



# **Oak Tree Housing Association Limited**

Report and Financial Statements  
For the year ended 31 March 2025

Registered Social Landlord No. HCB137

FCA Reference No.2232RS

Scottish Charity No. SC045300

# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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# OAK TREE HOUSING ASSOCIATION LIMITED

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## MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS

### FOR THE YEAR ENDED 31 MARCH 2025

#### Management Committee

Sandra McMenamin  
Veronica Rasmussen  
June Glancy  
James Paton  
Doreen Williams  
Ronny Lee  
Olive Yiga  
Nance Smith  
Willie Wilson  
Jim McEleny  
Margaret McKay  
Kay Clark  
Andrew Shields  
Kirsty Wilson

Chair  
Vice Chair  
Secretary

Appointed 21/10/2024  
Resigned 17/02/2024  
Appointed 13/08/2024. Resigned 25/09/2024  
Co-opted 19/05/2025

#### Executive Officers

Sean Connor  
Nick Jardine  
Julie McEwan  
Suk Hopper  
Kes Cameron

Chief Executive Officer. Appointed 21/10/2024.  
Chief Executive Officer. Retired 30/09/2024.  
Director of Housing  
Director of Property Services  
Director of Finance

#### Registered Office

40 West Stewart Street  
Greenock  
PA15 1SH

#### External Auditors

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

#### Internal Auditors

TIAA  
Artillery House, Fort Fareham  
Newgate Lane  
Fareham  
PO14 1AH

#### Bankers

Royal Bank of Scotland  
Cathcart Street  
Greenock  
PA15 1BA

#### Solicitors

Patten & Prentice  
1 Ardgowan Square  
Greenock  
PA16 8PP

#### Solicitors

BTO Solicitors LLP  
48 St Vincent Street  
Glasgow  
G2 5HS

#### Solicitors

TC Young  
7 West George Street  
Glasgow  
G2 1BA

# OAK TREE HOUSING ASSOCIATION LIMITED

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## MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS

### FOR THE YEAR ENDED 31 MARCH 2025 (continued)

The Management Committee 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 2232RS), the Scottish Housing Regulator as a registered social landlord (No. HCB137) under the Housing (Scotland) Act 2010 and is a registered Scottish Charity with the charity number SC045300.

#### Principal Activities

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

1. providing, constructing, improving and managing land, accommodation and associated facilities and providing care;
2. providing or arranging home maintenance, repair and improvement services and providing facilities and services for the benefit of such people either exclusively for them or together with other persons;
3. undertaking any activities which are charitable, allowed under section 24 of the Housing (Scotland) Act 2010, including any statutory amendment or re-enactment of the provisions of this section from time to time being in force and;
4. carrying on any other charitable activities permitted to registered social landlords from time to time.

#### Review of Business and Future Developments

##### Sector Context and Local Challenges

The 2024/25 financial year continued to be a period of considerable challenge and change across the social housing sector in Scotland. Nationally, Registered Social Landlords (RSLs) were faced with the combined impacts of high inflation, rising borrowing costs, and mounting regulatory expectations, particularly around building safety, tenant engagement, and decarbonisation. The wider economic climate, driven by continued cost of living pressures and stagnating public sector funding, placed increasing strain on tenants and customers, and by extension, on the support services provided by housing associations.

# OAK TREE HOUSING ASSOCIATION LIMITED

## REPORT OF THE MANAGEMENT COMMITTEE

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### FOR THE YEAR ENDED 31 MARCH 2025

#### **Review of Business and Future Developments (Contd.)**

Within Inverclyde, these pressures were exacerbated by some of the highest levels of deprivation in Scotland. The local housing system faces challenges including an ageing population, higher-than-average levels of benefit dependency, and a need to modernise stock to meet current and future standards. These local dynamics reinforce the importance of strong governance, prudent financial planning, and responsive service delivery. Oak Tree Housing Association continues to work collaboratively with stakeholders to ensure that our response to these challenges remains both strategic and tenant focused.

#### **Strone Farm – Development Aborted**

A significant milestone during the year was the decision by the Management Committee to abort the legacy development at Strone Farm. This followed an extensive review of costs, risks, and options after the original contractor entered liquidation during the COVID-19 pandemic. Despite concerted efforts to find an alternative developer, the scheme had become financially unviable due to significant cost inflation and site constraints.

Abortive development costs of £1.361 million were written off in the 2024–25 accounts. The Scottish Government has confirmed that the Housing Association Grant (HAG) funding received for the project must be repaid. Oak Tree has made provision for this and is committed to settling the repayment over the next two financial years. We are working with partners to ensure that the site is transferred to another RSL in 2025–26 to facilitate completion of the homes.

This decision reinforces our commitment to robust financial management and ensuring development projects align with our long-term strategic and financial objectives. While we remain open to future development opportunities, these will only be pursued where they are viable and deliverable within Oak Tree's financial framework.

#### **Operational Highlights**

Oak Tree Housing Association ended the year in a strong financial position, with an operating surplus of £2.94 million and significant reinvestment of £1.45 million in the maintenance and improvement of our homes. Our turnover grew by 4.5% while operating costs consisted of a 0.5% increase, reflecting effective cost control across the organisation.

