

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

Registered Housing Association Number: HAC226
Charity Registration Number: SC045936
FCA Reference Number: 2337R (S)

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED

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GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2025

Members of the management committee

Victoria Dallas	(Chair)	
Craig Callan	(Vice Chairperson)	
Colette Kells	(Secretary)	
Patryk Topolski	(Treasurer)	
Heather Laing	(Committee Member)	
Elizabeth Cooper	(Committee Member)	
Blanche McGinn	(Committee Member)	
Przemek Jozwik	(Committee Member)	
Sandra Rodger	(Committee Member)	
William MacFarlane	(Committee Member)	Appointed 17 September 2024
Christine Kerrigan	(Committee Member)	Appointed 20 May 2025
Jamie Boyle	(Committee Member)	Appointed 25 February 2025
John O'Brien	(Committee Member)	Appointed 17 June 2025
David Cooper	(Committee Member)	Served until 26 April 2025 - deceased
Eddie Dallas	(Committee Member)	Resigned 21 January 2025
Grant Kennedy	(Committee Member)	Resigned 25 March 2025

Executive officers

Paul Lennon	(Director)	Appointed 1 April 2024
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Registered office

CentrePoint
70 Smith Avenue
Wishaw
ML2 0LD

Auditor

AAB Audit & Accountancy Limited
Chartered Accountants and Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Bankers

Clydesdale Bank Plc
66 Queen Street
Glasgow
G1 3DS

Solicitors

Harper Macleod LLP
The Ca'd'oro
45 Gordon Street
Glasgow
G1 3PE

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED REPORT FROM THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

The Management Committee present their report (incorporating the Strategic Report) and the audited financial statements for the year ended 31 March 2025.

Legal Status

The Co-operative is registered with the Financial Conduct Authority as a Co-operative and Community Benefits Society, The Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord.

Garrion People's Housing Co-operative is a registered Scottish Charity (charity number SC045936)

Registered under the Co-operative and Community Benefit Societies Act 2014 (No.2337R(S)) and with the Scottish Housing Regulator (No 226).

Registered as a property factor under the Property Factors (Scotland) Act 2011 (No: PF000178)

The Co-operative is registered with the Financial Conduct Authority as a Co-operative and Community Benefits Society, The Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord.

Principal Activity

The principal activities of the Co-operative are to provide:

- Affordable and attractive housing for social rent in a well maintained community;
- Management and maintenance services to tenants; and
- Community initiatives and support wider role activities.

Governance and Regulatory Compliance

Throughout 2024/25, Garrion People's Housing Co-operative maintained a consistent and committed Management Committee, comprising 12 shareholding members. The Co-op also had 83 shareholders, and the register of committee members is reviewed and updated annually. While tenant shareholders form the majority of the committee, the group also benefits from external expertise — including, during the year, an assistant chief executive from another Registered Social Landlord who served as Vice Chair. Historically, the committee has welcomed other housing professionals, and vacancies are filled through a structured recruitment process. On average, the committee operates with 12 to 13 members each year.

The Management Committee fulfilled all statutory and regulatory obligations during the reporting period. In October 2024, it approved the Annual Assurance Statement, which was submitted to the Scottish Housing Regulator and shared with tenants and stakeholders. An Assurance Statement Improvement Plan is in place, identifying areas within the Regulatory Framework where the Co-op can move beyond full compliance and work towards best practice.

Progress on the Improvement Plan is monitored regularly through reports presented to the Committee, supported by input from focus groups and collaborative activities involving tenants, staff, and committee members.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED REPORT FROM THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

In March 2025, the Scottish Housing Regulator issued Garrion's Engagement Plan for 2025/26. The Co-op was confirmed as Compliant, with no additional engagement required beyond routine regulatory returns and the reporting of any notifiable events.

Shared Success and Collaboration

Although Garrion People's Housing Co-operative was not among the ten RSLs and local authorities selected for a direct visit by the Scottish Housing Regulator in April 2025, we were proud to see our partner organisation, Forgewood Housing Co-op, chosen for this engagement. The visit to Forgewood was highly successful, with positive feedback and recognition from the Regulator.

Given our longstanding joint staffing arrangement spanning nearly three decades, Garrion shares in this achievement. The collaborative working relationship between the two Co-operatives has consistently supported the delivery of high standards and best practice across both organisations. While we operate as separate entities in name and governance, our shared services and aligned values ensure that successes like Forgewood's reflect the strength and quality of our joint efforts.

Key Highlights and Reflections from 2024/25

- **Leadership Appointment**

On 1 April 2024, Paul Lennon was appointed as Director following a rigorous recruitment process. Having served the Co-operative since 1999 in various roles including as part of the senior team since 2005, Paul has been instrumental in driving performance, strengthening governance, and ensuring regulatory compliance.

- **Factoring Service Review**

A full review of the Co-operative's factoring service was completed during the year. While resource-intensive, this exercise will enable more accurate recovery of charges and improve transparency for owners receiving factoring-related services.

- **IT Infrastructure and Cyber Security**

The Co-operative undertook a strategic evaluation of its IT service provision, aiming to reduce costs and enhance system resilience. A key priority is cyber security, and work is ongoing to achieve Cyber Essentials accreditation.

- **Tenant Satisfaction and Feedback**

A full Tenant Satisfaction Survey is planned for 2025. Insights from this survey will inform future Annual Assurance Statements and help shape strategic priorities. In the meantime, ongoing feedback particularly around repairs continues to show year-on-year improvement.

- **Training and Development**

Staff and Management Committee members participated in a range of training and appraisal activities. While external training is supported where appropriate, tailored in-house sessions led by experienced staff remain a core part of our development approach.

**GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2025**

- **Tenant Engagement**

Tenant involvement remains central to our work. During the presentation of the 2023/24 annual accounts, we also shared the Annual Assurance Statement process with tenant shareholders, helping to build understanding of its strategic importance.

- **Financial Pressures**

Insurance premiums and contractor/material costs remained above budgeted levels. Broader economic challenges including persistent inflation and elevated interest rates impacted financial planning.

