



ANCHO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

Financial Conduct Authority 2559 R (S)
Scottish Housing Regulator Registration No. 306
Charity Reference SC036082
Registered property factor PF000346

ANCHO LIMITED

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

The Board of Management

Bill Finlay
Nigel Fortnum
Steven Travers
Colin Love
Suzie Lyons
Laurence Casserly
Andrew Latto
Lindsay Robertson
John Duncan
Zoe Brawn
Fiona Callaghan

Chair
Vice Chair

Appointed 24 April 2024
Appointed 27 March 2025
Resigned 15 January 2025
Resigned 07 March 2025

Executive Officers

Audrey Simpson
Kenneth Tudhope
Morag Boyter
Meg Deasley
Chris Milligan

Chief Executive and Secretary
Director of Finance and People Services
Director of Business Services
Director of Property Services
Director of Customer Services

Registered Office

Sovereign House
Academy Road
Irvine
KA12 8RL

Solicitors

TC Young
7 West George Street
Glasgow
G2 1BA

External Auditor

Azets Audit Services
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Bankers

Royal Bank of Scotland
Kirkstane House
139 St. Vincent Street
Glasgow
G2 5JF

ANCHO LIMITED

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ANCHO LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

The Board of Management of ANCHO presents its report and the Financial Statements for the year ended 31 March 2025.

Legal Status

The Association is registered as a non-profit making Association under the Co-operative and Community Benefit Societies Act 2014 No.2559 R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC036082.

ANCHO became a subsidiary of Cairn Housing Association Limited on 1 November 2018.

Objectives and Strategy

The Association is a Registered Social Landlord and Scottish Charity. The core objectives as set out in our Rules are to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care.

Our key strategic objectives are informed by our Vision which is shared with all parts of Cairn Housing Group:

Vision, Values & Mission

Our vision is Great Homes, Great Services, Great People.

Our Values are Customer First, Excellence, Accountability, Respect, One Team.

Our mission is to provide quality, safe, affordable homes, and services, with partners in our local communities.

Our objectives are:

- High quality affordable homes and thriving neighbourhoods;
- Customer focussed services, delivered with efficiency and to achieve value for money; and
- Skilled and engaged staff and sound governance.

As part of our continued integration between ANCHO and Cairn we continue the process of further joint working, shared services, shared objectives, and business planning. ANCHO's Business Plan is aligned to achieve the Group's objectives whilst delivering locally based services for our communities.

Review of Business

It has been another year of successful delivery of quality services to customers and continued focus to deliver investment in tenants' homes and welfare support in a challenging operating environment.

The company made an operating surplus of £514,738 (2024: deficit £535,086 which was due to an exceptional provision of £1m made for potential future work required to stabilise the Annick Water riverbank (see note 19)).

During the year a further £231,592 (2024: £362,663) was spent on component replacements in our housing units which have been capitalised.

ANCHO LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

The Association reduced its overall borrowing by £536,292 during the year to £5,204,161 which includes loan funding from Cairn HA. Cash held at the year-end was £1,457,401 (2024 - £1,410,281) which is held for both short-term working capital and future investment in our homes.

Operations

As part of the Group's commitment to ANCHO, during the year all employees were given the opportunity to transfer to Cairn's terms and conditions. They continue to provide services to ANCHO's tenants from the Irvine office. Both ANCHO and Cairn's teams also continued to support the welfare and wellbeing of customers in North Ayrshire by ensuring benefit entitlements are claimed and accessing fuel support funding and advice.

The organisation has continued to show itself to be flexible, resilient, and determined to respond positively and continue to deliver our strategic objectives and service obligations to customers. We thank all staff, board members and our contractor partners for all their continued efforts.

Detail on activities and delivery of partnership promises are contained in the Group's 2024/25 Annual Report.

Future Plans

On 1 April 2025, there was a transfer of engagement from ANCHO to Cairn Housing Association Limited. Our focus will continue to be on delivering the objectives and targets agreed within the Cairn Group Business Plan and ensuring that it achieves value for money, affordable rents, continued focus on quality of local services and working with Cairn to ensure the delivery of the planned investment programme.

We will also continue to ensure that our wider role activities meet their objectives and deliver the maximum benefit to customers.

We will continue our positive partnership working with North Ayrshire Council and other partner agencies, which includes plans to bring forward a new build development scheme in Irvine.