Our Property Services team delivered significant capital investment during 2024–25. Major component replacement programmes were undertaken, including the installation of 109 new boilers, 108 new kitchens, and 41 sets of radiators and pipework. In addition, external decoration was carried out on 169 properties and common internal decoration completed in 29 closes, supporting our commitment to maintaining high-quality living environments.

# OAK TREE HOUSING ASSOCIATION LIMITED

## REPORT OF THE MANAGEMENT COMMITTEE

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### FOR THE YEAR ENDED 31 MARCH 2025

#### **Review of Business and Future Developments (Contd.)**

Our Commitment to addressing Damp, Mould and Condensation (DMC) was further enhanced. All DMC reports were inspected within five working days, with post-inspection reviews implemented and new online guidance developed to empower tenants in managing moisture levels at home.

In reactive repairs, performance exceeded targets. We completed 1,475 emergency and 5,369 non-emergency repairs with average turnaround times of 1.9 and 5.6 days respectively. The “right first time” metric rose to 92.4%, reflecting improved quality assurance practices.

Void management performance also improved markedly. Contractor performance increased to 90.4% of voids being returned on time, up from 61% the previous year with an average turnaround of 10.5 days. This was the result of close liaison with contractors and timely inspections.

A number of structural projects were progressed. At Houston Street, major remedial works neared completion after delays caused by weather and design complications. Structural concerns at Finnart Street and the Prospecthill View car park wall required extensive safety interventions and the appointment of multi-disciplinary design teams to progress long-term solutions.

In support of our net zero ambitions, pilot projects were undertaken in two properties in partnership with James Frew and Octopus Energy. Measures included air source heat pumps, solar panels, insulation, and smart technology, partly funded by Inverclyde Council.

We also began piloting the use of drone technology to assist with property inspections, particularly for hard-to-access areas such as roof spaces, gutters, and tenemental blocks. This innovative approach will enhance our asset management capabilities by enabling quicker diagnostics, reducing the need for costly scaffolding, and improving health and safety by reducing the need for staff to work at height. The data captured by drones will feed into our stock condition assessments, aiding future investment planning and compliance monitoring.

A key operational development was the successful in sourcing of our landscaping maintenance service. Following a two-year pilot, the Management Committee approved a permanent in-house model from April 2025. This has delivered improved service quality, greater flexibility, and enhanced customer responsiveness. The service now plays a vital role in our wider estate management and community engagement strategy.

# OAK TREE HOUSING ASSOCIATION LIMITED

## REPORT OF THE MANAGEMENT COMMITTEE

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### FOR THE YEAR ENDED 31 MARCH 2025

#### Review of Business and Future Developments (Contd.)

Our IT systems and digital delivery service are also undergoing a major review. We aim to finalise a new Digital Strategy in 2025, which will support improved self-service options for tenants and operational efficiencies for staff. Enhancing the Owners Portal and introducing new customer-facing technologies will be a priority over the next year.

#### Community and Customer Engagement

In 2024-25, we deepened our commitment to tenant participation and community development. We launched a new Community Engagement Officer post and delivered a range of initiatives aimed at promoting wellbeing and inclusion. Highlights included hosting a World Mental Health Day event in partnership with SAMH, a Christmas Dinner for over 60s in collaboration with Cloch Housing Association, and the creation of a Tenants and Residents Association in Ravenscraig.

Housing performance remained strong during 2024–25, with rent collection rising to 99.87% and total arrears reduced to 2.63%. Although the number of lets decreased from 188 to 135, this reflected fewer voids due to successful tenancy sustainment efforts

We received 2,314 housing applications via the Inverclyde Common Housing Register (ICHR) system and continued to support vulnerable tenants through specialist interventions. This included a partnership with LinkLiving for tenancy support and a jointly funded Energy Advisor post launched in April 2025 through the National Lottery.

We also invested in our stock through renewal of 15 front close doors with magna locks under the Asset Management Working Party, aligned with our Community Investment Strategy.

The Financial Fitness partnership secured £370,920 in benefits for 223 tenants, including claims for Universal Credit, Disability Payments, and Pension entitlements. Further funding was secured through the Warm Hands of Friendship and Vicar Relief Funds to deliver energy support and upfront rent assistance for those rehoused from homelessness

Our community engagement activities expanded significantly, including Conversation Cafés for Mental Health Day, Halloween and Christmas competitions.

Staffing changes supported operational stability and future planning, including making the Community Engagement Officer role permanent.

# OAK TREE HOUSING ASSOCIATION LIMITED

## REPORT OF THE MANAGEMENT COMMITTEE

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### FOR THE YEAR ENDED 31 MARCH 2025

#### Review of Business and Future Developments (Contd.)

##### Governance and Strategic Leadership

The retirement of our long-serving Chief Executive in September 2024 marked a significant leadership transition for Oak Tree. The appointment of our new CEO, Sean Connor, brings renewed energy and strategic focus. Under his leadership, the Association is developing a Customer First Strategy, building organisational resilience, and exploring further opportunities for service transformation.

Governance remained a key strength, with a full annual review of the Management Committee, structured training, and the introduction of equality impact assessments for all new policies. Our internal audit programme returned substantial assurance across key business areas, including contract management, financial controls, and performance reporting.