- **Feasibility Study – Heathfield and Smith Avenue Flats**

In January 2025, the Management Committee commissioned a feasibility study of the 140 system-built flats in Heathfield and Smith Avenue. Led by John Gilbert Architects, the study aims to assess future options for the estate, particularly in light of North Lanarkshire Council's ongoing development in Gowkthrapple. The final report is expected to present three potential pathways which are continued planned maintenance, targeted retrofitting, or enhanced insulation measures.

- **Storm Éowyn Impact**

The Co-operative incurred additional costs following damage caused by Storm Éowyn in January 2025. While insurance did not cover the damage, repairs were swiftly completed using the reactive maintenance budget.

- **Internal Audit Success**

Two internal audits were carried out during the year, focusing on "Tenant and Resident Safety" and "Payments and Payroll." Both audits were successful and confirmed strong performance in these key operational areas.

Management Committee Induction and Development

The Management Committee is made up of individuals who are well-acquainted with the Co-operative's day-to-day operations. When new members join, they receive a comprehensive induction pack containing key governance documents, an outline of their responsibilities, and the latest financial reports. To support their integration, a structured induction and training programme is provided. In 2024/25, this was delivered by an external facilitator, although future sessions may be held in-house to reduce costs, but external training will always remain a viable option in our work.

Annual appraisals for committee members are recognised as good practice and are facilitated by experienced senior staff, with external consultants engaged where appropriate. These appraisals are designed to help members contribute effectively to strategic discussions and decision-making at committee level.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED

REPORT FROM THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2025

Management Committee and Senior Officer

Details of the Management Committee and senior officers are listed on the first page of the financial statements.

Each Management Committee member holds one fully paid £1 share in the Co-operative. The Senior Officer (Director), while not a shareholder, operates within the authority delegated by the Committee and carries out his duties accordingly. This also applies to members of the senior management team.

As noted earlier, the Co-operative had 83 shareholding members during the year which represents a strong level of engagement relative to our housing stock of 252 properties. The shareholder register is reviewed and updated annually. In line with our rules, any member who has missed five consecutive AGMs without submitting apologies is removed from the register.

Related Party Transactions

Bridges Housing Association, a non-registered social landlord, has been non-operational since 2018.

Historically, it served as a service vehicle involving the Co-operative's two former directors, who provided director-level services and, in some cases, development support to other RSLs. As of 2024, there is no ongoing relationship or interest between Bridges and Garrion People's Housing Co-operative.

Garrion People's continues to maintain a joint staffing arrangement with Forgewood Housing Co-operative (FHC) in Motherwell. This partnership is subject to regular review in collaboration with FHC, with a view to assessing the future direction of both organisations.

A strategic appraisal of this arrangement will be undertaken during 2025/26 as part of the Co-operative's next committee and staff strategic planning session.

Currently, the majority of our management committee are made up of tenants. All tenant members hold standard Scottish Secure Tenancy agreements and are not permitted to use their position for personal gain. The Co-operative has a robust Conflicts of Interest Policy in place, which all Committee members adhere to. Any related transactions involving Committee members are disclosed accordingly.

Strategic Objectives

The Co-operative has adopted the following strategic objectives:

- Ensure that our rents remain affordable, maintain a stock base sufficient to achieve economies of scale and deliver effective services in a cost-efficient way.
- Maintain the high quality of our housing and service provision, ensuring the comfort of tenants and the protection of investment.
- Contribute to the wellbeing of the local community by working with tenants, residents, partners and funders to develop initiatives that increase levels of inclusion.
- Ensure that the work of the Garrion People's Housing Co-operative is supported by good governance, effective financial, management and regulatory compliance and robust administrative and HR systems.

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- Ensure we attract and retain highly skilled and knowledgeable staff and Management Committee members. Develop our staff and Management Committee members through education, training and coaching.

Strategic Objectives – 2025 to 2028				
Ensure that our rents remain affordable, maintain a stock base sufficient to achieve economies of scale and deliver effective services in a cost-efficient way.	Maintain the high quality of our housing and service provision, ensuring the comfort of tenants and the protection of investment.	Contribute to the wellbeing of the local community by working with tenants, residents, partners and funders to develop initiatives that increase levels of inclusion.	Ensure that the work of the Garrion Peoples Housing Co-op is supported by good governance, effective financial management and regulatory compliance and robust administrative and HR systems.	Ensure we attract and retain highly skilled and knowledgeable staff and Management Committee members. Develop our staff and Management Committee members through education, training and coaching.

To achieve these objectives, we will collaborate with our strategic partners at national, local authority, and community levels. Our decision-making and business direction will consistently reflect our commitment to delivering added value, supporting the advancement of social housing principles and community development.

Looking Ahead: Our Objectives for 2025/26

The Management Committee will be agreeing on our key objectives for the coming year, which are centred on our commitment to social housing principles and community development.

Our priorities for the year ahead will be:

- **Securing New Funding and Managing Debt:** We will negotiate and secure a new facility through Virgin Money in 2025/26 to assist in clearing an expiring loan with over £300k outstanding.
- **Considering the Gowkthrapple Flats:** Following the completion of the feasibility study for the flats in Gowkthrapple, we will consider the available options for the co-op.
- **Developing a Strategic Plan:** A new Strategic Plan will be finalised to clearly outline the Co-operative's medium-term objectives. A central element will be the development of initiatives to support our commitment to achieving the Scottish Housing Net Zero Standard (SHNZS) targets.
- **Ensuring Full Compliance:** We are dedicated to ensuring full compliance with all regulatory and statutory obligations. We will also ensure covenant compliance is always met through robust policies and procedures.
- **Delivering Quality Services:** We will continue to deliver high-quality, responsive housing management and maintenance services that meet tenant expectations and fully comply with the Scottish Social Housing Charter. We will also maintain our focus on high-performing results in our approach to tenant and resident safety.

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- **Strengthening Assurance and Engagement:** We will strengthen our annual assurance statement process, and we will continue to work with tenant groups to do so. We will also strengthen our commitment to community engagement by supporting initiatives that promote social inclusion and cohesion, actively pursuing all available funding opportunities that support all community development aims and objectives.
- **Ongoing Housing Investment:** Our continued investment in our housing stock will focus on major repairs and renewals.
- **Reviewing Joint Arrangements:** We will undertake an ongoing review of our joint working arrangements with ForgeWood Housing Co-operative in Motherwell.