We will also seek out more engagement with local customers and encourage greater involvement and engagement in services and local initiatives and encourage involvement in the local customer panel.

Risks and uncertainties

Risks are managed through the Group Risk Register which documents associated controls in place. These are reviewed frequently by management and the Board, and include:

- Impact of labour and materials supply on maintenance service;
- Current and forecast inflation and interest rates;
- Political changes including welfare reform, health & safety legislation, zero carbon targets and funding pressures; and
- Management of cash flows to meet the delivery of the investment programme whilst preserving lender loan covenants.

ANCHO LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

Key Performance Indicators

ANCHO continues to closely monitor key performance indicators, including those required under the Annual report on The Scottish Social Housing Charter. We also pay particular attention to key financial indicators on gearing and interest cover to ensure ongoing financial stability and to meet our lending covenants.

Governance

ANCHO Limited is a 100% owned subsidiary of Cairn Housing Association Limited. ANCHO Limited has a Board of Management elected by the shareholding members of the Association at the AGM each year. The Board directs the strategy, sets policies, oversees the overall direction, and monitors the business plan of the Association to support the Cairn Housing Group Business Plan and to meet local needs. The Board also ensures appropriate levels of assurance and strategic risk management, including external advice where appropriate, and compliance with regulatory standards. The members of the Board of Management are currently unpaid, other than expenses.

We review the Board Succession & Development Plan each year, following annual personal development meetings, to ensure the appropriate level and mix of skills and experience and keeping up to date with regulatory requirements and best practice standards. Resignations and retirements are noted on the Board of Management, Executive Officers, and Advisors page of the financial statements. ANCHO is a member of the Scottish Federation of Housing Associations and ensures positive working relationships with our Regulators, (SHR and OSCR), North Ayrshire Council and other partners.

ANCHO is committed to continuous improvement and the Board sets challenging business targets, which are regularly monitored and reviewed by the Board and the Executive Team.

Governance arrangements at ANCHO include a Group Audit & Performance Committee, a Group Remuneration Committee and occasional Working Groups. We continue to encourage local tenants to join to become more involved through opportunities like customer panels and ANCHO customers are encouraged to apply for membership of the Board.

Statement of the Board of Management's Responsibilities

The Board of Management is responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the income and expenditure of the Association for that period. In preparing these financial statements the Board 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable it 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 as issued by the Scottish Housing Regulator. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

ANCHO LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

Statement of Internal Financial Control

The Board of Management is responsible for the Association's system of internal financial control.

The system of internal financial control are those procedures established by the senior management team, and reviewed by the Group Audit & Performance Committee, in order to provide reasonable assurance on the safeguarding of assets and the maintenance of proper accounting records and the reliability of financial information used within the Association or for publication. Such a system of controls can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The approach adopted by the Board of Management to provide effective financial control can be summarised as follows:

- (a) An appropriate control environment has been created by careful recruitment and training of staff and provision of comprehensive guidance on the standards and controls to be applied throughout the Association. A comprehensive programme of internal audit covering over time all the Association's main activities is on-going. Reports are made to the Group Audit & Performance Committee with appropriate action taken where necessary.
- (b) Management information systems have been developed to provide accurate and timeous data on all aspects of the business. Management accounts comparing actual results against budget are presented to the Board of Management quarterly.
- (c) Major business risks and their financial implications are assessed by reference to established criteria.
- (d) The financial implications of major business risks are controlled by means of delegated authorities, which reserve significant matters to the Board of Management for decision, segregation of duties in appropriate areas and physical controls over assets and access to records as detailed in the Association's Financial Regulations.
- (e) The Board of Management monitors the operation of the internal financial control system by considering regular reports from management and the external and internal auditors and ensures appropriate corrective action is taken to address any reported weaknesses.

While retaining overall responsibility for internal financial control, the Board of Management has delegated the day to day administration of the Association to the executive officers.

The Board of Management has reviewed the system of internal financial control in the Association during the year ended 31 March 2025. No weaknesses were found in internal financial control which could result in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements.

ANCHO LIMITED

**REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 MARCH 2025**

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are members of the Board of Management at the time the report is approved:

- So far as the Board members are aware, there is no relevant information of which the Association's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Board member in order to make himself/herself aware of any relevant information, and to establish that the Association's auditor is aware of the information.

