

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

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 2024

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Registration Particulars:

Company Number	SC198586
Charity Number	SC029461
RSL Number	312

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

OFFICERS AND PROFESSIONAL ADVISERS

31 MARCH 2024

Osprey Housing Limited Board of Directors

Michael Scott, Chair

Leslie Allan, Vice Chair

Stuart Robertson

Robert Hepburn

Brian Topping

Jonathan Young

Douglas Bodie

Simpson Buglass

Raymond Edgar

James Milne (Resigned 13/09/2023)

Brian Watson

Alison Mitchell

Claire Crawford

John Connelly

Kay Diack (Appointed 23/08/2023)

Colin Hawkins (Appointed 13/09/2023)

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

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

OFFICERS AND PROFESSIONAL ADVISERS

31 MARCH 2024
(Continued)

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
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REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

31 MARCH 2024

The Board present their report and audited financial statements for the year ended 31 March 2024.

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.

OHL established a wholly owned trading subsidiary on 4 March 2008, Osprey Initiatives Limited (OIL). The company was formed to undertake potentially non-charitable trading activities and its primary activity is to manage OHL's Mid-Market Rented stock.

Following a review of its activities, OHL divested itself of its MMR stock during 2022/23 through a sale to another Registered Social Landlord. Decision was made during 2023 to dissolve OIL as a subsidiary of OHL and remain as a single entity solely delivering social rented properties. The actions to dissolve OIL were concluded on 2nd April 2024.

These financial statements are the results of OHL however do include a dividend from the dissolution of OIL.

The table below shows the number of properties owned by OHL at 31 March 2024:

Owned Properties	2024	2023
Tenanted	1,797	1,762
Leased to Third Parties	5	5
Total	1,802	1,767

In addition, OHL owns 21 standalone garages (2023: 21) and 29 shared ownership properties (2023: 29).

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REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

31 MARCH 2024

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 in the cost of living crisis following the impact of the pandemic. This brings with it significant challenges for both the organisation and our tenants. However, these challenges can also be viewed as an opportunity for improvement and creating organisational efficiencies. 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 and agile 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 2022-25 – Annual Review

In May 2022, the Board approved a new 3 year Strategic Plan for 2022-2025 setting out the vision, mission and ambitions to 2025. The Annual review of the Plan was undertaken in May 2024 which includes a full review of the appended SWOT analysis to remain vigilant to our strengths, weaknesses, opportunities and threats, remaining fully aware of our operating environment.

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REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

31 MARCH 2024

Strategic Report (continued)

The plan sets out our Vision, Mission & Ambitions:

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.

✓ **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, how 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

OSPREY HOUSING LIMITED
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REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

31 MARCH 2024

Awareness of Risk and Mitigation

Osprey has a culture of being risk aware, but not risk averse. We review and revise risks on a revolving basis, formally through the governance cycle at least twice a year and monthly at Senior Leadership Team level.

Our strategic approach to Business planning and risk assessment are complementary. It is vital to assess risks that effect 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.

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 Business Plan is an essential part of our risk mitigation strategy.

Osprey continues to monitor emergent cost pressures and our recent re-tendering of Repair Services should help mitigate against further cost increases. We have proactively incorporated the cost of delivering Net Zero without the anticipation of grant support within our Business Plan. This will continually be re-assessed, particularly when the Scottish Government Guidance is published later in the year.

Scottish Government grant support for new build has been significantly reduced for 2024-25 and the position beyond that is unclear. Osprey remains committed to developing new properties but will need to maintain strong relationships with local partners to ensure delivery is achieved.

In terms of social rents, despite the inflationary uplift to state benefits announced from 1 April 2024, the impact of potentially higher arrears as a result of pressure on households due to the cost of living crisis remains a risk that the organisation continues to focus on mitigating.

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.

OSPREY HOUSING LIMITED
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REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

31 MARCH 2024

Governance and Management

The Board and Key Management 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. 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. We have an Assurance Working group of five Board members to supplement the scrutiny involved during the annual Assurance Statement process. A key outcome of this is the creation of an evolving Governance improvement action plan that cross references good practice in addition to the Regulatory standards.

During 2024-25, the Board will carry out a full self-assessment process supported by an external Governance consultant. These additional actions allow the Board members to be confident in their governance duties and activities and remain fully assured on how OHL manage the business for the best interests and outcomes for tenants.

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
- Risk management matrix
- Development framework – both financial and quality performance reporting
- Annual treasury management strategy and reporting
- Reports and analysis from 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

OSPREY HOUSING LIMITED
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REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

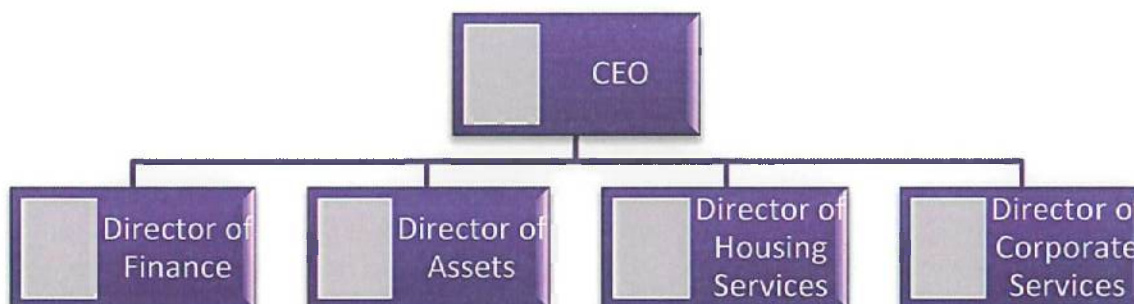
31 MARCH 2024

Governance and Management (continued)

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.