Housing Maintenance Performance and Investment

The Co-operative continues to deliver a high standard of reactive maintenance, with performance levels consistent with previous years. During the most recent reporting period, we achieved the following response times:

- Average time to complete emergency repairs: 2.37 hours;
- Average time to complete non-emergency repairs: 4.03 days.

Annual cyclical maintenance continues to be delivered across key areas, including gas servicing, electrical safety checks, water hygiene monitoring, roof anchor testing, fire detection inspections, and fire risk assessments. Additional services such as landscape maintenance, external painting, and gutter cleaning are also carried out routinely.

Looking ahead to 2025/26, the Co-operative plans to invest approximately £183,000 in a full kitchen renewal programme to our retirement housing at Law View, Overtown (28 units). This will also include the installation of new boilers.

Our long-term asset management strategy is underpinned by independently conducted three-yearly Stock Condition Surveys (SCS) and regular updates to our life cycle costing model. The most recent SCS, completed in 2022, confirmed that all properties met the Scottish Housing Quality Standard (SHQS) which is the Scottish Government's benchmark for housing quality.

To support future investment planning, a new SCS has been commissioned for August 2025, covering approximately 40% of our stock. This will provide updated component costings and reflect the impact of the UK's elevated inflation rate. Once complete, this will mean that 100% of our stock should have been surveyed since 2019.

As of March 2025, Scottish Housing Quality Standard compliance stood at 100%. This figure will be reviewed following the results of the 2025 Stock Condition Survey, which may lead to slight adjustments. The updated data will provide a robust, independently verified foundation for our 5-year and 30-year life cycle investment plans, ensuring our homes remain safe, high-quality, and fit for the future.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
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Housing Services: Key Objectives for 2025/26

The Housing Management Team has a clear set of priorities for the 2025/26 period, designed to maintain and improve our high standards of service delivery while keeping tenants at the forefront of our work.

Our key priorities for the year include:

Tenant Engagement and Assurance:

We are committed to improving our tenant engagement activities to ensure our customers remain central to our service delivery. This will be supported by our continued use of the Annual Assurance Statement process to identify areas for development. Building on our existing practice of seeking tenant views on the Statement, we plan to establish a dedicated tenant working group to provide specific input on this process.

Operational Excellence:

We will focus on sustaining and improving our key performance indicators throughout the year. As part of this, we will conduct a review of our void management procedure to streamline processes and build on our already strong track record.

Financial Support and Partnerships:

We will continue to support tenants who are negatively impacted by the current challenging financial climate. Our successful partnership with the Motherwell and Wishaw Citizens Advice Bureau has been highly effective, recovering a substantial £160,682 in financial gains for our tenants. This partnership has been instrumental in helping us achieve our reduced rent arrears level. The performance available below confirms this information.

Total arrears at 31 03 2025	Total arrears at 31 03 2024	Performance for 2024-25 compared to 2023-24	<u>Total arrears</u> as a % of rental income 24/25	<u>Total arrears as</u> a % of rental income 23/24
£17,991	£25,994	Arrears reduced by £8,003	1.51%	2.29%

Community and Collaborative Working:

We will work with other partners, including neighbouring service providers, to develop Garrion into a thriving and attractive community. We'll actively seek opportunities where collaborative working with these partners can provide excellent outcomes for our residents.

Technology and Value for Money:

We will strive for further improvements and better value for money in our IT systems and cybersecurity measures.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
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Housing Services (continued)

On voids, we still perform to a very high standard and the table below shows the performance for 2024/25, comparing to 2023/24.

Total voids at in 2024/25	Total voids in 2023/24	Performance for 2024-25 compared to 2023-24	Total void rent loss as % of income 2024/25	Total void rent loss as % of income 2023/24
23	24	Reduction of 1	0.17%	0.17%

Over the past year, the Housing Management Team has accomplished a number of significant milestones. We have prioritised tenant well-being, operational improvements, and stronger engagement.

Tenant Financial Well-being:

We are pleased to report a reduction in rent arrears, achieved through proactive support for our tenants. Our efforts have also led to a high percentage of tenants being a month in advance with their rent.

Enhancing Tenant Engagement:

We have been actively engaged with various tenant groups, including those focused on rent review, estate management, and tenant satisfaction. We plan to establish an ongoing group specifically for the annual assurance statement process.

Operational Reviews and Improvements:

The team successfully reviewed and implemented several key policy and procedure updates. This included a comprehensive review of our factoring arrangements, which led to a new policy and an updated statement of services.

Universal Credit Migration:

We provided crucial assistance to tenants migrating from legacy benefits to Universal Credit, working in partnership with the AFTAR project as needed.

Rent Charge Harmonisation:

The Co-op moved from a four-weekly rent charge to a calendar monthly system. This was done in close collaboration with the Rent Focus Group and resulted in a 3.3% increase on all tenancies. During this process, we carried out the successful completion of tenant census forms to help with our data gathering to help us understand our properties and occupants, which will help us make more informed decisions going forward.

Assurance Statement Integration:

We will use the results of the tenant satisfaction survey review to inform and shape the next annual assurance statement and our work with the regulatory framework.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2025

Tenant Satisfaction (taken from Tenant Satisfaction Survey completed by The Knowledge Partnership 2022/23)

Tenant Satisfaction Level	Performance for 2024-25	Last Scottish average 2023/24 (source SHR)
On overall service provided	89.38%	86.49%
On keeping you informed about services and decisions	90.00%	90.46%
On level of opportunities given to participate in decision making	86.25%	87.67%
On overall quality of your home	88.75%	84.01%
On repairs and maintenance service over last 12 months	96.15%	87.31%
On management of the neighbourhood you live in	88.12%	84.68%
On how rent level is value for money	81.88%	81.59%

Our 2025 Tenant Satisfaction Survey (TSS) will help us improve in various areas of service delivery and we will be factoring in the annual assurance statement to the SHR in this year's survey. We will also have a working group of tenants/staff along with the company carrying out the TSS to take this forward.