Auditor

The Cairn Group is currently undertaking a competitive tender for the provision of external audit services and a recommendation will go to the AGM re the appointment of the auditor for 2025/26.

The Report of the Board of Management (incorporating the Strategic Report) has been approved by the Board of Management and signed on its behalf by:



**Audrey Simpson
Secretary**

Date: 28 August 2025

ANCHO LIMITED

REPORT BY THE AUDITOR TO THE BOARD OF MANAGEMENT OF ANCHO LIMITED ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 MARCH 2025

In addition to our audit of the Financial Statements, we have reviewed your statement on page 4 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements on corporate governance matters within Bulletin 2009/4 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 reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 4 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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



Azets Audit Services
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 1 September 2025

Azets Audit Services is eligible for appointment as auditor of the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ANCHO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCHO LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of ANCHO Limited (the 'Association') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, the Statement of Changes in Capital and Reserves, the Statement of Financial Position, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 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 prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements issued by the Scottish Housing Regulator.

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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our 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.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to the going concern accounting policy included with note 2 of the financial statements, which explains that the trade and assets of the Association have been transferred to Cairn Housing Association Limited on 1 April 2025 via a transfer of engagement and that the Association will be wound up within 12 months of the signing date of these financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern. Our opinion is not modified in respect of this matter.

Other information

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

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

We have nothing to report in this regard.

ANCHO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCHO LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Board of Management

As explained more fully in the Statement of the Board of Management's Responsibilities set out on page 3 the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management 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 Board of Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

ANCHO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCHO LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the Association, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Association is complying with that framework. Based on this understanding, we 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 a basis for our opinion. This includes consideration of the risk of acts by the Association that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including 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 identified the laws and regulations applicable to the Association through discussions with the Board of Management members and the senior management team, and from our 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, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements issued by the Scottish Housing Regulator and taxation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Board of Management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

ANCHO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCHO LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Auditor's responsibilities for the audit of the financial statements (continued)

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 the Board of Management and relevant sub-committees;
- enquiring of the senior management team and the Board of Management as to actual and potential litigation and claims;
- reviewing legal and professional fees paid in the year for indication of any actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, the Scottish Housing Regulator, OSCR and the Association's legal advisors.

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 the senior management team and the Board 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.

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 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

ANCHO LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANCHO LIMITED ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

Use of our report

This report is made solely to the Association'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 Association's members, as a body, 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.



Azets Audit Services
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 1 September 2025

Azets Audit Services is eligible for appointment as auditor of the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

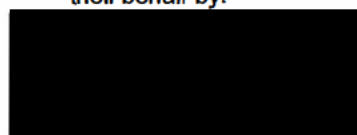
ANCHO LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Note	£	2025 £	£	2024 £
Turnover	4		3,636,557		3,431,999
Operating expenditure	4		(3,121,819)		(2,967,085)
Operating expenditure – exceptional	4		-		(1,000,000)
Operating surplus/(deficit)	4, 10		514,738		(535,086)
Gain/(Loss) on disposal of housing properties	10a		8,255		-
Interest receivable and other income	8	15,597		18,443	
Interest payable and similar charges	9	(317,769)		(353,401)	
			(302,172)		(334,958)
Surplus/(deficit) for the year			220,821		(870,044)

The results for the year relate wholly to continuing activities. Note, these activities were transferred to Cairn Housing Association Limited on 1 April 2025 via a transfer of engagement.

The financial statements were approved by the Board of Management on 28 August 2025 and signed on their behalf by:



Nigel Fortnum
Vice-Chair



Audrey Simpson
Secretary



Steven Travers
Board member

The notes form part of these financial statements.

ANCHO LIMITED

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2025**

	Share Capital £	Revenue Reserve £	Total £
Balance at 1 April 2024	45	15,603,696	15,603,741
Total comprehensive income	-	220,821	220,821
Shares issued during the year	1	-	1
Shares cancelled in the year	(13)	-	(13)
Balance at 31 March 2025	<u>33</u>	<u>15,824,517</u>	<u>15,824,550</u>

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2024**

	Share Capital £	Revenue Reserve £	Total £
Balance at 1 April 2023	55	16,473,740	16,473,795
Total comprehensive income	-	(870,044)	(870,044)
Shares issued during the year	3	-	3
Shares cancelled in the year	(13)	-	(13)
Balance at 31 March 2024	<u>45</u>	<u>15,603,696</u>	<u>15,603,741</u>

The notes form part of these financial statements.

