



Alexander Sloan
Accountants and Business Advisers

Dunbritton Housing Association

Report and Financial Statements

For the year ended 31 March 2025

Registered Social Landlord No. HAL260

FCA Reference No. 2421R(S)

Scottish Charity No. SC036518

DUNBRITTON HOUSING ASSOCIATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Contents

	Page
Members of the Board of Management, Executive and Advisers	1
Report of the Board of Management	2 – 12
Report by the Auditors on corporate governance matters	13
Report of the Auditors	14 -17
Statement of comprehensive income	18
Statement of financial position	19
Statement of cash flows	20
Statement of changes in equity	21
Notes to the financial statements	22 - 42

DUNBRITTON HOUSING ASSOCIATION

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

BOARD OF MANAGEMENT

Gary Mulvaney
Elizabeth McCurdy
Alistair Tuach
Sephton Patrick MacQuire
Andrew Cameron
Chris Chalk
Fiona Craig
Ian Davie
Stephen Humphreys
Julie Smillie
Iain Patterson

Councillor Hazel Sorrell

Chair
Vice Chair
Secretary
Board Member
Board Member
Board Member
Board Member
Board Member
Board Member
Board Member (Appointed November 2024,
Resigned May 2025)
Co-optee

EXECUTIVE OFFICERS

Allan Murphy
Heather Maitz
Paul Sweeney
Robert Murray

Chief Executive Officer
Head of Finance & Corporate Services
Head of Asset Services
Head of Housing Services

REGISTERED OFFICE

1 Hatters Lane
Dumbarton
G82 1AW

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

Quinn Internal Audit &
Business Support Services Ltd
GF, 4 Grosvenor Gardens
Edinburgh
Midlothian
EH12 5JU

FINANCE AGENTS

FMD Financial Services Ltd
3 Clairmont Gardens
Glasgow
G3 7LW

BANKERS

Bank of Scotland
94/104 High Street
Dumbarton
G82 1PQ

SOLICITORS

Harper McLeod
Ca'd'oro Building
45 Gordon Street
Glasgow
G1 3PE

DUNBRITTON HOUSING ASSOCIATION

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

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

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No. 2421R(S)), the Scottish Housing Regulator as a registered social landlord (No. HAL260) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC036518.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

At the time of completing this update we are still in the midst of a cost-of-living crisis, which has adversely impacted on many sectors within our society. However, once again the Association has responded well in this changing environment, we have positively attempted to support our tenants, provide services. I am pleased to confirm at the end of March 25 we remained a stable and financially robust organisation.

As previously reported the Board agreed to move towards the adoption of a more strategic Corporate Plan covering a three-year period. As we end the financial year 2024/25, we have commenced our new plan from 2024 to 2027. Our planning process ensure that we:

- Review and reflects our vision & purpose.
- Has the capacity to respond to external challenges, including welfare reform, governance expectations, financial & other strategic risks, as well as the less obvious challenges around staff health & welfare.
- Is committed to both existing and future customers, through effective front-line service delivery.
- Is clear on its future direction including continued growth to address housing needs in our areas of operation.
- Has a staff structure that is fit for purpose.
- Empowers staff to develop professionally.
- Continuously reviews its organisational capacity to enable responsive and proactive service delivery.
- Know what we do well and what we could do better.
- Supports a culture of continuous improvement and customer focus.

DUNBRITTON HOUSING ASSOCIATION

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

Corporate Plan

Our Vision, Purpose and Values are fundamental to demonstrate who we are, where we want to be and our long-term goals :

Vision

*“Dunbritton Housing Association’s **Vision** is thriving, diverse, healthy and safe communities that enhance the quality of life for our customers”.*

Purpose

- Support our customers to sustain their homes and enjoy a better quality of life in communities that are safe and attractive.
- Work with our customers, staff and partners to achieve our Vision.
- Provide good quality housing and services that are affordable and accessible.
- Sustain our estates and their communities.

Values

- We listen and learn from our tenants & other customers.
- We are a responsible and caring social landlord and employer.
- We are open and accountable for everything we do.
- We are pro-active & innovative in dealing with opportunities and problems.
- We are honest, approachable, and reliable.
- We are respectful and will give fair treatment to everyone.

In recent years we have seen rapid changes in both the internal and external environments – pandemic, cost of living crisis, war in Ukraine and now emerging tariff issues which could impact on world markets. Dunbritton like all other organisations has been required to change and adapt to these emerging situations to ensure we remain a financially robust organisation that continues to support all our customers.

To combat these challenges the Board and the Management Team will continue to review and develop our strategic approach to Risk management.

Our Corporate Plan 2024 – 2027 was launched in April 2024 and acknowledged at the outset the country is facing a significant cost of living crisis, which has severely impacted on many sectors within our society. We have recently completed the first year of our ambitious plan to deliver on our strategic key objectives.

DUNBRITTON HOUSING ASSOCIATION

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

Review of Business and Future Developments (Contd.)



The Board will oversee the delivery of our Strategic Objectives through its ongoing monitoring of performance against the Plan. Operational monitoring through Internal Management Plans will be undertaken by the Management Team.

To support our objectives, we have a suite of Policies and associated procedures that we review and update on a regular basis. We need to be mindful of changes in the environment and when required respond with appropriate policies to ensure we embrace a risk aware culture.

As of April 2025, we are in our 33rd year of operation and I am pleased to report we have continued to remain a viable and ambitious organisation with a good reputation across the Scottish Housing sector.