Financial (rents) Performance

Total rents receivable for 2024/25 were at £1,211,539 as opposed to £1,121,257 for 2023/24.

The rent increase applied in 2024/25 was 5% which is identical to the previous year. The rent applied for 2025/26 is 3.3%.

Rent arrears, void control, allocations, repairs, and all other areas of service delivery have been managed very well for yet another year at Garrion People's Housing Co-operative.

Committee of Management and Executive Officers

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

Going Concern

The Management Committee has reviewed the results for this year and has also reviewed the projections for the next five years. The Management Committee has considered the risks associated with its activities and has updated its plans and financial projections to ensure that it is able to manage those risks to minimise any financial implications and uncertainties. It therefore has a reasonable expectation that the Co-operative has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements. Further details are given in the going concern accounting policy in note 1.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2025

Statement of Management Committee's responsibilities

The Management Committee is responsible for preparing the Annual Report and Financial Statements in accordance with applicable laws and regulations.

Under the Co-operative and Community Benefit Societies Act 2014 and relevant social housing legislation, the Committee must prepare financial statements for each financial year that present a true and fair view of the Co-operative's financial position and its income and expenditure for the period. In doing so, the Committee is required to:

- Select appropriate accounting policies and apply them consistently;
- Make reasonable and prudent judgements and estimates;
- Confirm that applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to assume that the Co-operative will continue in operation.

The Committee is also responsible for maintaining proper accounting records that accurately reflect the Co-operative's financial position at any given time and ensure compliance with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator. In addition, the Committee has a general duty to take reasonable steps to safeguard the Co-operative's assets and to prevent and detect fraud and other irregularities.

The Management Committee must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Committee are aware:

- There is no relevant audit information (information needed by the Housing Co-operative's auditor in connection with preparing their report) of which the co-operative's auditor is unaware, and
- The Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Co-operative's auditor is aware of that information.

Statement on Internal Financial Control

The Management Committee acknowledges its ultimate responsibility for ensuring that the co-operative 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 co-operative, or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorized use or disposition.

**GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2025**

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 co-operative'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 co-operative'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, authorized, and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorization procedures, through the Management Committee;
- The Management Committee receive 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 co-operative is undertaken; and
- 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 co-operative for the year ended 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.

Auditors

A resolution to re-appoint the auditor, AAB Audit & Accountancy Limited, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of Management Committee

Colette Kells, Secretary
Date: 16/8/2025

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
REPORT BY THE AUDITOR TO THE MANAGEMENT COMMITTEE OF GARRION PEOPLE'S HOUSING
CO-OPERATIVE LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH
2025

In addition to our audit of the Financial Statements, we have reviewed your statement on page 11 & 12 concerning the co-operative'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 relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the co-operative's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 11 & 12 has provided the disclosures required by the relevant Regulatory Standards with the publication "Our Regulatory Framework" and associated Regulatory Advice Notes 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 co-operative, and examination of relevant documents, we have satisfied ourselves that The Management Committee's Statement on Internal Financial Control appropriately reflects the co-operative's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

AAB Audit & Accountancy Limited

AAB Audit & Accountancy Limited

Chartered Accountants and Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Date: 18/09/2025

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF GARRION PEOPLE'S
HOUSING CO-OPERATIVE LIMITED FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Garrion People's Housing Co-operative Limited for the year ended 31 March 2025 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in reserves and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the Financial Statements:

- give a true and fair view of the state of the co-operative's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice: and
- have been properly prepared in accordance with the co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements February 2019.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the management committee members' use of the going concern basis of accounting in 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 co-operative'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 members with respect to going concern are described in the relevant sections in this report.

Other information

The other information comprises the information contained in the Management Committee's report, other than the financial statements and our auditor's report thereon. The Management Committee are responsible for the other information.

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.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF GARRION PEOPLE'S
HOUSING CO-OPERATIVE LIMITED FOR THE YEAR ENDED 31 MARCH 2025

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 requires us to report to you, if in our opinion:

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

Responsibilities of committee members

As explained more fully in the management committee's responsibilities statement set out on page 11, the committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee are responsible for assessing the housing co-operative'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 committee members either intend to liquidate the housing co-operative or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the co-operative and Community Benefit Societies Act 2014 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF GARRION PEOPLE'S
HOUSING CO-OPERATIVE LIMITED FOR THE YEAR ENDED 31 MARCH 2025

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the housing co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the housing co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 responsible individual 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 identified the laws and regulations applicable to the co-operative through discussions with management and Management Committee members and from our sector knowledge;

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF GARRION PEOPLE'S
HOUSING CO-OPERATIVE LIMITED FOR THE YEAR ENDED 31 MARCH 2025

- we focused on specific laws and regulations, including those specified by the Scottish Housing Regulator, which we considered may have a direct material effect on the financial statements or the operations of the co-operative, including the Co-operative and Community Benefit Societies Act 2014, Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice for Social Housing Providers 2018 and Determination of Housing Requirements 2019, and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and committee members; 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 co-operative's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and Management Committee members 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 high level 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 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;
- reading the minutes of meetings of those charged with governance;
- enquiring of management and Management Committee members as to actual and potential litigation and claims;
- reviewing correspondence with 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 Management Committee 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.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF GARRION PEOPLE'S
HOUSING CO-OPERATIVE LIMITED FOR THE YEAR ENDED 31 MARCH 2025

Use of our report

This report is made solely to the co-operative's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the co-operative's members those matters we are required to state to them in an auditors' 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 co-operative and the co-operative's members as a body, for our audit work, for this report, or for the opinions we have formed.