Our staff teams work between our headquarters in Westhill in Aberdeenshire and Elgin in Moray. We have fully developed hybrid working across our staff team. Given our geographic area this has many benefits for tenants, staff and the organisation overall.

Our People

A clearly stated ambition of the Strategic Business Plan is a commitment to making OHL “A Great Place to Work.” Our approach is wide ranging, encompassing effective human resource management processes, recruitment, training, retention, succession planning and talent management. This approach also applies to Board members as well as the staff team.

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REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

31 MARCH 2024

Our People - continued

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 have been awarded with Gold level Investors In People (IIP) Status accreditation again during 2023, 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 and events. A programme of organisational development to accelerate this has been continued for the year 2023-24 to further improve the motivation and effectiveness of our team through a series of wellbeing and resilience training.

Overview of Activities and Performance

We have refocussed and redesigned the way we provide services to our tenants and customers to improve efficiency, performance and value for money through investment into technology and digital services over the last two years. We are keen to maximise digital options to enhance performance 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 2024 and is in line with 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.

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REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

31 MARCH 2024

Overview of Activities and Performance (continued)

Performance against Key Performance Indicators (Core Business) is set out below:

KPI OHL	Actual 2021/2022	Actual 2022/2023	Actual 2023//2024	Target 2023/2024
Current rent arrears	2.8%	3.4%	3.7%	3.0%
Former rent arrears	1.0%	1.2%	1.0%	1.3%
Gross rent arrears	3.8%	4.6%	4.7%	4.3%
Rent Collected	98.2%	98.7%	100.4%	100.0%
Void loss	0.7%	0.6%	0.4%	1.0%
Void performance	34 days	31 days	26 days	25 days
Average completion time	2.5 hours	2.8 hours	2.2 hours	< 2.3 hours
- Emergency Repairs				
Average completion time	8.1 days	6.4 days	6.3 days	< 8 days
- Routine Repairs				
Board & Committee attendance	90%	84%	92%	80%

Indicators in line with the Annual Return on the Charter (ARC) definitions were set for the year to 31 March 2024 based on historic and benchmark material, with targets agreed by the Board in February 2024.

The performance tables demonstrate that the Board anticipated a consistency of performance aligned with the outcomes of the prior years.

The operating and economic environment continues to present an uncertain backdrop. Our business planning and budgeting retains 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 meeting targets and our lender covenants being comfortably attained.

ESG - Environmental, Social and Governance

ESG outlines the criteria about the ethical status of an organisation, these standards are the central factors that measure both the ethical impact and sustainability of a company, particularly from an environmental sustainability and investment perspective.

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 – a strong ESG proposition can help create enormous business value across the organisation.

The Sustainability Reporting Standard for Social Housing (SRS) was launched in November 2020 to measure the sectors response to ESG and provide a clear framework promoting transparency, comparability and benchmarking.

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ESG - Environmental, Social and Governance - continued

This is making it easier for lenders and investors to assess the ESG performance of housing providers, identify ESG risks and pursue opportunities to create positive social and environmental outcomes. The SRS is a voluntary reporting framework, covering 48 criteria across ESG considerations such as zero carbon targets, affordability, safety and resident voice with the following key outcomes:

- **Environmental** – Osprey are already committed to embedding sustainability across the full range of our activities. **The ‘E’ strand** will be delivered by how we run our business operationally, how we invest in and improve our current properties, and how we develop new homes fit for the future.
- **Social** - ‘Social purpose’ already exists at the core of our organisation - our vision, our values, and ambitions. **The ‘S’ strand** is part of who we are as an organisation and our ethos. Therefore, the delivery of this is intertwined into our day-to-day activities and outcomes.
- **Governance** - Strong compliant governance and assurance are part of the structure of Osprey and frameworks we already have in place. Osprey already embrace regulatory standards and provision of annual assurance statement delivering **the ‘G’ strand** positively and pro-actively in the way we operate. Good governance is one of our guiding principles.

Osprey have made a commitment to ESG by formally adopting the SRS framework and published our first ESG report in October 2023.

Digital Development

We made significant progress through delivery of our Digital Strategy action plan during 2023-24 which was focussed on our aim to deliver efficient, effective services and working practices.

The previous year of 2022-23 included some key milestones for Osprey in terms of digital improvements that significantly changed our digital foundations. This included fully migrating to cloud-based systems using MS Office 365 including digitalisation of all our filing, so we are now operationally paperless. This was further supplemented by the implementation of a new cloud-based housing database, Homemaster, including a tenant portal in October 2022. Having cloud-based systems give us a strong foundation 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 allows us to continue our growth towards our aim of owning 2,000 units within the next 5 years.

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31 MARCH 2024

Future Growth - continued

The uncertainty of the Scottish Government's commitment to Housing Association Grant (HAG) does put this ambition under pressure; however, 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 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
2021-22	40
2022-23	78
2023-24	35
2024-25	Projected 40

Treasury Management

The Board's agreed policy is that the OHL should not enter into transactions of a speculative nature. At 31 March 2024, OHL had an appropriate mix of fixed and variable rate finance following reduction of our variable finance in the midst of the current high interest rates. This has been a planned proactive step in managing our finances.

Osprey undertook a review of their treasury management with the assistance of consultants, Chatham Financial in November 2021. This review was comprehensive and resulted in securing a 5+1+1 year Revolving Credit Facility (RCF) of £25M on improved terms with our current lender, Lloyds Banking Group in April 2022. The yearly extensions were activated in April 2023 and June 2024.

We have introduced 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.

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.

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REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

31 MARCH 2024

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. 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 £2.9M (2023: £2.7M).