Assessing Risks

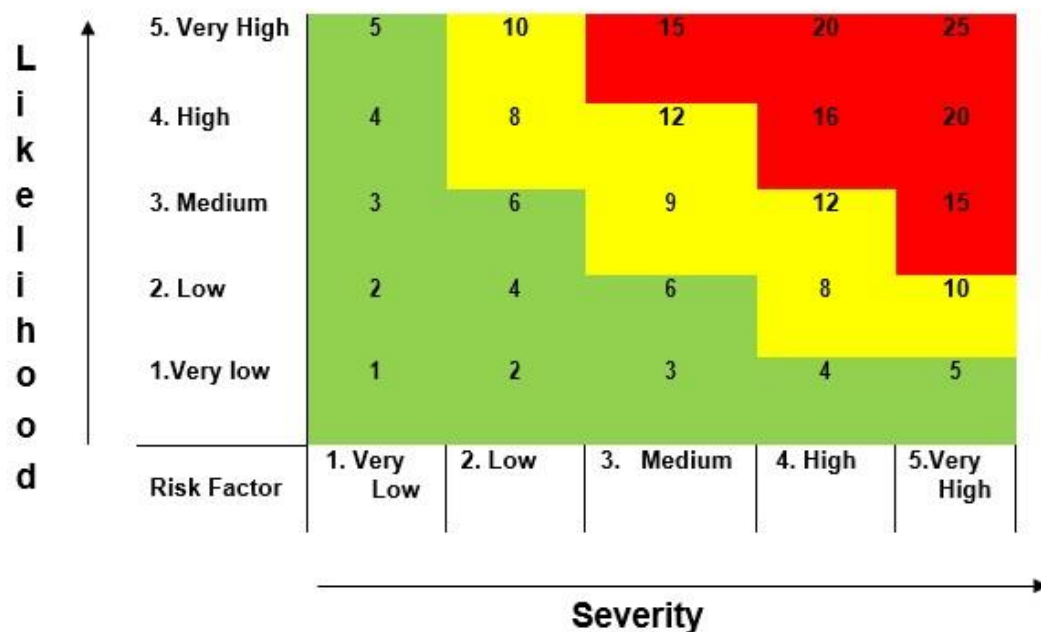
Dunbritton's current position as a successful and well-respected organisation with a proven track record would not have been achieved without a preparedness to accept carefully measured risks.

We work closely with our insurers (Zurich Municipal), who are at the forefront of risk assessment and management. The work we have done with them has ensured we have embedded effective techniques across the organisation.

DUNBRITTON HOUSING ASSOCIATION

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

Review of Business and Future Developments (Contd.)



Our approach to risk management and risk assessment is thorough and its importance understood by staff and Board members.

The Management Team meets on a regular basis with the Chief Executive to consider their respective departments and the overall risk to the Association. From this information we identify all high risks, which are included in our Management Action Plan.

The Association's Audit & Risk Committee meets 6 monthly, and our internal auditor attends those meetings. All high risks are discussed at every meeting to ensure that appropriate action is in place to manage or mitigate against the risk.

In addition to internal meetings and discussions, the Association's staff actively engage with a range of external agencies to maintain a high level of awareness around potential risks. Key external contacts include our banks, insurers, consultants, the Scottish Federation of Housing Associations, the Glasgow West of Scotland Housing Forum, and strategic meetings with Local Authorities in Argyll & Bute and West Dunbartonshire. The CEO also participates in dedicated CEO peer meetings in both Argyll and Bute, West Dunbartonshire and surrounding areas. In this way he remains informed about sector-wide strategic discussions.

DUNBRITTON HOUSING ASSOCIATION

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

Review of Business and Future Developments (Contd.)

Key areas during 2024/25 were as follows:

Governance Overview

Dunbritton's Board is required to submit an annual assurance statement to the Scottish Housing Regulator (SHR). The annual Assurance Statement assists the SHR to determine that the Board has sufficient knowledge to confirm the association complies with the Regulatory Standards. This statement assists to provide transparency to stakeholders, including tenants, people experiencing homelessness, Gypsy/Travellers, and other service users. It also highlights areas for further improvement or clarification during the following year.

To assist Board members the Association established an evidence bank in 2021 to ensure that board members had access to all the key information that would provide them with the assurance that the association was conducting its affairs within the regulatory guidance. The bank is regularly updated following each Board meeting to ensure the information remains current and relevant. To supplement the evidence bank the CEO provided the Board with a quarterly Governance report, which highlights all key changes within the sector and confirms any reports or notifications to any regulatory bodies such as the SHR, Scottish Housing Ombudsman. A further 6 monthly report is provided which highlights all key documents that are required to provide assurance for the Regulatory Standards.

All registered Housing Associations are issued with an annual Engagement Plan which confirms if they are compliant or non-compliant. I am pleased to report that Dunbritton's plan for 2025/26 has confirmed the Association is compliant. However, during next year, we will be required to provide evidence to the SHR in relation to the following areas :

- We are committed to developing social housing and are required to keep the SHR updated with our development proposals, costs and any associated mitigation of potential risks.
- The Board appointed a new Chair in November 2024 and during next year we will be providing the SHR with outcome of our Board succession planning review.

Following the departure of a senior manager to a promoted post in another housing association the Board took the opportunity to review the existing Management Team structure. Last year we reported that during 2024/25 we would be merging our Finance and Corporate services departments. I am pleased to report that the merger has been completed and is now led by our Head of Finance & Corporate Services.

The Association's AGM - which was quorate - took place in September 2024 and Board continues to hold 10 meetings a year with twice yearly Audit and Risk committee meetings. The Board planner is reviewed regularly to ensure reports are relevant, reflect current practices, and meet governance and legislative requirements.

DUNBRITTON HOUSING ASSOCIATION

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

Review of Business and Future Developments (Contd.)

Customer Engagement

Customer engagement is key and fundamental if the Association is to ensure that we continue to provide a good quality range of services to all our customer. The office remains open to the public and we continue to employ a range of communication channels, which include telephone, email, website, and newsletters. To assist with customer engagement our Housing and Asset teams regularly visit our areas of operation to ensure we are visible on our estates.

We have an established scrutiny group which meets on a regular basis to consider and review policies and service provision. The group has considered areas such as publications: tenants report, annual report, newsletter and general signage. Last year the group were involved in the review of our joint allocations policy with our partner Housing Associations in the Argyll & Bute area. Following the consultation the policy has been adopted by the Associations.