##### Looking ahead to 2025–26

Looking forward, Oak Tree will continue to position itself as the housing association of choice within Inverclyde. Our strategic priorities for 2025–26 include:

- Launching our Customer First Strategy to reshape services around tenant feedback and expectations.
- Further developing our in-house landscaping and environmental services.
- Exploring the feasibility of bringing additional services in-house where this enhances control and value.
- Strengthening digital services and customer engagement through a refreshed Digital Strategy.
- Securing external funding to support our net zero and energy efficiency ambitions.
- Supporting community resilience through partnerships and investment in tenant support initiatives.

We will also continue to consider new development opportunities, always guided by our robust financial criteria and commitment to delivering value and quality for our tenants.



# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE

### FOR THE YEAR ENDED 31 MARCH 2025

#### **Management Committee and Executive Officers**

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

Each member of the Management Committee 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 Management Committee.

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

#### **Statement of Management Committee's Responsibilities**

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee 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 Management Committee 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 Management Committee 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 Management Committee 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.

# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE

### FOR THE YEAR ENDED 31 MARCH 2025

#### Statement on Internal Financial Control

The Management Committee 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 Management Committee'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 Management Committee 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 Management Committee;
- the Management Committee 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 Management Committee 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.

# **OAK TREE HOUSING ASSOCIATION LIMITED**

## **REPORT OF THE MANAGEMENT COMMITTEE**

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### **FOR THE YEAR ENDED 31 MARCH 2025**

#### **Disclosure of Information to the Auditor**

The members of the Management Committee 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 LLP, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

#### **By order of the Management Committee**



**June Glancy**

Secretary

DATE: 04/08/2025

# OAK TREE HOUSING ASSOCIATION LIMITED

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## REPORT BY THE AUDITORS TO THE MEMBERS OF OAK TREE HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the financial statements, we have reviewed your statement on page 8 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 8 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 Management Committee and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Management Committee'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  
DATE: 04/08/2025



# OAK TREE HOUSING ASSOCIATION LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025

### Opinion

We have audited the financial statements of Oak Tree Housing Association Limited (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 issued by the Scottish Housing Regulator.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

### 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 Management Committee'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 Management Committee with respect to going concern are described in the relevant sections of this report.

# OAK TREE HOUSING ASSOCIATION LIMITED

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

### Other Information

The Management Committee 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.

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 Management Committee

As explained more fully in the statement of Management Committee's responsibilities as set out on page 7, the Management Committee 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 Management Committee 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 Management Committee 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 Management Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

# OAK TREE HOUSING ASSOCIATION LIMITED

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

### **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:

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



# OAK TREE HOUSING ASSOCIATION LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE 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.)

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.

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

DATE: 04/08/2025



Alexander Sloan  
Accountants and Business Advisers



# OAK TREE HOUSING ASSOCIATION LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	£	2025 £	£	2024 £
Revenue	2		13,160,954		12,599,556
Operating costs	2		10,225,196		10,174,847
<b>OPERATING SURPLUS</b>			2,935,758		2,424,709
Gain on sale of housing stock	7	6,672		96,973	
Exceptional Item	29	(1,361,192)		-	
Movement in fair value of investments	29	-		(31,450)	
Interest receivable and other income		165,689		141,669	
Interest payable and similar charges	8	(781,633)		(532,157)	
Other Finance income/(charges)	11	(96,555)		(57,482)	
			(2,067,019)		(382,447)
<b>SURPLUS FOR THE YEAR</b>			<b>868,739</b>		<b>2,042,262</b>
<b>Other comprehensive income</b>					
Actuarial gains/(losses) on defined benefit pension plan	23		155,000		(620,000)
<b>TOTAL COMPREHENSIVE INCOME</b>			<b>1,023,739</b>		<b>1,422,262</b>

The results relate wholly to continuing activities.

The notes on pages 19 to 38 form an integral part of these financial statements.

# OAK TREE HOUSING ASSOCIATION LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	£	2025 £	£	2024 £
<b>NON-CURRENT ASSETS</b>					
Housing properties - depreciated cost	12		105,229,314		108,660,926
Other tangible assets	12		1,934,974		1,991,276
Investments	13		126,001		126,001
			<u>107,290,289</u>		<u>110,778,203</u>
<b>CURRENT ASSETS</b>					
Receivables	14	503,477		496,151	
Stock and work in progress	15	210,789		-	
Investments	16	1,409,716		2,557,730	
Cash and cash equivalents	17	2,662,048		2,713,655	
		<u>4,786,030</u>		<u>5,767,536</u>	
<b>CREDITORS:</b> Amounts falling due within one year	18	(3,308,118)		(2,537,096)	
			<u>1,477,912</u>		<u>3,230,440</u>
<b>NET CURRENT ASSETS</b>					
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			108,768,201		114,008,643
<b>CREDITORS:</b> Amounts falling due after more than one year	19		(12,359,833)		(14,850,993)
<b>PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES</b>					
Scottish housing association pension scheme	23	(1,016,000)		(1,117,000)	
			(1,016,000)		(1,117,000)
<b>DEFERRED INCOME</b>					
Social housing grants	21	(60,157,923)		(63,821,219)	
Other grants	21	(244,413)		(253,142)	
			<u>(60,402,336)</u>		<u>(64,074,361)</u>
<b>NET ASSETS</b>					
			<u><b>34,990,032</b></u>		<u><b>33,966,289</b></u>
<b>EQUITY</b>					
Share capital	22		205		201
Revenue reserves			36,005,827		35,083,088
Pension reserves			(1,016,000)		(1,117,000)
			<u><b>34,990,032</b></u>		<u><b>33,966,289</b></u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 4 August 2025.