Income from social letting activities rose by 9.2% to £10.7M (2023: £9.8M). A rent increase of 4% was applied from 1 April 2023, which was significantly below inflation and benchmark rent increases across the sector. The remaining increase of 5.2% is due to the positive impact of new build units.

The rent increase for 1 April 2024 was in line with inflation assumptions of 6.7% and aligned with the Scottish average rent increase for the coming financial year. Rent affordability will continue to be critical to the wellbeing of both our tenants and Osprey and regular stress testing through affordability analysis is a feature of our approach to rent setting.

Operating costs include expenditure on reactive, cyclical and planned maintenance totalling £2.8m (2023: £2.2m), with an additional spend of £2.3m (2023: £2.4m) being treated as capital expenditure. 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 extend the useful life of the properties.

The total comprehensive income for OHL was £1.1M (2023: £2.1M). This incorporates an actuarial loss of £13K (2023: Gain £1.4M) in respect of the Scottish Housing Association Pension Scheme (SHAPS). The actuarial gain or loss on the pension scheme is calculated by the pension trustees and adopts the independent actuary's central assumptions in each reporting period and was impacted by the decision to exit SHAPS on 31 July 2023.

At 31 March 2024, OHL's total reserves amounted to £32.2M (2023: £31.1M), an increase of £1.1M (2023: 2.1M) from 31 March 2023. The increase in reserves is attributed to the surpluses achieved by OHL in the year to 31 March 2024.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

31 MARCH 2024

Financial Review (continued)

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 2024, six months operating costs equate to approximately £4.2M, including all repairs. This target has been met in the current financial year. Undesignated revenue reserves at 31 March 2024 are £32.2M (2023: £31.1M).

During the prior year, Osprey took considerable steps to mitigate the impact of significant financial risk by minimising our exposure to variable rate debt and repaid over £10m, from a combination of property sales and cash reserves. This has continued to enable us to sustain low levels of drawdown from our Revolving Credit Facility (RCF).

During 2022-23 OHL took significant steps to address our Pension liabilities, by exiting the Defined Benefit scheme provided through North East Scotland Pension Fund (NESPF). This was undertaken following extensive staff consultation with colleagues being transitioned to a Defined Contribution scheme effective from 1st January 2023. The exit sum of £260K was paid in full during the prior financial year therefore removing future liabilities and associated financial risk. The final stage in this process was to terminate our membership of the Scottish Housing Association Pension Scheme (SHAPS). This was completed on 31 July 2023 with the exit sum being determined and paid in March 2024 at a value of £124K. The final exit figure for SHAPS was less than the initial estimated termination value of £221k. The exit from SHAPS is recognised in these accounts and no pension liability remains at 31 March 2024.

Rent Policy

The Board has taken significant steps to minimise rent increases with two consecutive years of rent freezes during 2021 and 2022 and a 4% increase in 2023. Inflation at the time was 10% therefore we were able to demonstrate how we could mitigate the impact of this on tenants despite our own increasing costs. This further demonstrates the strength and ability of Osprey's increased capacity as a single entity RSL, allowing us to do more to support our tenants.

Rent affordability will continue to be 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.

OSPREY HOUSING LIMITED
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REPORT OF THE BOARD (incorporating STRATEGIC REPORT)

31 MARCH 2024

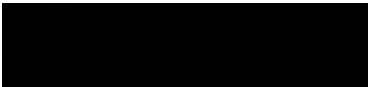
Statement as to Disclosure of Information to Auditors

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

On completion of this year's external audit, OHL will be required to undertake a procurement and tender process for the provision of External Audit services. This is deemed good practice for ensuring the delivery of high quality scrutiny, assurance and value for money.

By order of the Board



Michael Scott
Chair

Date: 28 August 2024

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

STATEMENT OF BOARD RESPONSIBILITIES

31 MARCH 2024

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
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BOARD'S STATEMENT ON INTERNAL FINANCIAL CONTROL

31 MARCH 2024

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 Joint Resource & Governance 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.

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BOARD'S STATEMENT ON INTERNAL FINANCIAL CONTROL
(Continued)

31 MARCH 2024

The Board has reviewed the system of internal financial control in OHL during the year ended 31 March 2024. 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



Michael Scott
Chair

Date: 28 August 2024

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

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

31 MARCH 2024


In addition to our audit of the Financial Statements, we have reviewed your statement on Pages 19 to 20 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 19 to 20 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.



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

Date: 11/09/24

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

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

31 MARCH 2024

Opinion

We have audited the financial statements of Osprey Housing Limited (the 'Association') for the year ended 31 March 2024 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 2024 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 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.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

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

31 MARCH 2024

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 Board's 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.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

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

31 MARCH 2024

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 18, 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.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

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

31 MARCH 2024

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, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019, and the Housing (Scotland) Act 2010. 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 Housing (Scotland) Acts 2006 and 2014, the Scottish Housing Regulator's Regulatory Framework (published 2019), the General Data Protection Regulation/Data Protection Act 2018, and the Social Care and Social Work Improvement Scotland (Requirements for Care Services) Regulations 2011. We performed audit procedures to inquire of management and those charged with governance whether the association is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified risk of management override of controls, revenue recognition, Development and major repairs cut off, voids and impairment and the economic climate relating to going concern as the areas 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, completing cut off testing over revenue and expenditure, reviewing the void levels year on year as part of our work on impairment of housing properties and reviewing managements forecasts and covenant calculations.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

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

31 MARCH 2024

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

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. 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.



