Total turnover from affordable letting activities	12,203,791	11,527,652
Management and maintenance administration costs	2,947,842	2,830,080
Service costs	19,047	19,200
Planned and cyclical maintenance including major repairs costs	884,897	886,946
Reactive maintenance costs	1,926,860	1,883,091
Bad debts – rent and service charges	49,594	36,982
Depreciation of social housing	2,115,844	2,014,737
Operating costs for affordable letting activities	7,944,084	7,671,036
Operating surplus for affordable lettings	**4,259,707**	**3,856,616**
Operating surplus for affordable lettings for previous period of account	3,856,616	

3b.) Particulars of turnover, operating costs and operating surplus/(deficit) from other activities

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	**Total turnover**	Operating costs – bad debts	Other operating costs	**Operating surplus/ (deficit)**	Operating surplus for previous period of account
	£	£	£	£	**£**	£	£	**£**	£
Wider action/Wider role	-	-	-	-	**-**	-	4,768	**(4,768)**	**(2,132)**
Development and construction of property	-	-	-	-	**-**	-	-	**-**	**(22,541)**
Dividend Income	-	-	-	-	**-**	-	-	**-**	**-**
Recoverable Repairs	-	-	-	104,235	**104,235**	9,958	97,911	**(3,634)**	**(149,262)**
Other activities	33,343	-	-	113,523	**146,866**	-	13,823	**133,043**	**44,101**
Total from other activities	33,343	-	-	217,758	**251,101**	9,958	116,502	**124,641**	**(129,834)**
Total from other activities for the previous period of account	-	-	-	323,054	**323,054**	161,089	291,799	**(129,834)**	

4. Housing Stock

The number of units in management at 31 March was as follows:

	2026 No	2025 No
General Needs	1,874	1,829
Shared Ownership (LIFT properties)	29	29
Total units in management	1,903	1,858

OHL added 45 general needs units during the year through New Build development (2025: 32).

The number of units managed by others at 31 March was as follows:

	2026 No	2025 No
Leased units to Aberdeenshire Council	4	4
Leased to Other Third Parties	3	3
	7	7

5. Interest payable

	2026 £	2025 £
Loan Interest	1,861,744	1,865,546
	1,861,744	1,865,546

6. Operating Surplus

This is stated after charging the following:

	2026 £	2025 £
Directors' remuneration	361,096	352,353
Auditors' remuneration – audit services	32,632	35,725
Other bodies relating to Auditor	810	7,080
Internal Audit	10,320	10,320
Operating leases	23,808	32,389
Release of capitalised facility fee	26,482	26,482
Amortisation of intangible fixed assets	1,648	1,885
Depreciation of housing properties	2,115,844	2,014,737
Depreciation of other tangible fixed assets	38,905	36,135

7. Employees

	2026	2025
	£	£
Wages and salaries	1,453,754	1,410,419
Social Security costs	173,054	144,405
Other Pension costs	311,679	259,113
	1,938,487	1,813,937

The average monthly number of full time equivalent persons employed including key management personnel during the year were as follows:

Housing Management	21	21
Corporate	4	4
Business Support	10	10
	35	35

Further to the staff costs disclosed above, additions/deductions were as follows:

	2026	2025
	£	£
From Above	1,938,487	1,813,937
Capitalised Salary Costs	(27,107)	(28,802)
	1,911,380	1,785,135

No member of the Association's Board received any emoluments in respect of their services to the Association.

Total expenses reimbursed to members of the Board in so far as not chargeable to UK income tax was £2,436 (2025:£2,724).

7. Employees - continued

Key management personnel are defined as members of the Senior Leadership Team:

Chief Executive, Stacy Angus, Director of Finance, Gary Walker, Director of Housing Services, Dan Thompson, Director of Assets, Ryan Swan and Director of Corporate Services, Clare Ruxton.

There are 5 members of key management personnel who received emoluments of £60,000 or more (2025: 5).

	2026 £	2025 £
Aggregate emoluments for key management personnel (excluding pension contributions)	361,096	352,323
Pension contributions for key management personnel	98,180	71,191
Total	**459,276**	**423,514**
Aggregate emoluments of the Chief Executive (excluding pension contributions)	100,222	98,828
Pension contributions for the Chief Executive	21,915	18,912
Total	**122,137**	**117,740**

The directors' emoluments (including pension contributions) fell within the following band distributions:

	2026 No	2025 No
£60,001 - £70,000	-	1
£70,001 - £80,000	-	2
£80,001 - £90,000	3	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

8. Taxation

As a Registered Social Landlord, the Association is exempt from payment of corporation tax on its social letting activities.