Chairperson



Secretary



Committee Member

The notes on pages 19 to 38 form an integral part of these financial statements.

# OAK TREE HOUSING ASSOCIATION LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	£	2025 £	£	2024 £
<b>Surplus for the Year</b>			868,739		2,042,262
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets		3,600,877		3,900,009	
Amortisation of capital grants	21	(2,362,367)		(2,364,995)	
Gain on disposal of tangible fixed assets		(6,672)		(96,973)	
Exceptional Item	12(a)	1,049,331		-	
Non-cash adjustments to pension provisions		54,000		23,000	
Change in market value of investments		-		(14,750)	
Share capital written off	22	(6)		(9)	
			2,335,163		1,446,282
Interest receivable			(165,689)		(141,669)
Interest payable	8		781,633		532,157
<b>Operating cash flows before movements in working capital</b>			3,819,846		3,879,032
Change in debtors		(12,689)		116,801	
Change in creditors		876,010		(422,798)	
			863,321		(305,997)
<b>Net cash inflow from operating activities</b>			4,683,167		3,573,035
<b>Investing Activities</b>					
Acquisition and construction of properties		(1,531,099)		(1,363,115)	
Purchase of other fixed assets		(31,984)		(72,095)	
Social housing grant received		50,000		-	
Social housing grant repaid		(897,372)		(67,355)	
Changes on short term deposits with banks		1,148,014		(521,511)	
Proceeds on disposal of housing properties		252,722		138,628	
<b>Net cash outflow from investing activities</b>			(1,009,719)		(1,885,448)
<b>Financing Activities</b>					
Interest received on cash and cash equivalents		171,052		140,775	
Interest paid on loans		(776,411)		(512,773)	
Loan principal repayments		(3,119,706)		(2,639,138)	
Share capital issued	22	10		17	
<b>Net cash outflow from financing activities</b>			(3,725,055)		(3,011,119)
<b>Decrease in cash</b>	24		(51,607)		(1,323,532)
<b>Opening cash &amp; cash equivalents</b>			2,713,655		4,037,187
<b>Closing cash &amp; cash equivalents</b>			<b>2,662,048</b>		<b>2,713,655</b>
<b>Cash and cash equivalents as at 31 March</b>					
Cash	24		2,662,048		2,713,655
			<b>2,662,048</b>		<b>2,713,655</b>

The notes on pages 19 to 38 form an integral part of these financial statements.

# OAK TREE HOUSING ASSOCIATION LIMITED

## STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2025

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
<b>Balance as at 1 April 2023</b>	193	(474,000)	33,017,826	32,544,019
Issue of Shares	17	-	-	17
Cancellation of Shares	(9)	-	-	(9)
Other comprehensive income	-	(620,000)	-	(620,000)
Other movements	-	(23,000)	23,000	-
Surplus for the year	-	-	2,042,262	2,042,262
<b>Balance as at 31 March 2024</b>	<b>201</b>	<b>(1,117,000)</b>	<b>35,083,088</b>	<b>33,966,289</b>
<b>Balance as at 1 April 2024</b>	201	(1,117,000)	35,083,088	33,966,289
Issue of Shares	10	-	-	10
Cancellation of Shares	(6)	-	-	(6)
Other comprehensive income	-	155,000	-	155,000
Other movements	-	(54,000)	54,000	-
Surplus for the year	-	-	868,739	868,739
<b>Balance as at 31 March 2025</b>	<b>205</b>	<b>(1,016,000)</b>	<b>36,005,827</b>	<b>34,990,032</b>

The notes on pages 19 to 38 form an integral part of these financial statements.

# OAK TREE HOUSING ASSOCIATION LIMITED

## 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 beginning 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:

#### Basis of Consolidation

The financial statements for Oak Tree Housing Association present information about it as an individual undertaking and not about the group.

#### Revenue

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 participates in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme. 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 also participates in the SHAPS defined contribution scheme. Contributions to defined contribution plans are recognised as an employee benefit expense when they are due.

#### Going Concern

On the basis that the Management Committee 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.

# OAK TREE HOUSING ASSOCIATION LIMITED

## 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>
Structure	Over 50 years
Windows	Over 30 years
External Render	Over 40 years
Internal Doors	Over 40 years
Roofs	Over 60 years
Radiators & Pipes	Over 30 years
Rewire	Over 30 years
Parking Areas	Over 30 years
Bathrooms	Over 30 years
External Doors	Over 20 years
Boiler & Flush	Over 15 years
Door Entry System	Over 10 years
Kitchens	Over 15 years
Play Areas	Over 5 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>
Office Premises	2.5% Straight Line
Furniture and Fittings	20% Reducing Balance
Computer Equipment	25% Straight Line
Office Equipment	20% Reducing Balance

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.

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### NOTES TO THE FINANCIAL STATEMENTS (Continued)

#### 1. PRINCIPAL ACCOUNTING POLICIES (continued.)

##### **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.

##### **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.

##### **VAT**

The Association is VAT registered but the substantial proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

# OAK TREE HOUSING ASSOCIATION LIMITED

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

###### *c) Pension Liability*

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust 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. In May 2022 the Association was made aware of a potential increase in liabilities. No additional liability has been recognised. More information on this is contained in Note 31.