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

Date: 11/09/24

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Year ended 31 March 2024 £	Year ended 31 March 2023 £
Turnover	2a	11,523,024	10,460,948
Less: Operating Costs	2a	(8,405,189)	(8,428,715)
Gain/(Loss) on disposal of Property		(163,755)	706,031
Operating Surplus	2a	2,954,080	2,738,264
Fair value (loss) on Investment Property	10d	-	(107,500)
Interest receivable and other income		29,104	31,267
Interest payable and similar charges	5	(1,843,877)	(1,969,809)
Surplus for the year	6	1,139,307	692,222
Actuarial (loss)/gain on pension scheme	22	(13,000)	1,399,000
Total Comprehensive Income for the year		<u>1,126,307</u>	<u>2,091,222</u>

The results relate wholly to continuing activities.

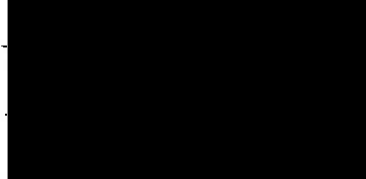
The accompanying notes on pages 31 to 59 form part of these financial statements.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023
Company Number: SC198586

	Notes	31 March 2024 £	31 March 2023 £
Intangible Fixed Assets	9	<u>5,181</u>	<u>7,299</u>
Tangible Fixed Assets			
Housing Properties	10a	121,921,641	118,951,136
Other Fixed Assets	10c	478,179	503,942
Investment Properties	10d	<u>382,500</u>	<u>292,500</u>
		<u>122,782,320</u>	<u>119,747,578</u>
Fixed Asset Investments			
Investments	11	<u>-</u>	<u>100</u>
Current Assets			
Debtors	12	1,084,664	807,663
Cash at bank and in hand		<u>2,126,662</u>	<u>2,959,152</u>
		<u>3,211,326</u>	<u>3,766,815</u>
Creditors: amounts falling due within one year	13	<u>(3,603,640)</u>	<u>(4,147,605)</u>
Net current (liabilities)		<u>(392,314)</u>	<u>(380,790)</u>
Total assets less current liabilities		122,395,187	119,374,187
Creditors: amounts falling due after more than one year	14	(90,179,108)	(88,251,415)
Net assets excluding pension liability		32,216,079	31,122,772
Defined Benefit pension liability	22	<u>-</u>	<u>(33,000)</u>
Net Assets including pension liability		<u>32,216,079</u>	<u>31,089,772</u>
Capital and Reserves			
Share Capital	19	35	35
General Reserve	20	32,216,044	31,122,737
Pension Reserve	21	<u>-</u>	<u>(33,000)</u>
		<u>32,216,079</u>	<u>31,089,772</u>

These financial statements on pages 31 to 59 were approved by the Board, authorised for issue on 28 August 2024, and signed on their behalf by:

Board Member		Michael Scott
Board Member		Leslie Allan
Board Member		Robert Hepburn

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2024

	Share Capital	Income and expenditure reserve	Pension Reserve	Total
	£	£	£	£
Balance at 1 April 2022	35	29,214,515	(216,000)	28,998,550
Surplus for the year	-	692,222	-	692,222
Actuarial gain on pension schemes	-	1,399,000	-	1,399,000
Transfer (to)/from pension reserve	-	(183,000)	183,000	-
Balance as at 31 March 2023	35	31,122,737	(33,000)	31,089,772
Surplus for the year	-	1,139,307	-	1,139,307
Actuarial (loss) on pension schemes	-	(13,000)	-	(13,000)
Transfer (to)/from pension reserve	-	(33,000)	33,000	-
Balance at 31 March 2024	35	32,216,044	-	32,216,079

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

STATEMENT OF CASHFLOWS

YEAR TO 31 MARCH 2024

	Notes	2024 £	2023 £
NET CASH GENERATED FROM OPERATING ACTIVITIES	16	3,645,142	4,568,665
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(5,340,268)	(11,993,690)
Proceeds from sale of tangible fixed assets		2,319	8,081,328
Grants received		1,666,006	7,422,887
Interest received		29,104	31,267
NET CASH (USED IN) INVESTING ACTIVITIES		(3,642,839)	3,541,792
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(1,889,809)	(2,050,481)
Proceeds of new borrowings		1,500,000	-
Repayments of borrowings		(444,984)	(10,474,746)
NET CASH (USED IN) FINANCING ACTIVITIES		(834,793)	(12,525,227)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(832,490)	(4,414,770)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,959,152	7,373,922
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,126,662	2,959,152
Relating to:			
Bank balances and short term deposits included in cash at bank and in hand		2,126,662	2,959,1525
Overdrafts included in "creditors: amounts falling due within one year"		-	-
		2,126,662	2,959,152

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 MARCH 2024

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.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

AS AT 31 MARCH 2023

1. Accounting Policies (continued)

Critical Accounting Estimates and Areas of Judgement (continued)

Critical accounting estimates

- In estimating the useful lives of housing properties and capitalised components
- In estimating depreciation rates to be applied to housing properties, capitalised components and other fixed assets
- In estimating grant amortisation
- In estimating the recoverable amounts of rental and other trade receivables
- In determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds

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 now 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.

The financial projections demonstrate that it has sufficient financial resources to ensure that it meets its commitments in the short, medium and longer term. 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.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

AS AT 31 MARCH 2023

1. Accounting Policies (continued)

Business Combination

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

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

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

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

AS AT 31 MARCH 2024

1. Accounting Policies (continued)

Tangible fixed assets – Housing Properties (note 10)

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.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

AS AT 31 MARCH 2024

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:

Land	Not Depreciated
Structure	100 years
Kitchen	20 years
Bathroom	25 years
Doors	25 years
Windows	25 years
Heating System	30 years
Boiler	15 years
Insulation	20 years

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
Computer equipment	25% per annum straight line
Office Property	2% per annum straight line

Development Administration Costs

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

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

AS AT 31 MARCH 2024

1. Accounting Policies (continued)

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.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
(Continued)

AS AT 31 MARCH 2024

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.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

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.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

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.