The Association works closely with both Argyll & Bute and West Dunbartonshire councils at strategic and operational levels to ensure we remain focused on current legislation and emerging themes. There has been a dramatic rise in homelessness on a national level and I am pleased to report that the Association still maintains a 50% allocation of all lets to homeless referrals from the local authorities.

In the last couple of years, the Association has moved to electronic surveys for our annual rent increases and as a result have noted an encouraging percentage increase on our returns. During 2025 we intend to increase our use of electronic survey to measure satisfaction levels in different areas of operation.

Community Engagement

The Association has engaged Community Links Scotland (CLS) who also work in partnership with West Dunbartonshire Housing Associations to support vulnerable households who are in in energy crisis. A successful funding application has enabled the establishment of the West Dunbartonshire Energy Advice Service.

- This service provides a holistic programme of energy advice, advocacy and support and seeks to promote resilience against fuel poverty. The project currently employs 3 part time members of staff. To assist tenants, energy advisors have set up local surgeries in our areas of operation, which has also been extended to our tenants in Argyll & Bute area as well as West Dunbartonshire.
- The support provided is bespoke to our customer needs and is aimed primarily to assist households to: achieve the most cost-effective use of the household central heating system; make energy usage behavioural changes to ensure that the household has a satisfactory heating regime; develop their understanding of energy bills and usage; assist with the switch to cheaper tariffs (if available); provide advocacy for those in dispute or debt with their energy supplier.

DUNBRITTON HOUSING ASSOCIATION

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

Review of Business and Future Developments (Contd.)

We have received a small allocation of funding to support “Starter Packs” for our tenants in West Dunbartonshire. Through this we have created a list of packs that people who are taking up a tenancy after a period of change may require and an indication of cost/pack.

We have also engaged with our customers in play areas development. CLS prepared outline sketch designs for two sites: Davies Drive and Bain Way to support the redevelopment of existing, closed play areas. Designs focussed on including informal play, community growing and natural / habitat space to encourage pollination. CLS staff then met with two representatives of the area to talk about the design.

The Association also, operates a Common Good fund for local organisations to apply for financial assistance and every year we assist local, nurseries, foodbanks, school recreational teams etc. In addition, our staff team raise funds on an annual basis to assist our own tenants.

Information technology

Dunbritton remains affiliated with Scottish Business Resilience Centre (SBRC) ensuring that its IT systems are secure and up to date. Regular training is provided to staff to maintain a high level of awareness regarding cybersecurity.

The Association successfully obtained accreditation through the Cyber Essentials Scheme and conducted an ethical hacking assessment to evaluate the strength of its security measures. In addition, ongoing training and security exercises are being provided to all staff to ensure continued awareness.

The Homes Master Housing and Asset software package is going live during 25/26 and this system will improve digital connectivity with tenants and enhance service delivery.

Late 2024 we engaged with the Scottish Federation of Housing Association (SFHA) and have joined their digital forum as we intend to develop our Digital Strategy in 2025/26. We will be consulting with external experts to develop a dedicated digital strategy aimed at enhancing operational efficiency and improving tenant interaction.

Finance

The Board is pleased to report that like previous financial years the Association has ended 2024/25 with a healthy balance sheet. The Association generated a surplus of £730.5k and net assets totalling £15.1m.

- Capital cash expenditure on land and buildings for the year-to-date totals almost £1.3m. This primarily includes the Association's now completed development at East Kings Street (Jeanie Deans) Helensburgh and the now completed retrofit program at Rosneath.
- Component spending in the year was mainly for boilers and air source heat pumps.

DUNBRITTON HOUSING ASSOCIATION

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

Review of Business and Future Developments (Contd.)

- Gross rent arrears at the end of March were 1.39% (1.3% 23/24), which reduces to 0.98% (0.80 % 23/24) after accounting for the current bad debt provision. This remains comparatively low in the sector.
- The cash position at 31 March 2025 was approximately £2 million.
- Our internal audit programme is continuing, and in line with our Rules our external auditors were appointed at the AGM.

All financial reporting continues to be monitored and reported to the Board of Management. Cash flow is monitored daily, and all required payments are made within the specified timescales.

Short, medium and long term financial forecasts indicate positive financial outcomes and sensitivity analysis testing has been undertaken.

The Association continues to develop however with a large reduction in the Scottish housing budget this will undoubtedly have an impact on Local Authority and the Social Housing sector. At Dunbritton we will continue to consider different types of housing construction such as modular housing and more partnership working with agencies such as Health & Social Care Partnerships to remodel or adapt existing properties.

Particularly, in the current economic climate Value for Money is still a priority for the Association. We continue to procure services and compare and contract with other housing Associations to ensure we provide affordable services to our tenants. At March 2024 our arrears were under 2% and most tenants agreed with our rent increase for 2024 at 6%, which was very competitive compared to an average of 4.05% in the sector.

We continue our Gold trail with Investors In People and will be aiming for platinum in the next couple of years. During 2025/26 we will be conducting a staff survey to establish if the staff team still perceived the Association as a good and supportive employer. For me the staff are the major resource for the organisation and it's important we do everything to support them in their individual roles.

Once again, I can report high satisfaction levels with the overall service at 92.9% and one of the lowest arrears management figures in the sector at under 0.75%.

Dunbritton at the year-end is financially secure, high performing with well-maintained homes and excellent satisfaction levels. This would not be possible without the dedicated Board members and staff team. I extend my thanks to everyone for yet another successful year.

DUNBRITTON HOUSING ASSOCIATION

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

Board of Management and Executive Officers

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

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

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

Statement of Board of Management's Responsibilities

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

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

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Going Concern

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

DUNBRITTON HOUSING ASSOCIATION

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

Statement on Internal Financial Control

The Board of Management acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Association, or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

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

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

The Board of Management has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2025. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Association made charitable donations of £4,464 (2024 - £5,000).