AAB Audit & Accountancy Limited

AAB Audit & Accountancy Limited
Chartered Accountants and Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Date: 18/09/2025

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Revenue	2	1,436,404	1,390,774
Operating costs	2	<u>(1,300,379)</u>	<u>(1,294,774)</u>
Operating surplus	2, 8	136,025	96,000
Interest receivable and other similar income		6,628	6,580
Interest payable and other similar charges	7	(152,721)	(161,090)
Other finance charges	7	<u>(6,000)</u>	<u>(3,000)</u>
		<u>(152,093)</u>	<u>(157,510)</u>
Deficit for the year		(16,068)	(61,510)
Other comprehensive income			
Actuarial gain/(loss) in respect of pension scheme	22	23,000	(59,000)
Total comprehensive gain/(loss)		<u>6,932</u>	<u>(120,510)</u>

The results for the year relate wholly to continuing activities.

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 16/09/2025

Victoria Dallas
Chairperson

Heather Laing
Committee Member

Craig Callan
Vice Chairperson

The notes on pages 23 to 43 form part of these financial statements.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Notes	2025 £	2024 £
Non-current assets			
Housing properties - depreciated cost	10(a)	5,318,023	5,384,661
Other tangible fixed assets	10(b)	1,949,522	2,007,286
Investments		-	1
		<u>7,267,545</u>	<u>7,391,948</u>
Current assets			
Debtors	12	149,759	161,079
Cash at bank and in hand		<u>477,273</u>	<u>652,575</u>
		627,032	813,654
Creditors: amounts falling due within one year	13	<u>(640,054)</u>	<u>(2,591,822)</u>
Net current liabilities		<u>(13,022)</u>	<u>(1,778,168)</u>
Total assets less current liabilities		7,254,523	5,613,780
Creditors: amounts falling due after more than one year			
housing property loans	14	(1,710,045)	-
Provisions for liabilities			
Pension - defined benefit liability	22	(106,000)	(123,000)
Deferred income			
Social housing grants	17	(2,019,219)	(2,074,060)
Other grants	17	<u>(74,442)</u>	<u>(78,846)</u>
		<u>3,344,817</u>	<u>3,337,874</u>
Equity			
Share capital	18	83	72
Revenue reserve	18	<u>3,344,734</u>	<u>3,337,802</u>
		<u>3,344,817</u>	<u>3,337,874</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 16/09/2025

Victoria Dallas
Chairperson

Heather Laing
Committee Member

Craig Callan
Vice Chairperson

The notes on pages 23 to 43 form part of these financial statements.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Net cash inflow from operating activities	15	<u>181,463</u>	<u>241,738</u>
Investing activities			
Acquisition and construction of housing properties and components and other fixed assets	10(a)+(b)	(31,983)	(14,029)
Other grant received		-	-
Net cash (outflow) from investing activities		<u>(31,983)</u>	<u>(14,029)</u>
Net cash inflow before financing		149,480	227,709
Financing activities			
Issue of ordinary share capital	11		1
Interest received	6,628		6,580
Interest paid	(158,721)		(164,090)
Loan principal repayments	(172,700)		(168,022)
Net cash outflow from financing		<u>(324,782)</u>	<u>(325,531)</u>
Decrease in cash		(175,302)	(97,822)
Opening cash and cash equivalents		<u>652,575</u>	<u>750,397</u>
Closing cash and cash equivalents		<u>477,273</u>	<u>652,575</u>

The notes on pages 23 to 43 form part of these financial statements.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2025

	Share capital £	Revenue reserve £	Total £
Balance as at 1 April 2024	72	3,337,802	3,337,874
Issue of shares	11	-	11
Deficit for year	-	(16,068)	(16,068)
Other comprehensive income	-	23,000	23,000
Balance as at 31 March 2025	<u>83</u>	<u>3,344,734</u>	<u>3,344,817</u>

	Share capital £	Revenue reserve £	Total £
Balance as at 1 April 2023	71	3,458,312	3,458,383
Issue of shares	1	-	1
Deficit for year	-	(61,510)	(61,510)
Other comprehensive income	-	(59,000)	(59,000)
Balance as at 31 March 2024	<u>72</u>	<u>3,337,802</u>	<u>3,337,874</u>

The notes on pages 23 to 43 form part of these financial statements.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

Legal status

The co-operative is incorporated under the Co-operative and Community Benefits Societies Act 2014 and is registered by the Financial Conduct Authority. The co-operative is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

Basis of Accounting

These financial statements have been 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 and comply with the requirements of the Determination of Housing Requirements 2019 as issued by the Scottish Housing Regulator.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the co-operative's accounting policies (see below).

The following principal accounting policies have been applied:

Going Concern

The financial statements have been prepared on a going concern basis after consideration of the future prospects of the co-operative, its long-term financial forecasts for the next five years, and the certainty of cash flow from rental of social housing stock. The co-operative has taken into account any ongoing impact of the current economic uncertainties in its consideration and is satisfied that the co-operative has adequate resources to manage the impact of these issues on an ongoing basis.

Revenue

The co-operative recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised as expenditure 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 it relates.

Retirement Benefits

The co-operative participates in the Scottish Housing Association Defined Benefits Pension Scheme and retirement benefits to employees of the co-operative 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 co-operatives taken as a whole.

The co-operative accounts for the pension scheme on a defined benefit basis on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the Statement of Comprehensive Income within operating costs. Actuarial gains and losses are recognised in Other Comprehensive Income. Further details of the scheme and its assumptions are included in note 22.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

Housing properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The co-operative depreciates housing properties by major component on a straight-line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 10(a). Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful economic life
Land	Not depreciated
Structure	100 years
Boilers	12 years
Bathrooms	20 years
Windows	30 years
Kitchens	15 years
Heating systems	24 years
Roofs	40 years
Electrics	10 years
Closed door entry systems	20 years

Depreciation and impairment of other non-current assets

Non-Current Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:

Community centre	2% straight-line
Office equipment	25% straight-line
Motor vehicles	20% straight-line

The carrying value of non-current assets is reviewed for impairment at the end of each reporting year.

Social housing grant and other grants in advance/arrears

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 it relates.

Social housing grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same year as the expenditure to which it relates.

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.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

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.

Estimation uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying the co-operative'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, is disclosed below:

Life cycle of components

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

Useful lives of other fixed assets

The useful lives of other fixed Assets are based on the knowledge of senior management at the co-operative with reference to expected asset life cycles.