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.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

1. Accounting Policies (continued)

Pensions

OHL participated in a defined benefit scheme operated by the North East Scotland Pension Fund until 31 December 2022 when it exited the scheme. This was undertaken following extensive staff consultation with colleagues being transitioned to a Defined Contribution scheme effective from 1st January 2023. The exit sum was paid in full therefore removing future liabilities and associated financial risk. The transactions arising from the exit from the NESPF are recognised in these accounts and no pension liability remains at 31 March 2023.

OHL participated in the defined benefit section of the Scottish Housing Association Pension Scheme (SHAPS), administered by The Pensions Trust. Having closed the scheme on 30 April 2015, OHL fully exited SHAPS on 31 July 2023. The transactions arising from the exit from SHAPS are recognised in these accounts and no pension liability remains at 31 March 2024.

All staff have been transferred to a defined contribution scheme operated by Smart Pension from 1 August 2023.

The expected cost of providing staff pensions is recognised in the Income and Expenditure account, on a systematic basis over the expected average lives of the members of the pension fund, in accordance with the Financial Reporting Standard (FRS) 102 Section 28: Retirement Benefits to recognise the retirement benefits as the benefits are earned and not when they are due to be paid. The contributions are determined by qualified actuaries, on the basis of triennial valuations, using the projected unit credit actuarial cost method, and the scheme is valued in these financial statements using defined benefit accounting using these actuarial valuations. The contributions charged are recognised in the periods in which they arise.

The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

2) Particulars of turnover, operating costs, operating surplus

	Note	Turnover	Operating Costs	(Loss)/Gain on Disposal of fixed assets	Operating Surplus	Operating Surplus for Previous period of account
		£	£	£	£	£
Affordable Lettings	3a	10,709,770	(7,724,563)	-	2,985,207	1,664,975
Other activities	3b	813,254	(680,626)	-	132,628	367,258
(Loss)/Gain on disposal of fixed assets		-	-	(163,755)	(163,755)	706,031
Total		<u>11,523,024</u>	<u>(8,405,189)</u>	<u>(163,755)</u>	<u>2,954,080</u>	<u>2,738,264</u>
Total for previous period		<u>10,460,948</u>	<u>(8,428,715)</u>	<u>706,031</u>	<u>2,738,264</u>	

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

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

	2024	2023
	£	£
Rents receivable net of identifiable service charges	9,855,777	8,966,054
Service charges	5,325	181,853
Gross income from rents and service charges	9,861,102	9,147,907
Less: voids	(43,119)	(49,710)
Net income from rents and service charges	9,817,983	9,098,197
Grants released from deferred income	891,787	713,092
Other revenue grants	-	-
Total turnover from affordable letting activities	10,709,770	9,811,289
Management and maintenance administration costs	2,723,329	3,883,898
Service costs	4,800	227,142
Planned and cyclical maintenance including major repairs costs	1,008,442	488,842
Reactive maintenance costs	1,836,016	1,571,918
Bad debts – rent and service charges	51,914	51,291
Depreciation of social housing	2,100,062	1,923,223
Operating costs for affordable letting activities	7,724,563	8,146,314
Operating surplus for affordable lettings	2,985,207	1,664,975
Operating surplus for affordable lettings for previous period of account	1,664,975	

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

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	-	124,100	-	-	124,100	-	159,749	(35,649)	(27,523)
Development and construction of property	-	-	-	-	-	-	1,500	(1,500)	-
Dividend Income	-	-	-	340,360	340,360	-	-	340,360	-
Recharges	-	-	-	215,312	215,312	206,335	205,024	(196,047)	-
Mid-Market Rent Lease Income	-	-	-	-	-	-	-	-	345,567
Other activities	103,385	-	-	30,097	133,482	-	108,018	25,464	49,214
Total from other activities	103,385	124,100	-	585,769	813,254	206,335	474,291	132,628	367,258
Total from other activities for the previous period of account	46,698	121,052	-	481,909	649,659	-	282,401	367,258	

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

4. Housing Stock

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

	2024	2023
	No	No
General Needs	1,797	1,762
Shared Ownership (LIFT properties)	29	29
Total units in management	<u>1,826</u>	<u>1,791</u>

OHL added 35 general needs units during the year through New Build development and sold nil properties on the open market (2023: 2).

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

	2024	2023
	No	No
Leased units to Aberdeenshire Council	3	3
Leased to Other Third Parties	2	2
	<u>5</u>	<u>5</u>

5. Interest payable

	2024	2023
Loan Interest	1,843,877	1,967,809
Net finance cost on pension liability	-	2,000
	<u>1,843,877</u>	<u>1,969,809</u>

6. Operating Surplus

This is stated after charging the following:

	2024	2023
	£	£
Directors' remuneration	358,953	322,944
Auditors' remuneration – audit services	35,474	33,031
Other bodies relating to Auditor	7,240	5,322
Internal Audit	11,112	10,056
Cessation loss on closure of Local Government Pension Scheme	-	1,412,000
Cessation loss on closure of SHAPS	79,040	-
Operating leases	18,184	24,307
Release of capitalised facility fee	41,982	39,732
Amortisation of intangible fixed assets	2,118	24,985
Depreciation of housing properties	2,100,062	1,923,223
Depreciation of other tangible fixed assets	<u>39,390</u>	<u>39,584</u>

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

7. Employees

	2024	2023
	£	£
Wages and salaries	1,305,004	1,234,432
Social Security costs	136,749	138,567
Other Pension costs	228,993	190,638
Cessation loss on closure of Local Government Pension Scheme	-	1,412,000
Cessation loss on closure of SHAPS	79,040	-
	<u>1,749,786</u>	<u>2,975,637</u>

Pension Cessation

On 31 July 2023 Osprey Housing Limited ceased to be a member of the Scottish Housing Associations' Pension Scheme. The defined benefit liability as of this date was £46,000.