Disclosure of Information to the Auditor

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

Auditor

A resolution to reappoint the Auditors, Alexander Sloan, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

DUNBRITTON HOUSING ASSOCIATION

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

By order of the Board of Management

Alistair Tuach
Secretary

DUNBRITTON HOUSING ASSOCIATION

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

In addition to our audit of the financial statements, we have reviewed your statement on page 11 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement of Internal Financial Control on page 11 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

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

ALEXANDER SLOAN LLP
Accountants and Business Advisers
Statutory Auditors
GLASGOW



DUNBRITTON HOUSING ASSOCIATION

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

Opinion

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

In our opinion the financial statements:

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

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Management 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 of Management with respect to going concern are described in the relevant sections of this report.

Other Information

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

DUNBRITTON HOUSING ASSOCIATION

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

Other Information (Contd.)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board of Management

As explained more fully in the statement of Board of Management's responsibilities as set out on page 10, the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Board of Management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

DUNBRITTON HOUSING ASSOCIATION

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

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

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

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

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

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

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

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

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

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

DUNBRITTON HOUSING ASSOCIATION LIMITED

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

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

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

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

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

Use of our Report

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

ALEXANDER SLOAN LLP

Accountants and Business Advisers
Statutory Auditors
GLASGOW



DUNBRITTON HOUSING ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	£	2025 £	£	2024 £
Revenue	2		7,169,343		6,580,790
Operating costs	2		5,666,711		4,952,474
OPERATING SURPLUS			1,502,632		1,628,316
Gain on sale of housing stock	7	51,547		117,247	
Interest receivable and other income		30,677		40,003	
Interest payable and similar charges	8	(871,364)		(690,338)	
Other Finance income/(charges)	10	(12,000)		(5,000)	
			(801,140)		(538,088)
Surplus on ordinary activities before taxation	9		701,492		1,090,228
SURPLUS FOR THE YEAR			701,492		1,090,228
Other comprehensive income					
Impairment loss on revalued properties			-		(2,500)
Actuarial gains/(losses) on defined benefit pension plan	18		29,000		(152,000)
TOTAL COMPREHENSIVE INCOME			730,492		935,728

The results relate wholly to continuing activities.

The notes on pages 22 to 42 form an integral part of these financial statements.

DUNBRITTON HOUSING ASSOCIATION

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	2025	2024
		£	£
NON-CURRENT ASSETS			
Housing properties - depreciated cost	11	69,734,112	70,610,365
Other tangible assets	11	1,146,851	1,171,172
Investments	12	50,002	50,002
		<u>70,930,965</u>	<u>71,831,539</u>
CURRENT ASSETS			
Receivables	13	395,268	252,417
Cash and cash equivalents	14	<u>2,039,773</u>	<u>2,809,328</u>
		2,435,041	3,061,745
CREDITORS: Amounts falling due within one year	15	<u>(2,458,766)</u>	<u>(2,287,184)</u>
(NET CURRENT LIABILITIES) / ASSETS		<u>(23,725)</u>	<u>774,561</u>
TOTAL ASSETS LESS CURRENT		70,907,240	72,606,100
CREDITORS: Amounts falling due after more than one year	16	(14,424,622)	(15,570,255)
PENSIONS AND OTHER PROVISIONS FOR Scottish housing association pension scheme	18	<u>(240,000)</u>	<u>(257,000)</u>
		(240,000)	(257,000)
DEFERRED INCOME			
Social housing grants	19	(40,337,525)	(41,598,662)
Other grants	19	<u>(830,874)</u>	<u>(836,448)</u>
		<u>(41,168,399)</u>	<u>(42,435,110)</u>
NET ASSETS		<u>15,074,219</u>	<u>14,343,735</u>
EQUITY			
Share capital	20	58	66
Revenue reserves		15,314,161	14,600,669
Revaluation reserve		-	-
Pension reserves		<u>(240,000)</u>	<u>(257,000)</u>
		<u>15,074,219</u>	<u>14,343,735</u>

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

Committee Member

Committee Member

Secretary

The notes on pages 22 to 42 form an integral part of these financial statements.

DUNBRITTON HOUSING ASSOCIATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	£	2025 £	£	2024 £
Surplus for the Year			701,492		1,090,228
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	11	2,114,481		1,958,086	
Amortisation of capital grants	19	(1,365,101)		(1,327,144)	
Transfer of interest to financial activities		840,687		650,335	
Gain on disposal of tangible fixed assets		(51,547)		(117,247)	
Non-cash adjustments to pension provisions		12,000		5,000	
Change in market value of investments		-		15,000	
Valuation adjustment		-		(2,500)	
Share capital written off	20	(8)		(26)	
			<u>1,550,512</u>		<u>1,181,504</u>
Operating cash flows before movements in working capital			2,252,004		2,271,732
Change in debtors		(9,969)		11,057	
Change in creditors		<u>88,723</u>		<u>(208,131)</u>	
			<u>78,754</u>		<u>(197,074)</u>
Net cash inflow from operating activities			2,330,758		2,074,658
Investing Activities					
Acquisition and construction of properties		(1,262,488)		(2,974,523)	
Purchase of other fixed assets		(7,677)		(8,442)	
Social housing grant received		108,934		1,842,282	
Social housing grant repaid		(71,960)		(86,285)	
Proceeds on disposal of housing properties		<u>107,805</u>		<u>296,393</u>	
Net cash outflow from investing activities			(1,125,386)		(930,575)
Financing Activities					
Interest received on cash and cash equivalents		30,677		40,003	
Interest paid on loans		(871,364)		(690,338)	
Loan principal repayments		(1,134,240)		(251,737)	
Share capital issued	20	<u>-</u>		<u>7</u>	
Net cash outflow from financing activities			(1,974,927)		(902,065)
(Decrease)/increase in cash	21		(769,555)		242,018
Opening cash & cash equivalents			2,809,328		2,567,310
Closing cash & cash equivalents			<u>2,039,773</u>		<u>2,809,328</u>
Cash and cash equivalents as at 31 March					
Cash	21		<u>2,039,773</u>		<u>2,809,328</u>

The notes on pages 22 to 42 form an integral part of these financial statements.