ANCHO LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025**

	Note	£	2025 £	£	2024 £
Tangible fixed assets					
Housing properties	12a		21,640,823		22,026,714
Other Fixed Assets	12a		60,001		61,909
Investment properties	12b		335,000		335,000
			<u>22,035,824</u>		<u>22,423,623</u>
Current Assets					
Stock		827		2,197	
Debtors	14	112,000		125,177	
Cash and cash equivalents	15	1,457,401		1,410,281	
		<u>1,570,228</u>		<u>1,537,655</u>	
Creditors: amounts falling due within one year	16	(1,308,610)		(1,230,851)	
Net current assets			<u>261,618</u>		<u>306,804</u>
Total assets less current liabilities			<u>22,297,442</u>		<u>22,730,427</u>
Creditors: amounts falling due after more than one year	17		(4,658,683)		(5,226,686)
Provision	19		(1,814,209)		(1,900,000)
Net Assets			<u>15,824,550</u>		<u>15,603,741</u>
Capital and reserves					
Share capital	20		33		45
Revenue reserve	21		15,824,517		15,603,696
			<u>15,824,550</u>		<u>15,603,741</u>

The financial statements were approved by the Board of Management on 28 August 2025 and signed on their behalf by:

Nigel Fortnum
Vice-Chair

Audrey Simpson
Secretary

Steven Travers
Board member

The notes form part of these financial statements.

ANCHO LIMITED

**STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	Note	2025 £	2024 £
Net cash inflow from operating activities	23	1,088,458	1,210,016
Cash flows from investing activities			
Purchase of property, plant, and equipment		(231,592)	(362,663)
Interest receivable		15,597	18,443
Proceeds from sale of property, plant and equipment		28,717	-
		(187,278)	(344,220)
Cash flows from financing activities			
Interest paid		(317,769)	(353,401)
Repayment of borrowings		(536,292)	(505,056)
Share capital issued	1	1	3
		(854,060)	(858,454)
Net change in cash and cash equivalents		47,120	7,342
Cash and cash equivalents at 1 April	15	1,410,281	1,402,939
Cash and cash equivalents at 31 March	15	1,457,401	1,410,281

Analysis of changes in net debt

	At 1 April 2024 £	Cash flows £	Other non-cash changes £	At 31 March 2025 £
Cash and cash equivalents				
Cash at bank and in hand	1,410,281	47,120	-	1,457,401
Borrowings				
Debt due within one year	(535,560)	-	(31,179)	(566,739)
Debt due after one year	(5,204,893)	536,292	31,179	(4,637,422)
	(5,740,453)	536,292	-	(5,204,161)
Total	(4,330,172)	583,412	-	(3,746,760)

The notes form part of these financial statements.

ANCHO LIMITED

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

1. General Information

The financial statements have been prepared in accordance with 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) and comply with the requirements of the Determination of Housing Requirements 2019 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018. The principal accounting policies are set out below.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgment in applying the Association's accounting policies (note 3).

These financial statements represent the results of the Association only, are presented in £GBP and are rounded to the nearest whole pound.

The Association is a Co-operative and Community Benefit Society limited by shares and incorporated in Scotland. The Association is a registered social landlord (306) and a registered charity (SC036082). The registered address is Sovereign House, Academy Road, Irvine, KA12 8RL.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities.

2. Principal accounting policies

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting subject to the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The effect of events relating to the year ended 31 March 2025, which occurred before the date of approval of the financial statements by the Board of Management have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2025 and of the results for the year ended on that date.

Going concern

The Association's trade and assets were transferred to Cairn Housing Association Limited via a transfer of engagement on 1 April 2025. The intention is now to wind up the Association within 12 months of the signing date of these financial statements and thus the Association is not considered a going concern. Therefore, the financial statements have been prepared on a basis other than going concern.

Turnover

Turnover represents rental and service charge income, factoring service income and fees or revenue grants receivable from local authorities and from the Scottish Government.

ANCHO LIMITED

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

2. Principal accounting policies (cont'd)

Apportionment of management expenses

Direct employee, administration and operating expenditure have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of costs of staff directly attributable to the operations dealt with in the financial statements.