The funding liability payable by the employer on the exit from the scheme was £125,040 and this was settled in the year. The difference of £79,040 between the defined benefit liability as at the date of cessation and the funding liability has been recognised within operating costs.

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

Housing Management	20	20
Corporate	4	5
Business Support	11	8
	<u>35</u>	<u>33</u>

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

	2024	2023
	£	£
From Above	1,749,786	2,975,637
SHAPS Pension Deficit	-	10,635
Capitalised Salary Costs	(11,925)	(28,619)
	<u>1,737,861</u>	<u>2,957,653</u>

No non-staff members of the Board of OHL received any remuneration.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

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 Asset, Ryan Swan (Hugh Crothers Retired 31/03/2024) and Director of Corporate Services, Clare Ruxton.

There are 5 members of key management personnel who received emoluments of £60,000 or more (2023: 4).

	2024	2023
	£	£
Aggregate emoluments for key management personnel (excluding pension contributions)	358,953	322,944
Pension contributions for key management personnel	68,828	40,975
Total	427,781	363,919
Aggregate emoluments of the Chief Executive (excluding pension contributions)	97,124	92,160
Pension contributions for the Chief Executive	15,009	3,507
Total	112,133	95,667

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

	2024	2023
	No	No
£60,001 - £70,000	-	2
£70,001 - £80,000	3	-
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	-	-
£110,001 - £120,000	1	-
£120,001 - £130,000	-	-

8. Taxation

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

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

9. Intangible Fixed Assets

	IT Software
Cost	£
At 1 April 2023	242,892
Additions during year	-
At 31 March 2024	<u>242,892</u>
Amortisation	
At 1 April 2023	(235,593)
Charge for year	<u>(2,118)</u>
At 31 March 2024	<u>(237,711)</u>
Net Book Value	
At 31 March 2024	<u>5,181</u>
At 31 March 2023	<u>7,299</u>

10a.) Tangible Fixed Assets – Housing Properties

	Housing Properties under construction	Housing Properties held for letting	Total
Cost	£	£	£
At 1 April 2023	3,416,582	131,584,207	135,000,789
Additions during year	2,919,031	2,317,610	5,236,641
Disposals during year	-	(398,622)	(398,622)
Transfers	<u>(5,483,567)</u>	<u>5,483,567</u>	<u>-</u>
At 31 March 2024	<u>852,046</u>	<u>138,986,762</u>	<u>139,838,808</u>
Depreciation			
At 1 April 2023	-	(16,049,653)	(16,049,653)
Charge for year	-	<u>(2,100,062)</u>	<u>(2,100,062)</u>
Disposals during year	-	232,548	232,548
At 31 March 2024	<u>-</u>	<u>(17,917,167)</u>	<u>(17,917,167)</u>
Net Book Value			
At 31 March 2024	<u>852,046</u>	<u>121,069,595</u>	<u>121,921,641</u>
At 31 March 2023	<u>3,416,582</u>	<u>115,534,554</u>	<u>118,951,136</u>

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 £23,079,800 (2023: £22,519,144 which is not depreciated).

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

10b.) Expenditure on existing properties	Year ended 31 March 2024	Year ended 31 March 2023
	£	£
Major repairs expensed	395,691	218,589
Replacement of components	2,317,610	2,409,560
Total	2,713,301	2,628,149

10c.) Other Tangible Fixed Assets

	IT Equipment	Furniture, Fittings & Equipment	Office Property	Total
	£	£	£	£
Cost				
At 1 April 2023	75,519	52,284	710,499	838,302
Additions during year	7,463	1,356	4,808	13,627
Disposals during year	(12,476)	-	-	(12,476)
At 31 March 2024	70,506	53,640	715,307	839,453
Depreciation				
At 1 April 2023	(41,220)	(21,771)	(271,369)	(334,360)
Charge for the year	(13,356)	(11,824)	(14,210)	(39,390)
Disposals during year	12,476	-	-	12,476
At 31 March 2024	(42,100)	(33,595)	(285,579)	(361,274)
Net Book Value				
At 31 March 2024	28,406	20,045	429,728	478,179
At 31 March 2023	34,299	30,513	439,130	503,942

10d.) Investment Property

	2024	2023
	£	£
Valuation		
At 1 April 2023	292,500	400,000
Revaluations	-	(107,500)
Additions	90,000	-
As at 31 March 2024	382,500	292,500

The office property in Westhill, Aberdeen was valued by Graham + Sibbald, Chartered Surveyors, on 31 March 2023 at a value of £585,000. The Directors believe that this valuation remains reflective of the value at 31 March 2024. 50% of the property is deemed to be office property and therefore held within property, plant and equipment at cost, and 50% is recognised as investment property – based on the valuation, this is £292,500. As part of the purchase and refurbishment of 24 Ellon Road, Osprey acquired a small commercial unit at a cost of £90,000.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

11. Investment	2024	2023
	£	£
Shares in unlisted subsidiary companies at cost	-	100

Decision was made during 2023 to dissolve OIL, as subsidiary of OHL and remain as a single entity solely delivering social rented properties. The actions to dissolve OIL were concluded on 2nd April 2024.