DUNBRITTON HOUSING ASSOCIATION

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2025

	Share Capital	Revaluation Reserve	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£	£
Balance as at 1 April 2023	85	2,500	(100,000)	13,505,441	13,408,026
Issue of Shares	7	-	-	-	7
Cancellation of Shares	(26)	-	-	-	(26)
Other comprehensive income	-	-	(152,000)	-	(152,000)
Revaluation in year	-	(2,500)	-	-	(2,500)
Other movements	-	-	(5,000)	5,000	-
Surplus for the year	-	-	-	1,090,228	1,090,228
Balance as at 31 March 2024	66	-	(257,000)	14,600,669	14,343,735
Balance as at 1 April 2024	66	-	(257,000)	14,600,669	14,343,735
Issue of Shares	-	-	-	-	-
Cancellation of Shares	(8)	-	-	-	(8)
Other comprehensive income	-	-	29,000	-	29,000
Revaluation in year	-	-	-	-	-
Other movements	-	-	(12,000)	12,000	-
Surplus for the year	-	-	-	701,492	701,492
Balance as at 31 March 2025	58	-	(240,000)	15,314,161	15,074,219

The notes on pages 22 to 42 form an integral part of these financial statements.

DUNBRITTON HOUSING ASSOCIATION

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

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2024. A summary of the principal accounting policies is set out below

Revenue

Revenue comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, sales of properties built for sale, other services provided, revenue grants receivable and government grants released to income in the period.

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

The Association previously participated in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme. Contributions to defined contribution plans are recognised as employee benefit expense when they are due. However, the Association still has an obligation to fund the past service of the previous defined benefit scheme.

Going Concern

On the basis that the Board of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

DUNBRITTON HOUSING ASSOCIATION

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Kitchens	16 Years
Bathrooms	30 Years
Boilers	18 Years
Radiators	36 Years
Windows	30 Years
Internal Doors	35 Years
Rewiring	40 Years
Structures	50 Years
Solar PV	18 Years
External Wall Insulation	20 Years

Depreciation and Impairment of Other Tangible Assets

Non-current assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected economic useful lives of the assets at the following annual rates:

<i>Asset Category</i>	<i>Depreciation Rate</i>
Furniture & Fittings	25% Straight Line
Office Improvements	25% Straight Line
Office Equipment	25% Straight Line
Office Premises	2% Straight Line

The carrying values of non-current assets are reviewed for impairment at the end of each reporting period.

Social Housing Grants and Other Capital Grants

Social housing grants and other capital grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which they relate.

Social housing grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

Although social housing grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

Sales Of Housing Properties

First tranche shared ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the statement of recommended practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the statement of comprehensive income.

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

DUNBRITTON HOUSING ASSOCIATION

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Taxation

The Association is a Scottish Charity and is not liable to taxation on its charitable activities.

Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives or the term of the lease whichever is shorter.

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property, a material reduction in future maintenance costs, or a significant extension of the life of the property.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to ongoing development activities are capitalised.

Borrowing Costs

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme. All other borrowing costs are expensed to the statement of comprehensive income using the effective interest rate method.

Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a non-current asset. Surpluses made on the disposal of first tranche sales are taken to the Statement of Comprehensive Income.

Property developments that are intended for resale are included in current assets until disposal.

Housing Property Managed By Agents

Where a third party manages the Association's housing property the accounting treatment reflects the substance of the transactions. The property is only excluded if the rights and obligations associated with the scheme has been transferred to the third party.

Financial Instruments - Basic

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.

The Association's debt instruments are measured at amortised cost using the effective interest rate method.

DUNBRITTON HOUSING ASSOCIATION

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

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

Cash and Liquid Resources

Cash comprises cash at bank and in hand, deposits repayable on demand less overdrafts. Liquid resources are current asset investments that can't be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

Impairment

The Association assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.

Where the carrying value of non-current assets is less than their recoverable amounts the shortfall is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service potential.

Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

Taxation

The Association is a Registered Scottish Charity and is not liable to taxation on its charitable activities.

DUNBRITTON HOUSING ASSOCIATION

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the the Association to exercise judgement in applying the it's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below.

Key Judgements

a) Categorisation of Housing Properties

In the judgement of the Board of Management the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

b) Identification of cash generating units

The Board of Management considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

c) Financial instrument break clauses

The Board of Management has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In their judgement these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

d) Pension Liability

The Association participated in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by TPT Retirement Solutions ("TPT"). TPT have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method. Details regarding the key judgements and assumptions relating to the pension benefits is included in the Contingent Liabilities note.

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place and court action.

b) Life Cycle of Components

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

c) Useful life of properties, plant and equipment

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.

d) Costs of shared ownership

The Association allocates costs to shared ownership properties on an percentage basis split across the number of properties the Association owns.

e) Defined pension liability

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.

DUNBRITTON HOUSING ASSOCIATION

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

2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	7,135,199	5,585,849	1,549,350	6,531,427	4,872,745	1,658,682
Other Activities	4	34,144	80,862	(46,718)	49,363	79,729	(30,366)
Total		7,169,343	5,666,711	1,502,632	6,580,790	4,952,474	1,628,316