Pension liabilities

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

Housing grants

The co-operative estimates amortisation of grants based on the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Works to existing properties

The co-operative 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.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

Financial instruments – basic

The co-operative only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from banks and related parties.

These are recognised in accordance with Section 11 of Financial Reporting Standard 102.

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

Key judgements made in the application of accounting policies

a) The categorisation of housing properties

In the judgement of the Management Committee the entirety of the co-operative'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 co-operative considers its cash-generating units to be the scheme in which it manages its housing property for asset management purposes.

c) Pension liability

In May 2020 the co-operative received details from the Pension Trust of its share of assets, liabilities, and scheme deficit. The co-operative has used this information as the basis of the pension defined benefit liability as disclosed in these accounts. The Management Committee consider this the best estimate of their scheme liability.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

2. Particulars of revenue, operating costs, and operating surplus

	Note	2025			2024		
		Revenue	Operating costs	Operating surplus	Revenue	Operating costs	Operating surplus/(deficit)
		£	£	£	£	£	£
Social letting activities	3	1,268,387	(1,168,611)	99,776	1,200,899	(1,223,153)	(22,254)
Other activities	4	168,017	(131,768)	36,249	189,875	(71,621)	118,254
Total		<u>1,436,404</u>	<u>(1,300,379)</u>	<u>136,025</u>	<u>1,390,774</u>	<u>(1,294,774)</u>	<u>96,000</u>

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

3. Particulars of income and expenditure from social lettings

	General needs housing £	Supported social housing accommodation £	Shared ownership housing £	2025 Total £	2024 Total £
Revenue from lettings					
Rent receivable net of identifiable service charges	1,211,539	-	-	1,211,539	1,121,257
Service charges receivable	-	-	-	-	-
Gross rents receivable	1,211,539	-	-	1,211,539	1,121,257
Less rent losses from voids	(2,397)	-	-	(2,397)	(3,391)
Net rents receivable	1,209,142	-	-	1,209,142	1,117,866
Amortisation of social housing & other grants	59,245	-	-	59,245	61,211
Revenue grants from local authorities and other agencies	-	-	-	-	21,822
Other revenue grants	-	-	-	-	-
Total income from social letting	1,268,387	-	-	1,268,387	1,200,899
Expenditure on social letting activities					
Management and maintenance administration costs	811,610	-	-	811,610	837,659
Stage 3 costs	18,340	-	-	18,340	20,025
Planned and cyclical maintenance including major repairs	88,649	-	-	88,649	68,365
Reactive maintenance	142,911	-	-	142,911	183,500
Bad debts - rents and service charges	8,480	-	-	8,480	18,396
Depreciation of social housing	97,700	-	-	97,700	95,063
Loss on disposal	921	-	-	921	145
Operating costs of social letting	1,168,611	-	-	1,168,611	1,223,153
Operating surplus/(deficit) on social letting activities	99,776	-	-	99,776	(22,254)
2024	(22,254)	-	-	(22,254)	

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

4. Particulars of income and expenditure from other activities

	Grants from Scottish Ministers	Other income	Total turnover	Operating costs other	Operating surplus/ (deficit) 2025	Operating surplus/ (deficit) 2024
	£	£	£	£	£	£
Stage 3 adaptations	19,971	-	19,971	-	19,971	-
Wider Role activities	20,136	51,198	71,334	(82,803)	(11,469)	(1,290)
Contracted out services for RSL's	-	70,543	70,543	(48,965)	21,578	77,379
Factoring income	-	3,305	3,305	-	3,305	-
Other income/ (expenditure)	-	2,864	2,864	-	2,864	42,165
Total from other activities	40,107	127,910	168,017	(131,768)	36,249	118,254
Total from other activities for 2024	-	189,875	189,875	(71,621)	118,254	

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

5. Board members and officers emoluments

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 co-operative.

No emoluments have been paid to any member of the management committee.

	2025	2024
	£	£
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	-	-
Emoluments payable to the directors (excluding pension contributions)	46,304	46,764
Pension contributions paid on behalf of the directors	3,849	
Total emoluments paid to key management personnel	55,905	107,326

No employee received remuneration amounting to more than £60,000 in either year.

Garrion People's Housing Co-operative (GPHC) operates a staff sharing agreement with Forgewood Housing Co-operative (FHC) in Motherwell. Director services are charged at 50% (2024 - 50%) to GPHC for one Director.

During the year £260 (2024 - £1,001) was paid to committee members in respect of reimbursement of expenses.

6. Employee information

	2025	2024
	£	£
Staff costs during the year:		
Wages and salaries	384,226	382,823
Social security costs	30,767	62,077
Other pension costs	31,836	38,728
	<u>446,829</u>	<u>483,628</u>
	Number	Number
The average number of full time equivalent persons employed during the year was	<u>8</u>	<u>8</u>

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

7. Interest payable and similar charges

	2025	2024
	£	£
Bank loans and overdrafts	152,721	161,090
Net pension interest cost	6,000	3,000
	<u>158,721</u>	<u>164,090</u>

8. Operating surplus for the year

	2025	2024
	£	£
Surplus is stated after charging/(crediting):		
Depreciation of tangible owned fixed assets	155,464	151,489
Auditors' remuneration	12,600	11,400
Loss on disposal of fixed assets	921	145
Operating lease rentals	-	-
Amortisation of capital grants	<u>(59,245)</u>	<u>(61,211)</u>

9. Tax on surplus on ordinary activities

The co-operative is a Registered Scottish Charity and is exempt from Corporation Tax on its charitable activities.