12. Debtors	2024	2023
	£	£
Amounts falling due within one year		
Gross rents in arrears	430,278	415,424
Less: bad debt provision	(243,055)	(220,203)
	187,223	195,221
HAG Receivable	383,547	53,349
Prepayments	124,134	100,955
Other debtors	900,132	809,698
Less: bad debt provision	(510,372)	(351,560)
	1,084,664	807,663

13. Creditors: amounts falling due within one year	2024	2023
	£	£
Loans (Note 14)	486,133	444,486
Retentions Unpaid	366,037	459,752
Prepaid Rent	372,925	381,802
Accruals	649,894	1,280,168
Other Tax and Social Security	90,941	40,845
Trade Creditors	643,331	693,516
Other Creditors	23,678	20,496
Deferred Capital Grant (note 15)	970,701	826,540
	3,603,640	4,147,605

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

14. Creditors: amounts falling due after one year

	2024	2023
	£	£
Loans	35,135,125	34,167,688
Deferred Capital Grant (note 15)	55,043,983	54,083,727
	<u>90,179,108</u>	<u>88,251,415</u>

OHL loans from Lloyds Banking Group amounting to £22,782,000 (2023: £22,918,000) 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 and further revised on 6th April 2022, securing a facility of £48,003,000. £22m has a fixed interest rate for the duration of the loan, £1m has a variable interest rate linked to SONIA plus agreed margin and £25m has been secured via a 5 year Revolving Credit Facility with an interest rate also linked to SONIA plus agreed margin.

OHL loans from Nationwide amounting to £5,837,664 (2023: £6,231,150) are secured by a first ranking standard security over 332 units of the Association's housing stock. These loans are on a 30 year term and interest is fixed at 1.95% until maturity.

A further interest free loan of £3,743,498 is unsecured and is repayable between 2027 and 2033.

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

	2024	2023
	£	£
Less than one year (note 13)	486,133	444,486
Between one and two years	602,313	486,133
Between two and five years	7,111,518	5,031,285
In five years or more	27,559,315	28,805,273
Capitalised Facility Fee	(138,022)	(155,003)
Total Loans after one year	35,135,125	34,167,688
Total Loans Outstanding	<u>35,621,258</u>	<u>34,612,174</u>

15. Deferred Capital Grant

	2024	2023
	£	£
As at 1 April	54,910,267	52,788,865
Capital Grant Additions	1,996,204	5,701,256
Capital Grant Released	(891,787)	(713,092)
Capital Grant Disposals	-	(2,866,762)
As at 31 March	<u>56,014,684</u>	<u>54,910,267</u>

Amounts to be released within one year (note 13)	970,701	826,540
Amounts to be released in more than one year (note 14)	55,043,983	54,083,727
	<u>56,014,684</u>	<u>54,910,267</u>

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

16. Notes to Statement of Cash flows

	2024	2023
	£	£
Reconciliation of operating surplus to net cash inflow from activities		
Surplus for the year	1,139,307	692,222
Adjustments for non-cash items:		
Depreciation of tangible fixed assets	2,139,452	1,962,807
Amortisation of intangible fixed assets	2,118	24,985
Amortisation of capital grant	(891,787)	(713,092)
Pension service costs and expenses net of contributions paid	-	1,214,000
Loss/(Gain) on disposal of tangible fixed assets	163,755	(706,031)
Impairment and depreciation of investment properties	-	107,500
Interest received	(29,104)	(31,267)
Interest payable	1,843,877	1,969,809
Operating cash flows before movement in working capital	4,367,718	4,520,933
Decrease/(Increase) in trade and other debtors	53,197	(210,501)
(Decrease)/Increase in trade and other creditors	(775,773)	258,233
Cash generated from operations	3,645,142	4,568,665
 CASH AND CASH EQUIVALENTS	 2024	 2023
Cash and cash equivalents represent:	£	£
Cash at bank	2,126,662	2,959,152
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
	2,126,662	2,959,152

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

16. Notes to Statement of Cash flows (continued)

	1 April 2023	Cash Flow	Other Non-cash movements	31 March 2024
	£	£	£	£
Net Debt Reconciliation				
Cash at bank and in hand	2,959,152	(832,490)	-	2,126,662
Bank Loan	(444,486)	444,486	(486,133)	(486,133)
Due within one year	(444,486)	444,486	(486,133)	(486,133)
Bank Loan	(34,167,688)	(1,500,000)	532,563	(35,135,125)
Due out with one year	(34,167,688)	(1,500,000)	532,563	(35,135,125)
Total Net Debt	(31,653,022)	(1,888,004)	46,430	(33,494,596)

17. Capital Commitments

	2024	2023
	£	£
Land and Buildings	8,159,386	6,604,646
Replacement Components	-	727,968
Board authorised expenditure contracted less certified	<u>8,159,386</u>	<u>7,332,614</u>

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

18. Leasing Commitments

At 31 March 2024, the Association had annual commitments under non-cancellable operating leases as detailed below:

	Plant & Machinery	
	2024	2023
	£	£
Amounts due:		
Within one year	25,142	18,050
Within two to five years	26,043	26,515
After five years	-	-
	<hr/> 51,185	<hr/> 44,565

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

19. Share Capital

	2024	2023
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	<u>35</u>	<u>35</u>

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.

20. General Reserve

	2024	2023
	£	£
Opening Balance	31,122,737	29,214,515
Surplus for the year	1,139,307	692,222
Actuarial (losses)/gains on pension scheme	(13,000)	1,399,000
Transfer to Pension Reserve	(33,000)	(183,000)
Total General Reserve	<u>32,216,044</u>	<u>31,122,737</u>

21. Pension Reserves

	2024	2023
	£	£
Opening Balance	(33,000)	(216,000)
Transfer from General Reserve	33,000	183,000
Total General Reserve	<u>-</u>	<u>(33,000)</u>

OHL has exited both defined pension schemes so no longer has any liability for a share of the deficit that exists within those pension schemes.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

22. Pension Fund

During the year, the Association participated in Scottish Housing Associations' Pension Scheme until 31 July 2023 when Osprey Housing Limited terminated its participation in the scheme. In the prior year, the Association also participated in the North East Scotland Pension Fund which it terminated its participation in on the 31 December 2022.