##### 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.

###### *f) Allocation of share of assets and liabilities for multi-employer scheme*

Judgements in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi employer pension scheme and estimations performed by the Pensions Trust.



# OAK TREE HOUSING ASSOCIATION LIMITED

## 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

		2025			2024		
	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	12,810,486	9,903,433	2,907,053	12,185,770	9,742,525	2,443,245
Other Activities	4	350,468	321,763	28,705	413,786	432,322	(18,536)
<b>Total</b>		<b>13,160,954</b>	<b>10,225,196</b>	<b>2,935,758</b>	<b>12,599,556</b>	<b>10,174,847</b>	<b>2,424,709</b>

#### 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
	£	£	£	£	£
<b>Revenue from Lettings</b>					
Rent receivable net of service charges	9,716,256	305,814	295,629	10,317,699	9,732,035
Service charges receivable	139,470	19,667	14,205	173,342	168,194
<b>Gross income from rent and service charges</b>	<b>9,855,726</b>	<b>325,481</b>	<b>309,834</b>	<b>10,491,041</b>	<b>9,900,229</b>
Less: Rent losses from voids	103,889	503	-	104,392	189,565
<b>Income from rents and service charges</b>	<b>9,751,837</b>	<b>324,978</b>	<b>309,834</b>	<b>10,386,649</b>	<b>9,710,664</b>
Grants released from deferred income	2,210,361	70,549	81,458	2,362,368	2,364,996
Revenue grants from Scottish Ministers	61,469	-	-	61,469	110,110
<b>Total turnover from affordable letting activities</b>	<b>12,023,667</b>	<b>395,527</b>	<b>391,292</b>	<b>12,810,486</b>	<b>12,185,770</b>
<b>Expenditure on affordable letting activities</b>					
Management and maintenance administration costs	2,919,912	91,903	88,842	3,100,657	2,838,011
Service costs	391,650	55,227	39,889	486,766	357,936
Planned and cyclical maintenance, including major	1,043,681	28,411	-	1,072,092	1,128,790
Reactive maintenance costs	1,667,676	49,399	-	1,717,075	1,678,717
Bad Debts - rents and service charges	13,432	788	32	14,252	51,018
Depreciation of affordable let properties	3,295,274	109,560	107,757	3,512,591	3,688,053
<b>Operating costs of affordable letting activities</b>	<b>9,331,625</b>	<b>335,288</b>	<b>236,520</b>	<b>9,903,433</b>	<b>9,742,525</b>
<b>Operating surplus on affordable letting activities</b>	<b>2,692,042</b>	<b>60,239</b>	<b>154,772</b>	<b>2,907,053</b>	<b>2,443,245</b>
<b>2024</b>	<b>2,220,301</b>	<b>63,149</b>	<b>159,795</b>		

# OAK TREE HOUSING ASSOCIATION LIMITED

## 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 revenue grants	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2025	Operating surplus / (deficit) 2024
	£	£	£	£	£	£	£	£
Factoring	-	-	225,310	225,310	10,227	225,310	(10,227)	(27,171)
Donation from Subsidiary	-	-	-	-	-	-	-	16,650
Wider role activities	-	-	75,910	75,910	-	80,339	(4,429)	(48,691)
Common Housing Register	-	-	3,294	3,294	-	5,887	(2,593)	(2,674)
Investment property activities	-	-	45,954	45,954	-	-	45,954	43,350
<b>Total From Other Activities</b>	<b>-</b>	<b>-</b>	<b>350,468</b>	<b>350,468</b>	<b>10,227</b>	<b>311,536</b>	<b>28,705</b>	<b>(18,536)</b>
<b>2024</b>	<b>-</b>	<b>-</b>	<b>413,786</b>	<b>413,786</b>	<b>27,171</b>	<b>405,151</b>	<b>(18,536)</b>	

# OAK TREE HOUSING ASSOCIATION LIMITED

## 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 Management Committee, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	232,514	315,088
Pension contributions made on behalf on Officers with emoluments greater than £60,000	30,319	41,612
Emoluments payable to Chief Executive Officer (excluding pension contributions)	93,460	106,232
Pension contributions paid on behalf of the Chief Executive Officer	16,797	14,419
Total emoluments payable to the Chief Executive Officer	110,257	120,651
Total emoluments paid to key management personnel	373,315	375,055

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	1	-
£70,001 to £80,000	-	2
£80,001 to £90,000	2	1
£90,001 to £100,000	1	-
£120,000 to £130,000	-	1

#### 6. EMPLOYEE INFORMATION

	2025 No.	2024 No.
Average monthly number of full time equivalent persons employed during the year	45	41
Average total number of employees employed during the year	52	48
Staff costs were:	£	£
Wages and salaries	1,780,040	1,558,725
National insurance costs	169,536	151,839
Pension costs	242,868	213,956
Temporary, agency and seconded staff	9,765	20,998
	2,202,209	1,945,518

Included within Pension Costs above, is an amount of £14,779 paid towards the past service deficit within the year and £228,089 for annual pension contributions.