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

10. Non-current assets

a) Housing Properties

	Housing properties held for letting £	Completed shared ownership properties £	Total £
Cost			
At start of year	6,192,386	-	6,192,386
Additions	31,983	-	31,983
Disposals	(2,096)	-	(2,096)
Transfers to stock	-	-	-
At end of year	<u>6,222,273</u>	<u>-</u>	<u>6,222,273</u>
Depreciation			
At start of year	807,725	-	807,725
Charged during year	97,700	-	97,700
Eliminated on disposal	(1,175)	-	(1,175)
At end of year	<u>904,250</u>	<u>-</u>	<u>904,250</u>
Net book value			
At end of year	<u>5,318,023</u>	<u>-</u>	<u>5,318,023</u>
At start of year	<u>5,384,661</u>	<u>-</u>	<u>5,384,661</u>

1. There were no impairment charges in the year.
2. There were no capitalised development administration charges in the year.
3. The Co-operative's lenders have standard securities over housing property with a carrying value of £5,318,023 (2024 - £5,384,661)

GARRION PEOPLE'S HOUSING CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS

10. Non-current assets (continued)

b) Other tangible assets

	Community centre £	Office equipment £	Motor Vehicles £	Total £
Cost				
At start of year	2,555,349	95,067	17,084	2,667,500
Additions	-	-	-	-
Disposals	-	-	-	-
At end of year	<u>2,555,349</u>	<u>95,067</u>	<u>17,084</u>	<u>2,667,500</u>
Depreciation				
At start of year	567,843	87,246	5,125	660,214
Charged during year	51,107	3,241	3,416	57,764
Disposals	-	-	-	-
At end of year	<u>618,950</u>	<u>90,487</u>	<u>8,541</u>	<u>717,978</u>
Net book value				
At end of year	<u>1,936,399</u>	<u>4,580</u>	<u>8,543</u>	<u>1,949,522</u>
At start of year	<u>1,987,506</u>	<u>7,821</u>	<u>11,959</u>	<u>2,007,286</u>

11. Commitments under operating leases

	2025 £	2024 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Not later than one year	1,785	2,371
Later than one year and not later than five years	-	1,785
Later than five years	-	-
	<u>1,785</u>	<u>4,156</u>

12. Debtors

	2025 £	2024 £
Arrears of rent & service charges	34,462	38,271
Less: Provision for doubtful debts	<u>(5,463)</u>	<u>(5,463)</u>
	28,999	32,808
Other debtors	105,975	115,605
Prepayments and accrued income	<u>14,785</u>	<u>12,666</u>
	<u>149,759</u>	<u>161,079</u>

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13. Creditors: Amounts falling due within one year

	2025	2024
	£	£
Housing loans	517,389	2,400,134
Trade payables	19,302	24,102
Rent in advance	46,406	41,354
Other taxation and social security	14,064	7,522
Other payables	37,382	104,165
Accruals and deferred income	5,511	14,545
	<u>640,054</u>	<u>2,591,822</u>

14. Creditors: Amounts falling due after one year

	2025	2024
	£	£
Housing loans	<u>1,710,045</u>	<u>-</u>

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

Loans are secured by specific charges on the co-operative's properties. The co-operative has one fixed loan at 2% with all other loans operating on a variable rate of interest. The variable loans are linked to either Base Rate or 3-month LIBOR and the margins range between 6% and 7%.

The Bank loans are repayable as follows:

	2025	2024
	£	£
Between one and two years	164,120	-
Between two and five years	520,670	-
In five years or more	<u>1,025,255</u>	<u>-</u>
	<u>1,710,045</u>	<u>-</u>

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15. Statement of cash flows

Reconciliation of operating surplus to balance as at 31 March 2025	2025	2024
	£	£
Operating surplus	136,025	96,000
Depreciation	155,464	151,489
Loss on disposal	921	145
Amortisation of capital grants	(59,245)	(61,211)
Change in debtors	11,320	(10,498)
Change in creditors	(69,022)	62,813
Movement in pension liability	6,000	3,000
Movement in investments	-	-
Cancelled shares	-	-
Balance as at 31 March 2025	<u>181,463</u>	<u>241,738</u>

16. Analysis of changes in net debt

Reconciliation of net debt as at 31 March 2025

	1 April 2024	Cash flows	Non-cash changes	31 March 2025
	£	£	£	£
Cash at bank	652,575	(175,302)	-	477,273
Debt due within one year	(2,400,134)	168,022	1,710,045	(522,067)
Debt due after one year	-	-	(1,710,045)	(1,710,045)
Net debt	<u>(1,747,559)</u>	<u>(7,280)</u>		<u>(1,754,839)</u>

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17. Deferred income

	2025 £	2024 £
Capital grants		
Balance as at 1 April 2024	2,074,060	2,130,866
Amortisation in Year	(54,841)	(56,806)
Balance as at 31 March 2025	<u>2,019,219</u>	<u>2,074,060</u>
Social housing grants		
Balance as at 1 April 2024	78,846	83,251
Additions in year	-	-
Amortisation in Year	(4,404)	(4,405)
Balance as at 31 March 2025	<u>74,442</u>	<u>78,846</u>
Total deferred grants	<u>2,093,661</u>	<u>2,152,906</u>

This is expected to be released to the Statement of Comprehensive Income as follows:

Amounts due within one year	59,245	61,211
Amounts due in one year or more	<u>2,034,416</u>	<u>2,091,695</u>
	<u>2,093,661</u>	<u>2,152,906</u>

18. Reserves

Share capital	2025 £	2024 £
Shares of £1 each Issued and Fully Paid		
At 1 April 2024	72	71
Issued in year	11	1
Cancelled in year		
At 31 March 2025	<u>83</u>	<u>72</u>

Each member of the co-operative holds one share of £1 in the co-operative. These shares carry no rights to dividends 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 co-operative. Each member has a right to vote at members' meetings.

Reserves	2025 £	2024 £
At 1 April 2024	3,337,802	3,458,312
(Deficit) for year	(16,068)	(61,510)
SHAPS pension adjustment	23,000	(59,000)
At 31 March 2025	<u>3,344,734</u>	<u>3,337,802</u>

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19. Housing stock

The number of units of accommodation in management at the year end was:-	2025 No.	2024 No.
General needs - new build	<u>252</u>	<u>252</u>

20. Related party transactions

Members of the Management Committee are related parties of the co-operative as defined by Financial Reporting Standard 102. The related party relationships of the members of the Management Committee are summarised as:

- 11 Members are tenants of the co-operative
- No Members are factored owners
- Management Committee members cannot use their position to their advantage. Any transactions between the co-operative 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 were as follows:

- Rent Received from Tenants on the Committee – £40,316.
- Factoring income received from Owner Occupiers in the Committee - £NIL.
- At the year-end total rent arrears owed by the tenant members of the Committee were – £1,750.
- At the year-end total rent arrears owed by Owner Occupiers of the Committee were - £NIL.