North East Scotland Pension Fund

Osprey Housing Limited participated in the North East Scotland Pension Fund which is part of the Local Government Pension Scheme (LGPS) (Scotland), a multi-employer scheme, until 31 December 2022 when Osprey Housing Limited terminated its participation in the scheme. The LGPS is a defined benefit scheme based on final pensionable salary.

The LGPS is a multi-employer scheme administered by the Council under regulations governing the Local Government Pension Scheme, a defined benefit pension scheme. The most recent comprehensive actuarial valuation of the plan assets and the present value of the defined benefit obligation was carried out at 31 March 2020.

The employers' contributions to the LGPS by the Association in the year to 31 March 2023 were £365,000, including a one-off termination fee of £260,000, at a contribution rate of 78.6% of pensionable salaries. No contributions were made in the year to 31 March 2024 following the exit from the scheme on 31 December 2022.

Scottish Housing Association Pension Scheme

The Scottish Housing Associations' Pension Scheme (SHAPS) is a multiemployer scheme which provides benefits to over 150 non-associated employers. The scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A Recovery Plan was put in place to eliminate the deficit which ran to 30 September 2022.

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

22. Pension Fund - continued

The scheme is classified as a 'last man standing' arrangement. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February 2025 inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 29 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

The principal actuarial assumptions used in the calculation of the valuation of the plan assets and the present value of the defined benefit obligation of the SHAPS scheme include:

	2024	2023
	%	%
RPI	3.16	3.21
CPI	2.65	2.69
Salary increases	3.65	3.69
Discount rate	5.32	4.90

The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2024	2023
	Years	Years
Males	20.5	20.5
Females	24.4	23.0

OSPREY HOUSING LIMITED
(Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

22. Pension Fund - continued

The average life expectancy for an employee retiring at 65 that is aged 45 at the reporting date is:

	2024	2023
	Years	Years
Males	21.7	21.7
Females	24.4	24.4

The amounts recognised in the Statement of Comprehensive income (for both schemes as a total) are as follows:

	2024	2023
	£	£
Current service cost	-	(177,000)
Net interest on the defined liability pension	-	(2,000)
Administration expenses	-	(2,000)
Expenses	-	(1,000)
Cessation Loss	(123,400)	(1,412,000)
	<u>(123,400)</u>	<u>(1,594,000)</u>

Changes in the present value of the defined benefit obligations (for both schemes as a total) are as follows:

	2024	2023
	£	£
Opening defined benefit obligation	528,000	8,868,000
Current service cost	-	177,000
Interest on pension liabilities	8,000	191,000
Expenses	-	1,000
Member contributions	-	30,000
Actuarial (gains) / losses on liabilities	(20,000)	(2,563,000)
Benefits/transfers	(12,000)	(138,000)
Settlements (see note 23)	(504,000)	(6,038,000)
Closing defined benefit obligation	<u>-</u>	<u>528,000</u>

OSPREY HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

22. Pension Fund - continued

Changes in the present value of the plan assets are as follows:

	2024	2023
	£	£
Opening fair value of plan assets	495,000	8,652,000
Interest on plan assets	8,000	189,000
Actuarial (losses) / gains on assets	(33,000)	(1,164,000)
Administration expenses	-	(2,000)
Employer contributions	-	378,000
Member contributions	-	30,000
Benefits / transfers paid	(12,000)	(138,000)
Settlements (see note 23)	(458,000)	(7,450,000)
Closing fair value of plan assets	-	495,000

The actual loss on plan assets was £45,000 (2023: £894,000) for the Association.

The total pension liabilities for this year are:

	2024	2023
	£	£
Defined benefit obligations	-	528,000
Fair value of plan assets	-	(495,000)
Net defined benefit pension liabilities	-	33,000

The total amount recognised in other comprehensive income for the year in relation to actuarial gains and losses in the year is as follows:

	2024	2023
	£	£
Defined benefit obligations	20,000	2,563,000
Fair value of plan assets	(33,000)	(1,164,000)
Net defined benefit pension liabilities	(13,000)	1,399,000

OSPREY HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

22. Pension Fund - continued

The analysis of the scheme assets at the report date were as follows:

	Association	
	2024	2023
	£'000	£'000
Equities	-	-
Gov. bonds	-	-
Property	-	21
Cash	-	2
Other	-	-
Absolute return	-	7
Alternative risk premia	-	3
Corporate bond fund	-	1
Currency hedging	-	1
Credit relative value	-	19
Distressed opportunities	-	15
Emerging markets debt	-	4
Global equity	-	13
High yield	-	2
Infrastructure	-	53
Insurance - linked securities	-	14
Liability driven investment	-	209
Liquid credit	-	-
Long lease property	-	17
Net current assets	-	1
Opportunistic credit	-	-
Opportunistic illiquid credit	-	22
Private debt	-	22
Risk sharing	-	36
Secured income	-	33
	-	495

OSPREY HOUSING LIMITED
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NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS AT 31 MARCH 2024

23. 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 2024 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.

24. Members' Guarantee

Osprey Housing Limited, being a Company limited by guarantee, has no share capital other than associate members (see note 21).

Full Members at 31 March 2024 totalled 15 (2023: 14), each guaranteeing a maximum £1 in the event of a winding up of the Association.