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

	General Needs Housing £	Supported Housing £	Shared Ownership £	2025 Total £	2024 Total £
Revenue from Lettings					
Rent receivable net of service charges	5,037,361	249,413	124,296	5,411,070	5,086,698
Service charges receivable	-	41,290	11,953	53,243	68,430
Gross income from rent and service charges	5,037,361	290,703	136,249	5,464,313	5,155,128
Less: Rent losses from voids	(3,308)	-	-	(3,308)	(676)
Income from rents and service charges	5,040,669	290,703	136,249	5,467,621	5,155,804
Grants released from deferred income	1,287,433	61,193	47,867	1,396,493	1,334,983
Revenue grants from Scottish Ministers	44,600	226,485	-	271,085	40,640
Total turnover from affordable letting activities	6,372,702	578,381	184,116	7,135,199	6,531,427
Expenditure on affordable letting activities					
Management and maintenance administration costs	1,732,443	100,503	46,859	1,879,805	1,690,055
Service costs	-	50,001	3,242	53,243	68,430
Planned and cyclical maintenance, including major repairs	741,674	267,092	-	1,008,766	630,543
Reactive maintenance costs	525,660	30,352	-	556,012	557,639
Bad Debts - rents and service charges	5,540	-	-	5,540	1,908
Depreciation of affordable let properties	1,958,151	79,279	45,053	2,082,483	1,924,170
Operating costs of affordable letting activities	4,963,468	527,227	95,154	5,585,849	4,872,745
Operating surplus on affordable letting activities	1,409,234	51,154	88,962	1,549,350	1,658,682
2024	1,469,845	104,672	84,165		

DUNBRITTON HOUSING ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating (deficit) / surplus 2025	Operating surplus / (deficit) 2024
	£	£	£	£	£	£	£
Wider role activities	50	-	50	-	2,025	(1,975)	(3,960)
Investment property activities	-	8,748	8,748	-	3,242	5,506	7,488
Factoring	-	20,016	20,016	4,049	18,463	(2,496)	(14,304)
Other activities	-	5,330	5,330	24,034	-	(18,704)	6,149
Tenant Participation	-	-	-	-	29,049	(29,049)	(25,739)
Total From Other Activities	50	34,094	34,144	28,083	52,779	(46,718)	(30,366)
2024	11,475	37,888	49,363	2,454	77,275	(30,366)	

DUNBRITTON HOUSING ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2025 £	2024 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board of Management, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions and social security payments)	163,829	148,410
Pension contributions made on behalf on Officers with emoluments greater than £60,000	12,572	12,473
Emoluments payable to Chief Executive Officer (excluding pension contributions and social security payments)	92,414	87,141
Pension contributions paid on behalf of the Chief Executive Officer	7,188	6,781
Total emoluments payable to the Chief Executive Officer	99,602	93,922
Total emoluments paid to key management personnel (excluding social security payments)	300,421	333,213

The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	-	2
£70,001 to £80,000	1	-
£80,001 to £90,000	-	-
£90,001 to £100,000	1	1

6. EMPLOYEE INFORMATION

	2025 No.	2024 No.
Average monthly number of full time equivalent persons employed during the year	21	21
Average total number of employees employed during the year	22	22
Staff costs were:	£	£
Wages and salaries	951,271	875,922
National insurance costs	95,958	86,010
Pension costs	76,323	75,027
Temporary, agency and seconded staff	22,590	21,615
	1,146,142	1,058,574

DUNBRITTON HOUSING ASSOCIATION

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

7. GAIN ON SALE OF HOUSING STOCK

	2025	2024
	£	£
Sales proceeds	138,703	418,094
Cost of sales	87,156	300,847
Gain on sale of housing stock	<u>51,547</u>	<u>117,247</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2025	2024
	£	£
On bank loans and overdrafts	871,364	690,338
Less: Interest Capitalised on developments	-	-
	<u>871,364</u>	<u>690,338</u>

9. SURPLUS FOR THE YEAR

	2025	2024
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	2,114,481	1,958,086
Auditors' remuneration - audit services	11,640	10,980
Auditors' remuneration - other services	<u>1,440</u>	<u>-</u>

10. OTHER FINANCE (CHARGES)/INCOME

	2025	2024
	£	£
Net interest on pension obligations	<u>(12,000)</u>	<u>(5,000)</u>

DUNBRITTON HOUSING ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
COST				
At 1 April 2024	91,100,045	3,507,632	2,583,834	97,191,511
Additions	178,811	1,083,677	-	1,262,488
Disposals	(535,030)	-	(99,129)	(634,159)
Transfers	4,105,431	(4,105,431)	-	-
At 31 March 2025	94,849,257	485,878	2,484,705	97,819,840
DEPRECIATION				
At 1 April 2024	25,339,459	-	1,241,687	26,581,146
Charge for Year	2,037,430	-	45,053	2,082,483
Transfers	-	-	-	-
Disposals	(535,030)	-	(42,871)	(577,901)
At 31 March 2025	26,841,859	-	1,243,869	28,085,728
NET BOOK VALUE				
At 31 March 2025	68,007,398	485,878	1,240,836	69,734,112
At 31 March 2024	65,760,586	3,507,632	1,342,147	70,610,365

	2025		2024	
Expenditure on Existing Properties	Component replacement £	Non-component £	Component replacement £	Non-component £
Amounts capitalised	1,342,053	-	268,847	-
Amounts charged to the statement of comprehensive income	-	1,564,778	-	1,188,182

All land and housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £26,949 (2024-£35,362).

The Association's lenders have standard securities over housing property with a carry value of £39,022,602 (2024 - £38,985,069).

DUNBRITTON HOUSING ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Office Equipment £	Furniture & Fittings £	Office Improvements £	Total £
COST					
At 1 April 2024	1,234,345	241,196	142,977	23,169	1,641,687
Additions	-	1,765	5,912	-	7,677
Transfer from Housing Properties	-	-	-	-	-
At 31 March 2025	1,234,345	242,961	148,889	23,169	1,649,364
DEPRECIATION					
At 1 April 2024	74,061	232,430	140,855	23,169	470,515
Charge for year	24,687	5,034	2,277	-	31,998
At 31 March 2025	98,748	237,464	143,132	23,169	502,513
NET BOOK VALUE					
At 31 March 2025	1,135,597	5,497	5,757	-	1,146,851
At 31 March 2024	1,160,284	8,766	2,122	-	1,171,172

12. FIXED ASSET INVESTMENTS

	2025 £	2024 £
Subsidiary undertakings	2	2
Investment properties	50,000	50,000
	50,002	50,002

Subsidiary Undertakings

Dunbritton Housing Association has one non-active wholly owned subsidiary undertakings. The registered office of the subsidiaries is 1 Hatters Lane, Dumbarton, G82 1AW.