9. Intangible Fixed Assets

	IT Software
Cost	**£**
At 1 April 2025	242,892
Additions during year	-
Disposals during year	(234,987)
At 31 March 2026	7,905
Amortisation	
At 1 April 2025	(239,596)
Charge for year	(1,647)
Disposal during year	233,338
At 31 March 2026	(7,905)
Net Book Value	
At 31 March 2026	-
At 31 March 2025	3,296

10a.) Tangible Fixed Assets – Housing Properties

	Housing Properties under construction	Housing Properties held for letting	Total
Cost	**£**	**£**	**£**
At 1 April 2025	6,688,351	144,463,654	151,152,005
Additions during year	8,751,803	918,369	9,670,172
Disposals during year	-	(222,822)	(222,822)
Transfers	(8,567,374)	8,567,374	-
At 31 March 2026	6,872,780	153,726,575	160,599,355
Depreciation			
At 1 April 2025	-	(19,804,820)	(19,804,820)
Charge for year	-	(2,115,844)	(2,115,844)
Disposals during year	-	169,848	169,848
At 31 March 2026	-	(21,750,816)	(21,750,816)
Net Book Value			
At 31 March 2026	6,872,780	131,975,759	138,848,539
At 31 March 2025	6,688,351	124,658,834	131,347,185

All land and property are owned by the Association. No properties are held under lease. Included in Housing Properties is Land with a value of £23,871,275 (2025: £23,484,262) which is not depreciated.

10b.) Expenditure on existing properties	**Year ended 31 March 2026**	**Year ended 31 March 2025**
	£	**£**
Major repairs expensed	345,833	249,133
Replacement of components	918,369	840,493
Total	1,264,202	1,089,626

10c.) Other Tangible Fixed Assets

	IT Equipment	**Motor Vehicles**	**Furniture, Fittings & Equipment**	**Office Property**	**Total**
	£	**£**	**£**	**£**	**£**
Cost					
At 1 April 2025	83,133	6,300	54,414	715,307	859,154
Additions during year	14,150	-	1,235	-	15,385
Disposals during year	-	-	-	-	-
At 31 March 2026	97,283	6,300	55,649	715,307	874,539
Depreciation					
At 1 April 2025	(54,104)	-	(43,421)	(299,884)	(397,409)
Charge for the year	(13,469)	(1,575)	(9,555)	(14,307)	(38,906)
Disposals during year	-	-	-	-	-
At 31 March 2026	(67,573)	(1,575)	(52,976)	(314,191)	(436,315)
Net Book Value					
At 31 March 2026	29,710	4,725	2,673	401,116	438,224
At 31 March 2025	29,029	6,300	10,993	415,423	461,745

10d.) Investment Property

	2026	**2025**
	£	**£**
Valuation		
At 1 April 2025	410,000	382,500
Revaluations	-	27,500
Additions	-	-
As at 31 March 2026	410,000	410,000

The office property in Westhill, Aberdeen and the Commercial Unit at 24 Ellon Road, Aberdeen were valued by Graham + Sibbald, Chartered Surveyors, on 30 May 2025 at a value of £600,000 and £110,000 respectively. The Directors believe that the valuations are reflective of the value at 31 March 2026. 50% of the Westhill property is deemed to be office property and therefore, held within property, plant and equipment at cost, and 50% is recognised as an investment property – based on the valuation, this is £300,000.

11. Debtors

Amounts falling due within one year	**2026** **£**	**2025** **£**
Gross rents in arrears	390,180	435,990
Less: bad debt provision	(190,162)	(243,708)
	200,018	192,282
HAG Receivable	1,202,503	843,632
Prepayments	115,626	104,384
Other debtors	606,255	863,150
Less: bad debt provision	(377,262)	(557,518)
	1,747,140	1,445,930

12. Creditors: amounts falling due within one year

	2026 **£**	**2025** **£**
Loans (Note 13)	1,435,512	602,312
Retentions Unpaid	558,960	520,399
Prepaid Rent	338,357	365,997
Accruals	898,109	759,485
Other Tax and Social Security	77,355	68,350
Trade Creditors	1,794,081	1,139,381
Other Creditors	5,887	3,172
Deferred Capital Grant (note 14)	1,075,933	976,896
	6,184,194	4,435,992

13. Creditors: amounts falling due after one year

	2026	2025
	£	£
Loans	34,486,611	34,467,021
Deferred Capital Grant (note 14)	67,455,555	61,960,035
	101,942,166	96,427,056

OHL loans from Lloyds Banking Group amounting to £22,714,000 (2025: £22,782,000) are secured by specific charges on its properties on a 25 year term. This was revised with effect from 1st April 2010, 5th January 2016, 9th April 2021, 6th April 2022, 1st June 2023, 29th August 2024 and further revised on 25th February 2026 (conversion to a Sustainability Linked Loan), securing a facility of £48,003,000. £22m has a fixed interest rate for the duration of the loan, £714k has a variable interest rate linked to SONIA plus agreed margin and £25m (£4.5m drawn at 31 March 2026) has been secured via a 5+1+1 year Revolving Credit Facility (RCF) with an interest rate also linked to SONIA plus agreed margin. The RCF is termed to 6th April 2029.

OHL loans from Nationwide amounting to £5,027,217 (2025: £5,436,530) are secured by a first ranking standard security over 332 units of the Association's housing stock. These loans of £3,045,767 and £1,981,450 are on 30 year terms and interest is fixed at 1.93% and 1.95% respectively until maturity.