# OAK TREE HOUSING ASSOCIATION LIMITED

## 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	255,000	140,316
Cost of sales	(248,328)	(43,343)
Gain on sale of housing stock	<u>6,672</u>	<u>96,973</u>

### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2025 £	2024 £
On bank loans and overdrafts	<u>781,633</u>	<u>532,157</u>

### 9. SURPLUS FOR THE YEAR

	2025 £	2024 £
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	3,579,747	3,661,872
Auditors' remuneration - audit services	15,900	14,700
Operating lease rentals - other	<u>24,590</u>	<u>22,082</u>

### 10. CORPORATION TAX

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

### 11. OTHER FINANCE INCOME / (CHARGES)

	2025 £	2024 £
Non Utilisation and Loan Set-Up Fees	(42,555)	(34,482)
Net interest on pension obligations	<u>(54,000)</u>	<u>(23,000)</u>
	<u>(96,555)</u>	<u>(57,482)</u>

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
<b>COST</b>				
At 1 April 2024	158,870,956	1,265,120	5,223,464	165,359,540
Additions	1,531,099	-	-	1,531,099
Disposals	(299,103)	(1,049,331)	(285,000)	(1,633,434)
Transfers	91,250	(215,789)	(86,250)	(210,789)
At 31 March 2025	160,194,202	-	4,852,214	165,046,416
<b>DEPRECIATION</b>				
At 1 April 2024	54,444,278	-	2,254,336	56,698,614
Charge for Year	3,383,704	-	107,757	3,491,461
Transfers	28,750	-	(28,750)	-
Disposals	(277,973)	-	(95,000)	(372,973)
At 31 March 2025	57,578,759	-	2,238,343	59,817,102
<b>NET BOOK VALUE</b>				
At 31 March 2025	102,615,443	-	2,613,871	105,229,314
At 31 March 2024	104,426,678	1,265,120	2,969,128	108,660,926

	2025		2024	
Expenditure on Existing Properties	Component replacement £	Improvement / Repairs £	Component replacement £	Improvement / Repairs £
Amounts capitalised	1,453,369	-	1,317,405	-
Amounts charged to the statement of comprehensive income	-	2,789,167	-	2,807,507

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £64,634,881 (2024 - £66,659,107).

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Machinery & Equipment £	Computer Equipment £	Total £
<b>COST</b>					
At 1 April 2024	2,329,062	54,790	61,531	204,803	2,650,186
Additions	-	14,334	5,781	11,869	31,984
Disposals	-	(11,097)	(28,178)	(52,463)	(91,738)
At 31 March 2025	2,329,062	58,027	39,134	164,209	2,590,432
<b>DEPRECIATION</b>					
At 1 April 2024	414,100	43,622	45,332	155,856	658,910
Charge for year	54,076	5,183	5,208	23,819	88,286
Eliminated on disposals	-	(11,097)	(28,178)	(52,463)	(91,738)
At 31 March 2025	468,176	37,708	22,362	127,212	655,458
<b>NET BOOK VALUE</b>					
At 31 March 2025	1,860,886	20,319	16,772	36,997	1,934,974
At 31 March 2024	1,914,962	11,168	16,199	48,947	1,991,276

#### 13. FIXED ASSET INVESTMENTS

	2025 £	2024 £
Subsidiary undertakings	1	1
Investment properties	126,000	126,000
	<u>126,001</u>	<u>126,001</u>

##### Subsidiary Undertakings

Oak Tree Housing Association Limited has the following wholly owned subsidiary undertakings. The registered office of the subsidiary is 40 West Stewart Street, Greenock, PA15 1SH.

	2025	Profit / (Loss)	2024	Profit / (Loss)
	Reserves £	£	Reserves £	£
Oak Tree Housing Initiatives Ltd	<u>1</u>	<u>(412)</u>	<u>413</u>	<u>(18,181)</u>

The subsidiary listed above has been dissolved subsequent to the balance sheet date.

##### Investment Properties

	2025 £	2024 £
At 1 April 2024	126,000	92,500
Investment Property - Transfer from Fixed Assets	-	18,750
Investment Property - Revaluations	-	14,750
At 31 March 2025	<u>126,000</u>	<u>126,000</u>

Investment properties were valued by independent qualified surveyors on 26 January 2024. There was a transfer of one property in the prior year from Held for letting to Investment properties due to a change in the use of the property.

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### NOTES TO THE FINANCIAL STATEMENTS (continued)

14. RECEIVABLES		
	2025	2024
	£	£
Gross arrears of rent & service charges	330,542	337,270
<b>Less:</b> Provision for doubtful debts	(209,623)	(211,605)
<i>Net arrears of rent and service charges</i>	120,919	125,665
Other receivables	382,558	370,486
	<u>503,477</u>	<u>496,151</u>

15. STOCK AND WORK IN PROGRESS		
	2025	2024
	£	£
Land held for transfer	210,789	-
	<u>210,789</u>	<u>-</u>

16. CURRENT ASSET INVESTMENTS		
	2025	2024
	£	£
Short term deposits	1,409,716	2,557,730
	<u>1,409,716</u>	<u>2,557,730</u>

17. CASH AND CASH EQUIVALENTS		
	2025	2024
	£	£
Cash at bank and in hand	2,662,048	2,713,655
	<u>2,662,048</u>	<u>2,713,655</u>

18. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2025	2024
	£	£
Bank loans	951,600	1,061,810
Trade payables	761,330	365,934
Rent received in advance	423,911	387,866
Other taxation and social security	47,453	42,680
Other payables	771,258	90,613
Accruals and deferred income	352,566	588,193
	<u>3,308,118</u>	<u>2,537,096</u>

19. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2025	2024
	£	£
Bank loans	11,841,497	14,850,993
Social housing grant payable	518,336	-
	<u>12,359,833</u>	<u>14,850,993</u>

# OAK TREE HOUSING ASSOCIATION LIMITED

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

### 20. DEBT ANALYSIS - BORROWINGS

	2025 £	2024 £
<b>Bank Loans</b>		
Amounts due within one year	951,600	1,061,810
Amounts due in one year or more but less than two years	998,500	930,300
Amounts due in two years or more but less than five years	5,280,800	7,138,900
Amounts due in more than five years	5,562,197	6,781,793
	<u>12,793,097</u>	<u>15,912,803</u>

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

<b>Lender</b>	<b>Number of Properties Secured</b>	<b>Effective Interest Rate</b>	<b>Maturity (Year)</b>	<b>Variable or Fixed</b>
Nationwide	154	1.1%	2036	Variable
Nationwide	318	5.2%	2038	Fixed
Nationwide	235	5.3%	2033	Variable
Nationwide	519	5.3%	2033	Fixed
Royal Bank of Scotland	234	8.3%	2028	Variable

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



# OAK TREE HOUSING ASSOCIATION LIMITED

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

### 21. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
<b>Capital grants received</b>			
At 1 April 2024	108,564,389	392,800	108,957,189
Additions in the year	50,000	-	50,000
Eliminated on disposal	(1,415,755)	-	(1,415,755)
At 31 March 2025	<u>107,198,634</u>	<u>392,800</u>	<u>107,591,434</u>
<b>Amortisation</b>			
At 1 April 2024	44,743,170	139,658	44,882,828
Amortisation in year	2,353,638	8,729	2,362,367
Eliminated on disposal	(56,097)	-	(56,097)
At 31 March 2025	<u>47,040,711</u>	<u>148,387</u>	<u>47,189,098</u>
<b>Net book value</b>			
At 31 March 2025	<u>60,157,923</u>	<u>244,413</u>	<u>60,402,336</u>
At 31 March 2024	<u>63,821,219</u>	<u>253,142</u>	<u>64,074,361</u>

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

	2025 £	2024 £
Amounts due within one year	2,362,366	2,364,994
Amounts due in more than one year	58,039,970	61,709,371
	<u>60,402,336</u>	<u>64,074,365</u>

### 22. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2025 £	2024 £
At 1 April	201	193
Issued in year	10	17
Cancelled in year	(6)	(9)
At 31 March	<u>205</u>	<u>201</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.

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 23. RETIREMENT BENEFIT OBLIGATIONS

##### Scottish Housing Association Pension Scheme

Oak Tree Housing Association Limited participates in the Scottish Housing Association Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 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, sets out the framework for funding defined benefit occupational pensions schemes in the UK.

The last valuation of the Scheme was performed as at 30 September 2021 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £1,173m. The valuation revealed a shortfall of assets compared with the value of liabilities of £27m (equivalent to a past service funding level of 98%).

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 employers. 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 asset / (liability)

	2025	2024	2023
	£	£	£
Fair value of plan assets	7,034,000	7,793,000	8,583,000
Present value of defined benefit obligation	8,050,000	8,910,000	9,057,000
Surplus / (deficit) in plan	(1,016,000)	(1,117,000)	(474,000)
Unrecognised surplus	-	-	-
Defined benefit asset / (liability) to be recognised	(1,016,000)	(1,117,000)	(474,000)

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 23. 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	8,910,000	9,057,000
Expenses	16,000	13,000
Interest expense	429,000	434,000
Actuarial losses (gains) due to scheme experience	144,000	(154,000)
Actuarial losses (gains) due to changes in demographic assumptions	-	(50,000)
Actuarial losses (gains) due to changes in financial assumptions	(1,115,000)	(70,000)
Benefits paid and expenses	(334,000)	(320,000)
Defined benefit obligation at the end of period	8,050,000	8,910,000

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

	2025 £	2024 £
Fair value of plan assets at start of period	7,793,000	8,583,000
Interest income	375,000	411,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(816,000)	(894,000)
Contributions by the employer	16,000	13,000
Benefits paid and expenses	(334,000)	(320,000)
Fair value of plan assets at the end of period	7,034,000	7,793,000

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was £(441,000).