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

Interest receivable

Interest income is recognised in the Statement of Comprehensive Income on an accruals basis.

Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Fixed assets - Housing properties

Housing properties are stated at cost less accumulated depreciation. The cost of such properties includes the following:

1. Cost of acquiring land and buildings;
2. Cost of construction; and
3. Development expenditure including administration costs.

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

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

Works to existing properties which fail to meet the above criteria are charged to the Statement of Comprehensive Income. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated.

ANCHO LIMITED

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

2. Principal accounting policies (cont'd)

Depreciation

1. Housing properties

Housing properties are reviewed for impairment if events or circumstances indicate that the carrying value is higher than the recoverable amount. Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. The following major components and useful lives have been identified by the Association:

Buildings	60 years	Roof	60 years	Doors and windows	25 years
Bathrooms	25 years	Radiators	30 years	Boilers	25 years
EWI	25 years	LD2	25 years	Rewires	30 years
Kitchens	20 years	Land	Not depreciated		

2. Other fixed assets

Depreciation is charged on other fixed assets so as to write off the asset cost less any recoverable value over its anticipated useful life.

The following rates have been used: -

Furniture and fittings	20% reducing balance
Office equipment and IT	25% reducing balance
Community Link Project Offices	In line with housing properties above

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal.

3. Investment properties

The investment properties are garages owned and rented out by the Association and are held at market value and no depreciation is therefore charged.

Provisions

Provisions are recognised when the Association has a legal or constructive present obligation as a result of a past event, it is probable that the Association will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period in which it arises.

ANCHO LIMITED

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

2. Principal accounting policies (cont'd)

Stocks

Stock held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Rental arrears

Rental arrears represent amounts due by tenants for rental of affordable housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in note 14.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs and are measured subsequently at amortised cost using the effective interest rate method.

Financial instruments

The Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans from banks.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation, or expiry.

ANCHO LIMITED

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

2. Principal accounting policies (cont'd)

Government capital grants

Government capital grants, at amounts approved by The Scottish Government or local authorities, are paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred Government capital grant and is released to income over the useful life of the assets it relates to on completion of the development phase. The accrual model requires the Association to recognise income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

Government revenue grants

Government revenue grants are recognised using the accrual model which means the Association recognises the grant in income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

Non-government grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Pension

The Association operates a defined contribution scheme with Aviva. The contributions payable are recognised in expenditure on an accruals basis.

Loans

Mortgage loans are advanced by Private Lenders under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments that have been given approval by the Scottish Government.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

ANCHO LIMITED

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

3. Judgements in applying policies and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The members of the Board of Management consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing properties as property, plant, and equipment in line with the requirements of the SORP;
- The amount disclosed as 'operating surplus' is representative of activities that would normally be regarded as 'operating'; and
- The identification of a cash-generating unit for impairment purposes.

The Board of Management is satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

<u>Estimate</u>	<u>Basis of estimation</u>
Useful lives of housing property components	The useful lives of housing properties and other fixed assets are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.
The valuation of investment properties	The investment properties (garages) are held at market value.
The valuation of the riverbank provision	The provision is the expected costs of repairing the riverbank based on an estimate provided by an independent 3 rd party civil engineering firm

ANCHO LIMITED

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

4. Particulars of Turnover, operating expenditure and operating (deficit)/surplus

	2025		2024	
	Turnover	Operating expenditure	Operating expenditure - exceptional	Operating surplus
	£	£	£	£
Affordable lettings (Note 5a)	3,422,348	(3,045,562)	(2,912,932)	(664,640)
Other activities (Note 5b)	214,209	(76,257)	(54,153)	129,554
	<u>3,636,557</u>	<u>(3,121,819)</u>	<u>(2,967,085)</u>	<u>(535,086)</u>
			Turnover	Operating expenditure - exceptional
			£	£
			3,248,292	(1,000,000)
			183,707	-
			<u>3,431,999</u>	<u>(1,000,000)</u>