A further interest free loan of £3,618,498 is unsecured and is repayable between 2026 and 2033. This is accounted for at cost as this is treated as a concessionary loan.

Based on the lender's earliest repayment date, loan borrowings are repayable as follows:

	2026	2025
	£	£
Less than one year (note 12)	1,435,512	602,312
Between one and two years	1,493,460	1,435,512
Between two and five years	7,767,067	6,539,032
In five years or more	25,336,143	26,629,017
Capitalised Facility Fee	(110,059)	(136,540)
Total Loans after one year	34,486,611	34,467,021
Total Loans Outstanding	35,922,123	35,069,333

14. Deferred Capital Grant

	2026	2025
	£	£
As at 1 April	62,936,931	56,014,684
Capital Grant Additions	6,567,886	7,848,979
Capital Grant Released	(973,100)	(926,732)
Capital Grant Disposals	(229)	-
As at 31 March	68,531,488	62,936,931
Amounts to be released within one year (note 12)	1,075,933	976,896
Amounts to be released in more than one year (note 13)	67,455,555	61,960,035
	68,531,488	62,936,931

15. Notes to Statement of Cash flows

	2026	2025
Reconciliation of operating surplus to net cash inflow from activities	**£**	**£**
Surplus for the year	2,489,991	1,875,818
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	2,154,750	2,050,872
Amortisation of intangible fixed assets	1,647	1,885
Amortisation of capital grant	(973,100)	(926,732)
Loss on disposal of tangible fixed assets	54,623	47,488
Loss on disposal of intangible fixed assets	1,649	-
Gain on revaluation of investment properties	-	(27,500)
Interest received	(22,010)	(34,570)
Interest payable	1,861,744	1,865,546
Operating cash flows before movement in working capital	**5,569,294**	**4,852,807**
Decrease in trade and other debtors	57,661	98,819
Increase in trade and other creditors	815,965	709,978
Cash generated from operations	**6,444,092**	**5,661,604**

CASH AND CASH EQUIVALENTS	**2026**	**2025**
	£	**£**
Cash and cash equivalents represent:		
Cash at bank	3,264,345	1,286,789
	3,264,345	**1,286,789**

15. Notes to Statement of Cash flows (continued)

Net Debt Reconciliation	1 April 2025 £	Cash Flow £	Other Non-cash movements £	31 March 2026 £
Cash at bank and in hand	1,286,789	1,977,556	-	3,264,345
Bank Loan	(602,312)	602,312	(1,435,512)	(1,435,512)
Due within one year	(602,312)	602,312	(1,435,512)	(1,435,512)
Bank Loan	(34,467,021)	(1,500,000)	1,480,410	(34,486,611)
Due out with one year	(34,467,021)	(1,500,000)	1,480,410	(34,486,611)
Total Net Debt	**(33,782,544)**	**1,079,868**	**44,898**	**(32,657,778)**

16. Capital Commitments

	2026 £	2025 £
Land and Buildings	3,497,437	4,636,512
Replacement Components	6,821	-
Board authorised expenditure contracted less certified	3,504,258	4,636,512

Capital commitments will be met from HAG, cash reserves and available loan funding.

17. Leasing Commitments

At 31 March 2026, the Association had annual commitments under non-cancellable operating leases as detailed below:

	Plant & Machinery	
	2026	2025
Amounts due:	£	£
Within one year	7,092	7,092
Within two to five years	5,090	11,704
	12,182	18,796

18. Share Capital

	2026	2025
Shares of £1 each, issued and fully paid:		
At 1 April	35	35
Acquired through Business Combination	-	-
Issued during year	-	-
Cancelled during year	-	-
At 31 March	35	35

Associate members, incorporated organisations and/or unincorporated organisations were admitted into membership only in pursuance of a merger, transfer of engagements or other form of strategic partnership involving OHL, were entered into the Associate category of membership and are known as "Associate Members."

Associate Members have no right to attend or vote at general meetings, carry no rights to a dividend or other distributions and their shares are not repayable.

19. General Reserve

	2026	2025
	£	£
Opening Balance	34,091,862	32,216,044
Surplus for the year	2,489,991	1,875,818
Total General Reserve	36,581,853	34,091,862

20. Contingent Liability

OHL formally exited the SHAPS pension scheme on 31 July 2023.

However, OHL has been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over recent years. The Trustee has been advised to seek clarification from the Court on potential changes to the pension liability. This process is ongoing and OHL understands that the matter is unlikely to be resolved before the end of 2026 at the earliest. It is recognised that this could potentially increase the cost of exiting the scheme and so the Scheme reserves the right to apply a further charge should this be required. This is currently estimated to be £12,800.

21. Members' Guarantee

Osprey Housing Limited, being a Company limited by guarantee, has no share capital other than associate members (see note 18).

Full Members at 31 March 2026 totalled 14 (2025: 15), each guaranteeing a maximum £1 in the event of a winding up of the Association.