21. Details of co-operative

The co-operative is a Registered Society registered within the Financial Conduct Authority and is domiciled in Scotland.

The co-operative's principal place of business is 70 Smith Avenue, Wishaw, ML2 0LD.

The co-operative is a Registered Social Landlord and Scottish Charity that owns and manages social housing in Wishaw.

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22. Retirement benefit obligations

The Co-operative participates in the Scottish Housing Associations' 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 pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. A Recovery Plan is therefore required to address the deficit. Under the terms of the Plan, deficit recovery contributions will recommence from 1 April 2026 at £18.4k per annum, with Scheme expenses payable at £1.7k per annum. Deficit contributions are due to end on 31 March 2030. Both the deficit contributions and Scheme expenses will increase by 3% annually on 1 April, with the first increase effective from 1 April 2027.

At the time the 2024 actuarial valuation was agreed, the outcome of a court case relating to the Scheme Benefit Review remained unknown. To enable the valuation to be concluded, the Scheme's committees agreed that the deficit recovery period may be extended by up to two years, to a maximum end date of 31 March 2032, in the event that the court judgment results in additional Scheme liabilities. This provision is intended to allow participating employers to budget for a potential extension to the Recovery Plan, should this be required.

The position will be reviewed as part of the 2027 actuarial valuation, at which time the impact of the court judgment on Scheme liabilities will be more certain.

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

The Scheme is accounted for as a defined benefit scheme because sufficient information is available.

For accounting purposes, a valuation of the Scheme was carried out with an effective date of 30 September 2024. The liability figures from this valuation have been rolled forward to the accounting date of 31 March 2025.

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

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22. Retirement benefit obligations (continued)

**Present values of defined benefit obligation,
Fair value of assets and defined benefit asset (liability)**

	31 March 2025 (£000s)	31 March 2024 (£000s)
Fair value of plan assets	735	836
Present value of defined benefit obligation	841	959
Surplus (deficit) in plan	(106)	(123)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(106)	(123)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(106)	(123)

Reconciliation of the impact of the asset ceiling

	Period from 31 March 2024 to 31 March 2025 (£000s)	Period from 31 March 2023 to 31 March 2024 (£000s)
Impact of asset ceiling at start of period	-	-
Effect of the asset ceiling included in net interest cost	-	-
Actuarial losses (gains) on asset ceiling	-	-
Impact of asset ceiling at end of period	-	-

Reconciliation of opening and closing balances of the defined benefit obligation

	Period from 31 March 2024 to 31 March 2025 (£000s)	Period from 31 March 2023 to 31 March 2024 (£000s)
Defined benefit obligation at start of period	959	954
Current service cost	-	-
Expenses	1	1
Interest expense	46	46
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	(27)	3
Actuarial losses (gains) due to changes in demographic assumptions	-	(6)
Actuarial losses (gains) due to changes in financial assumptions	(104)	(7)
Benefits paid and expenses	(34)	(32)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Exchange rate changes	-	-
Defined benefit obligation at end of period	841	959

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22. Retirement benefit obligations (continued)

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

	Period from 31 March 2024 to 31 March 2025 (£000s)	Period from 31 March 2023 to 31 March 2024 (£000s)
Fair value of plan assets at start of period	836	893
Interest income	40	43
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(108)	(69)
Contributions by the employer	1	1
Contributions by plan participants	-	-
Benefits paid and expenses	(34)	(32)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	735	836

Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)

	Period from 31 March 2024 to 31 March 2025 (£000s)	Period from 31 March 2023 to 31 March 2024 (£000s)
Current service cost	-	-
Expenses	1	1
Net interest expense	6	-
Losses (gains) on business combinations	-	-
Losses (gains) on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	7	1

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22. Retirement benefit obligations (continued)

Reconciliation of defined benefit pension liability (SOPF)

	Period from 31 March 2024 to 31 March 2025 (£000s)	Period from 31 March 2023 to 31 March 2024 (£000s)
Opening pension liability	123	61
Current service cost	-	-
Expenses	1	1
Net interest expense	6	3
Employer contributions	(1)	(1)
Actuarial (gain) / loss	(23)	59
Closing pension liability	106	123

Defined benefit costs recognised in Other Comprehensive Income (OCI)

	Period from 31 March 2024 to 31 March 2025 (£000s)	Period from 31 March 2023 to 31 March 2024 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(108)	(69)
Experience gains and losses arising on the plan liabilities - gain (loss)	27	(3)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)		6
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	104	7
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	23	(59)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	23	(59)

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22. Retirement benefit obligations (continued)

Assets

	31 March 2025 (£000s)	31 March 2024 (£000s)
Global Equity	85	96
Absolute Return	-	38
Distressed Opportunities	-	31
Credit Relative Value	-	29
Alternative Risk Premia	-	30
Liquid Alternatives	135	-
Emerging Markets Debt	-	15
Risk Sharing	-	50
Insurance-Linked Securities	3	5
Property	36	35
Infrastructure	-	80
Private equity	1	1
Real Assets	88	-
Private Debt	-	34
Opportunistic Illiquid Credit	-	33
Private Credit	92	-
Credit	31	-
Investment Grade Credit	34	-
Cash	4	22
Long Lease Property	-	6
Secured Income	17	28
Liability Driven Investment	207	302
Currency Hedging	1	-
Net Current Assets	1	1
Total assets	735	836

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22. Retirement benefit obligations (continued)

Key assumptions

	31 March 2025	31 March 2024
	% per annum	% per annum
Discount Rate	5.82%	4.91%
Inflation (RPI)	3.10%	3.14%
Inflation (CPI)	2.79%	2.78%
Salary Growth	3.79%	3.78%
Allowance for commutation of pension for cash at retirement	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

Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

23. Contingent liabilities

The pension withdrawal debt as at 30 September 2024 for Garrion People's Housing Co-operative Limited is £262,997.