	2025	Profit / (Loss)	2024	Profit / (Loss)
	Reserves £	£	Reserves £	£
Dunbritton Commercial Limited	2	-	2	-

Investment Properties

	2025 £	2024 £
At 1 April 2024 and 31 March 2025	50,000	50,000
	2025 £	2024 £
At 1 April 2024	50,000	65,000
Revaluations taken to the statement of comprehensive income	-	(15,000)
At 31 March 2025	50,000	50,000

Investment properties were last valued by Whitelaw Baikie Figes, an independent qualified surveyor, on 31 March 2024.

DUNBRITTON HOUSING ASSOCIATION

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

13. RECEIVABLES

	2025	2024
	£	£
Gross arrears of rent & service charges	76,217	64,767
Less: Provision for doubtful debts	(22,833)	(24,702)
Net arrears of rent and service charges	53,384	40,065
Social housing grant receivable	170,350	37,468
Other receivables	171,534	174,884
	<u>395,268</u>	<u>252,417</u>

14. CASH AND CASH EQUIVALENTS

	2025	2024
	£	£
Cash at bank and in hand	-	1,809,328
Balances held in deposit accounts	2,039,773	1,000,000
	<u>2,039,773</u>	<u>2,809,328</u>

15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2025	2024
	£	£
Bank loans	1,282,342	1,270,949
Trade payables	314,200	209,934
Rent received in advance	163,026	148,307
Social housing grant in advance	564,353	492,887
Other payables	106,149	147,764
Accruals and deferred income	28,696	17,343
	<u>2,458,766</u>	<u>2,287,184</u>

DUNBRITTON HOUSING ASSOCIATION

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

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

	2025	2024
	£	£
Bank loans	14,424,622	15,570,255
	<u>14,424,622</u>	<u>15,570,255</u>

17. DEBT ANALYSIS - BORROWINGS

	2025	2024
	£	£
Bank Loans		
Amounts due within one year	1,282,342	1,270,949
Amounts due in one year or more but less than two years	1,295,230	1,283,892
Amounts due in two years or more but less than five years	9,304,406	3,223,991
Amounts due in more than five years	3,824,986	11,062,372
	<u>15,706,964</u>	<u>16,841,204</u>

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

Lender	Effective Interest Rate	Maturity (Year)	Variable or Fixed
Santander	circa 4.74% all in rate	2027	Variable
Santander	circa 2.50% all in rate	2027	Fixed
BOS	circa 5.10% all in rate	2027	Fixed
BOS	circa 3.40% all in rate	2029	Fixed
BOS	circa 7.07% all in rate	2028	Variable
CAF	circa 6.50% all in rate	2030	Variable
CAF	circa 6.50% all in rate	2033	Variable
CAF	circa 6.25% all in rate	2043	Variable
CAF	circa 6.10% all in rate	2049	Variable

All the Association's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans.

In accordance with FRS 102 the Association's bank borrowings are valued using at amortised cost using the effective interest rate method.

	2025	2024
	£	£
Due to lenders At 31 March 2025	15,833,801	17,043,289
Effective interest rate adjustment	(126,837)	(202,085)
	<u>15,706,964</u>	<u>16,841,204</u>

DUNBRITTON HOUSING ASSOCIATION

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

18. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Dunbritton Housing Association participates in the Scottish Housing Association Pension Scheme (the Scheme), a multi-employer pension scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

On 31 August 2020 the Association withdrew from the defined benefit scheme with all remaining members moving onto the Scottish Housing Association Pension defined contribution scheme.

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 pensions schemes in the UK.

The last triennial valuation of the Scheme was performed as at 30 September 2024 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £689.8m. The valuation revealed a shortfall of assets compared with the value of liabilities of £79.5m (equivalent to a past service funding level of 90%). It is now expected a recovery plan will be in place to eliminate the past service deficit from 1 April 2026 to 31 March 2030 for the majority of employers, although certain employers may have different arrangements.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is reapportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

Present values of defined benefit obligation, fair value of assets and defined benefit (liability) / asset

	2025	2024	2023
	£	£	£
Fair value of plan assets	1,689,000	1,816,000	1,946,000
Present value of defined benefit obligation	1,929,000	2,073,000	2,046,000
(Deficit) / Surplus in plan	(240,000)	(257,000)	(100,000)
Defined benefit (liability) / asset to be recognised	(240,000)	(257,000)	(100,000)

DUNBRITTON HOUSING ASSOCIATION

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

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2025	2024
	£	£
Defined benefit obligation at the start of period	2,073,000	2,046,000
Current service cost	-	-
Expenses	3,000	3,000
Interest expense	100,000	99,000
Contributions by plan participants	-	-
Actuarial losses / (gains) due to scheme experience	46,000	2,000
Actuarial (gains) / losses due to changes in demographic assumptions	-	(12,000)
Actuarial (gains) / losses due to changes in financial assumptions	(234,000)	(7,000)
Benefits paid and expenses	(59,000)	(58,000)
Defined benefit obligation at the end of period	1,929,000	2,073,000

Reconciliation of opening and closing balances of the fair value of plan assets

	2025	2024
	£	£
Fair value of plan assets at start of period	1,816,000	1,946,000
Interest income	88,000	94,000
Experience on plan assets (excluding amounts included in interest income) - (loss) / gain	(159,000)	(169,000)
Contributions by the employer	3,000	3,000
Contributions by plan participants	-	-
Benefits paid and expenses	(59,000)	(58,000)
Fair value of plan assets at the end of period	1,689,000	1,816,000

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was (£71,000) (2024 - (£75,000)).