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 23. RETIREMENT BENEFIT OBLIGATIONS (continued)

##### Scottish Housing Association Pension Scheme (continued.)

##### Defined benefit costs recognised in the statement of comprehensive income

	2025 £	2024 £
Expenses	16,000	13,000
Net interest expense	54,000	23,000
	<u>          </u>	<u>          </u>
Defined benefit costs recognised in statement of comprehensive income	70,000	36,000
	<u>          </u>	<u>          </u>

##### Defined benefit costs recognised in the other comprehensive income

	2025 £	2024 £
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(816,000)	(894,000)
Experience gains and losses arising on plan liabilities - gain /(loss)	(144,000)	154,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	-	50,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	1,115,000	70,000
	<u>          </u>	<u>          </u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	155,000	(620,000)
	<u>          </u>	<u>          </u>
Total amount recognised in other comprehensive income - gain (loss)	155,000	(620,000)
	<u>          </u>	<u>          </u>

# OAK TREE HOUSING ASSOCIATION LIMITED

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

### 23. RETIREMENT BENEFIT OBLIGATIONS (continued)

#### Scottish Housing Association Pension Scheme (continued.)

##### Assets

	2025 £	2024 £	2023 £
Absolute Return	-	350,000	117,000
Alternative Risk Premia	-	281,000	50,000
Liquid Alternatives	1,295,000	-	-
Corporate Bond Fund	-	-	11,000
Credit	299,000	-	-
Credit Relative Value	-	274,000	327,000
Distressed Opportunities	-	287,000	264,000
Emerging Markets Debt	-	137,000	66,000
Global Equity	815,000	896,000	227,000
High Yield	-	1,000	43,000
Opportunistic Credit	-	-	1,000
Cash	38,000	202,000	36,000
Infrastructure	2,000	746,000	925,000
Insurance-Linked Securities	27,000	48,000	239,000
Investment Grade Credit	322,000	-	-
Liability Driven Investment	1,980,000	2,818,000	3,635,000
Long Lease Property	2,000	58,000	288,000
Net Current Assets	9,000	10,000	19,000
Private Debt	-	314,000	383,000
Property	348,000	330,000	357,000
Risk Sharing	-	468,000	626,000
Secured Income	163,000	260,000	574,000
Opportunistic Illiquid Credit	-	310,000	379,000
Private Credit	877,000	-	-
Private Equity	6,000	6,000	-
Real Assets	839,000	-	-
Currency Hedging	12,000	(3,000)	16,000
Total assets	7,034,000	7,793,000	8,583,000

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	5.9%	4.9%	4.9%
Inflation (RPI)	3.1%	3.1%	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	75% of maximum allowance	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	24.2

# OAK TREE HOUSING ASSOCIATION LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### 24. CASH FLOWS

##### *Reconciliation of net cash flow to movement in net debt*

		2025		2024
	£	£	£	£
Decrease in cash	(51,607)		(1,323,532)	
Change in liquid resources	(1,148,014)		521,511	
Cashflow from change in net debt	3,119,706		2,639,138	
Movement in net debt during the year		1,920,085		1,837,117
Net debt at 1 April		(10,641,418)		(12,478,535)
Net debt at 31 March		(8,721,333)		(10,641,418)

	At		Other	At
<i>Analysis of changes in net debt</i>	01 April 2024	Cashflows	Changes	31 March 2025
	£	£	£	£
Cash and cash equivalents	2,713,655	(51,607)	-	2,662,048
	2,713,655	(51,607)	-	2,662,048
Liquid resources	2,557,730	(1,148,014)	-	1,409,716
Debt: Due within one year	(1,061,810)	3,119,706	(3,009,496)	(951,600)
Due after more than one year	(14,850,993)	-	3,009,496	(11,841,497)
Net debt	(10,641,418)	1,920,085	-	(8,721,333)

#### 25. CAPITAL COMMITMENTS

	2025	2024
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	1,768,657	350,329

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

#### 26. COMMITMENTS UNDER OPERATING LEASES

	2025	2024
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
<b>Other</b>		
Expiring in the next year	16,320	22,758
Expiring later than one year and not later than five years	6,312	15,108

# OAK TREE HOUSING ASSOCIATION LIMITED

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

### 27. 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 40 West Stewart Street, Greenock, PA15 1SH.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Inverclyde.

### 28. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £227 (2024 - £412) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

### 29. EXCEPTIONAL ITEM

	2025	2024
	£	£
Aborted development	(1,361,192)	-
Impairment of Land & Revaluation of Investment Properties	-	(31,450)

The new build development at Strone Farm has unfortunately been aborted. Despite the Association's best efforts the significant cost increases since the contractor went into liquidation during 2022 have meant the build is no longer financially viable. The spend on the development to date have been written off as abortive costs.

Land was revalued in the prior year following demolition of 72 properties, resulting in an impairment of £46,200. Investment properties were revalued in the prior year and increased in value by £14,750, giving an overall net movement of £31,450 reduction on value.

### 30. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2025 No.	2024 No.
General needs	1,823	1,820
Supported housing	54	55
Shared ownership	84	88
	<u>1,961</u>	<u>1,963</u>

### 31. CONTINGENT LIABILITY

#### Scottish Housing Association Pension Scheme

We have been notified 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 has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

#### Strone Farm Development

Following the Strone Farm development being aborted the Association is due to demolish the part built units on site. This will take place during 2025/26 but relates to the development aborted during 2024/25. The management committee anticipate the cost to be [REDACTED] but are awaiting confirmed costs.

# OAK TREE HOUSING ASSOCIATION LIMITED

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

### 32. RELATED PARTY TRANSACTIONS

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

Those members who are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage.

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

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

	2025	2024
	£	£
Rent received from tenants on the Management Committee and their close family members.	<u>22,372</u>	<u>28,227</u>

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

Members of the Management Committee who were tenants during the year.	<u>4</u>	<u>5</u>
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