DUNBRITTON HOUSING ASSOCIATION

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

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2025	2024
	£	£
Current service cost	-	-
Expenses	3,000	3,000
Net interest expense	12,000	5,000
	<u>15,000</u>	<u>8,000</u>
Defined benefit costs recognised in statement of comprehensive income	<u>15,000</u>	<u>8,000</u>

Defined benefit costs recognised in the other comprehensive income

	2025	2024
	£	£
Experience on plan assets (excluding amounts included in net interest income) - (loss) / gain	(159,000)	(169,000)
Experience gains and losses arising on plan liabilities - (loss) / gain	(46,000)	(2,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain / (loss)	-	12,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	234,000	7,000
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	<u>29,000</u>	<u>(152,000)</u>
Total amount recognised in other comprehensive income - gain / (loss)	<u>29,000</u>	<u>(152,000)</u>

DUNBRITTON HOUSING ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2025	2024	2023
	£	£	£
Absolute Return	-	82,000	27,000
Alternative Risk Premia	-	65,000	11,000
Corporate Bond Fund	-	-	3,000
Credit Relative Value	-	64,000	74,000
Distressed Opportunities	-	67,000	60,000
Emerging Markets Debt	-	32,000	15,000
Private Equity	1,000	1,000	-
Real Assets	202,000	-	-
Global Equity	196,000	209,000	51,000
Infrastructure	-	174,000	210,000
Insurance-Linked Securities	6,000	11,000	54,000
Liability Driven Investment	475,000	657,000	824,000
Currency Hedging	3,000	(1,000)	4,000
Long Lease Property	1,000	14,000	65,000
Net Current Assets	2,000	2,000	4,000
Private Credit	211,000	-	-
Private Debt	-	73,000	87,000
Property	84,000	77,000	81,000
Risk Sharing	-	109,000	142,000
Secure Income	39,000	61,000	130,000
Opportunistic Illiquid Credit	-	72,000	86,000
Liquid Alternatives	311,000	-	-
High Yield	-	-	10,000
Credit	72,000	-	-
Investment Grade Credit	77,000	-	-
Cash	9,000	47,000	8,000
Total assets	<u>1,689,000</u>	<u>1,816,000</u>	<u>1,946,000</u>

None of the fair values of the assets shown above include any direct investment in the Association's own financial instruments or any property occupied by, or other assets used by the Association.

Key Assumptions

	2025	2024	2023
Discount Rate	5.8%	4.9%	4.9%
Inflation (RPI)	3.1%	3.2%	3.2%
Inflation (CPI)	2.8%	2.8%	2.8%
Salary Growth	3.8%	3.8%	3.8%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance		

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (years)
Male retiring in 2025	20.2
Female retiring in 2025	22.7
Male retiring in 2045	21.5
Female retiring in 2045	<u>24.2</u>

DUNBRITTON HOUSING ASSOCIATION

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

19. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants			
At 1 April 2024	41,598,662	836,448	42,435,110
Additions in the year	170,350	-	170,350
Eliminated on disposal	(71,960)	-	(71,960)
Amortisation in year	<u>(1,359,527)</u>	<u>(5,574)</u>	<u>(1,365,101)</u>
Net book value			
At 31 March 2025	<u>40,337,525</u>	<u>830,874</u>	<u>41,168,399</u>
<i>At 31 March 2024</i>	<u>41,598,662</u>	<u>836,448</u>	<u>42,435,110</u>

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

	2025 £	2024 £
Amounts due within one year	1,396,493	1,414,576
Amounts due in more than one year	39,771,906	41,020,534
	<u>41,168,399</u>	<u>42,435,110</u>

20. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2025 £	2024 £
At 1 April	66	85
Issued in year	-	7
Cancelled in year	<u>(8)</u>	<u>(26)</u>
At 31 March	<u>58</u>	<u>66</u>

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

DUNBRITTON HOUSING ASSOCIATION

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

21. CASH FLOWS

Reconciliation of net cash flow to movement in net debt

	2025	2024
	£	£
(Decrease) / increase in cash	(769,555)	242,018
Change in liquid resources	-	-
Cashflow from change in net debt	1,134,240	251,737
Movement in net debt during the year	364,685	493,755
Net debt at 1 April	(14,031,876)	(14,525,631)
Net debt at 31 March	(13,667,191)	(14,031,876)

Analysis of changes in net debt	At 01/04/2024	Cashflows	Other Changes	At 31/03/2025
	£	£	£	£
Cash and cash equivalents	2,809,328	(769,555)	-	2,039,773
	2,809,328	(769,555)	-	2,039,773
Debt: Due within one year	(1,270,949)	1,134,240	(1,145,633)	(1,282,342)
Debt: Due after more than one year	(15,570,255)	-	1,145,633	(14,424,622)
Net debt	(14,031,876)	364,685	-	(13,667,191)

22. CAPITAL COMMITMENTS

	2025	2024
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	-	822,962

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

23 COMMITMENTS UNDER OPERATING LEASES

	2025	2024
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	3,182	3,182

DUNBRITTON HOUSING ASSOCIATION

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

24. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 1 Hatters Lane, Dumbarton, G82 1AW, .

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in West Dunbartonshire & Argyll & Bute.

25. BOARD OF MANAGEMENT MEMBER EMOLUMENTS

Board of Management members received £993 (2024 - £1,768) in the year by way of reimbursement of expenses. No remuneration is paid to Board of Management members in respect of their duties to the Association.

26. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2025 No.	2024 No.
General needs	746	734
Supported housing	219	219
Shared ownership	41	43
Supported housing	22	22
	<u>1,028</u>	<u>1,018</u>

27. RELATED PARTY TRANSACTIONS

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

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

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

	2025 £	2024 £
Rent received from tenants on the Board of Management and their close family members	<u>19,548</u>	<u>18,441</u>

At the year end total rent arrears owed by the tenant members on the Board of Management (and their close family) were £0 (2024 - £0).

Members of the Board of Management who are tenants	4	4
Members of the Board of Management who are local councillors	2	1

DUNBRITTON HOUSING ASSOCIATION

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

28 CONTINGENT LIABILITY

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court's determination expected no earlier than Summer 2025. It is estimated that this could potentially increase the value of the full Scheme liabilities by £27m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.