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

5a.	Particulars of turnover, operating expenditure and operating (deficit)/surplus from affordable letting activities	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership Accommodation £	2025 Total £	2024 Total £
	Revenue from lettings					
	Rent receivable net of service charges	3,431,950	-	-	3,431,950	3,258,402
	Service charges	-	-	-	-	-
	Gross income from rent and service charges					
	Less: Rent losses from voids	3,431,950 (10,134)	-	-	3,431,950 (10,134)	3,258,402 (10,642)
	Net rent receivable					
	Release of deferred government capital grants	3,421,816	-	-	3,421,816	3,247,760
	Other revenue grants	532	-	-	532	532
		-	-	-	-	-
	Total turnover from affordable letting activities	3,422,348			3,422,348	3,248,292
	Expenditure on affordable letting activities					
	Management and maintenance administration costs	1,276,448	-	-	1,276,448	1,291,150
	Service charges	14,588	-	-	14,588	-
	Planned cyclical maintenance including major repairs	335,680	-	-	335,680	340,636
	Reactive maintenance costs	804,416	-	-	804,416	667,449
	Bad debts – rents and service charges	17,409	-	-	17,409	19,816
	Depreciation of affordable housing *	597,021	-	-	597,021	593,881
	Exceptional expenditure – Riverside works					
		-	-	-	-	1,000,000
	Operating expenditure on affordable letting activities	3,045,562			3,045,562	3,912,932
	Operating surplus on letting activities 2025	376,786			376,786	
	Operating deficit on letting activities 2024	(664,640)				(664,640)

*includes £28,653 (2024: £41,329) in respect of the loss on disposed components.

ANCHO LIMITED

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

5b. Particulars of revenue, operating expenditure & surpluses/deficits from other activities

	Grants from Scottish Ministers & Big Lottery Fund £	Other Revenue Grants £	Other Income £	Total Turnover £	Operating costs £	Other Operating costs £	Operating Surplus/ (Deficit) 2025 £	Operating Surplus/ (Deficit) 2024 £
Wider Role Activities	87,220	-	-	87,220	-	(42,382)	44,838	69,648
Factoring	-	-	36,885	36,885	-	(5,357)	31,528	3,287
Support Activities – Stage 3	-	-	18,731	18,731	-	(28,518)	(9,787)	(3,523)
medical adaptations	-	-	63,387	63,387	-	-	63,387	53,610
Commercial rent	-	-	7,986	7,986	-	-	7,986	6,532
Other Activities	-	-	-	-	-	-	-	-
Total from Other Activities 2025	87,220	-	126,989	214,209	-	(76,257)	137,952	-
Total from Other Activities 2024	110,066	-	73,641	183,707	-	(54,153)	-	129,554

ANCHO LIMITED

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

6. Directors' Emoluments

The directors are defined as the members of the Board of Management, Chief Executive or any other person reporting directly to the Chief Executive. The Chief Executive is remunerated by Cairn Housing Association Limited. No directors or members of the Board of Management received emoluments (excluding pension contributions) greater than £60,000 (2024: 60,000). No emoluments were paid to any member of the Board of Management during the year (2024: £nil).

The Executive officers are remunerated through Cairn Housing Association Limited.

7. Employee Information

	2025	2024
	£	£
Staff costs		
Wages and salaries	27,394	60,263
Social security costs	2,525	5,762
Employers Pension Contributions	5,246	7,181
Death In Service/III Health Cover	5,422	(3,607)
Holiday Pay Accrual	994	(2,052)
Recharge from Cairn Housing Association	806,325	884,223
	<u>847,906</u>	<u>951,770</u>

The average weekly number of persons employed by the Association during the year were as follows:

	2025 No	2024 No	2025 FTE	2024 FTE
Housing staff	-	-	-	-
Maintenance staff	-	1	-	1
Caretaking staff	1	1	1	1
Total	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>

New employees are employed by Cairn Housing Association Limited, and their payroll costs are recharged to ANCHO.

ANCHO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025****8. Interest receivable and other income**

	2025 £	2024 £
Bank interest	<u>15,597</u>	<u>18,443</u>

9. Interest payable and similar charges

	2025 £	2024 £
On bank loans	266,669	302,161
On loan from parent	<u>51,100</u>	<u>51,240</u>
	<u>317,769</u>	<u>353,401</u>

10. Operating surplus/(deficit) for the year

	2025 £	2024 £
Operating surplus/(deficit) is stated after charging:		
Depreciation – charged in respect of property, plant and equipment including loss on disposal of components	597,021	600,641
Operating Lease Rental - office	19,630	19,630
Auditor's Remuneration – external audit (excluding VAT)	15,750	15,000
Auditor's Remuneration – non audit services	1,000	640

11. Taxation

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities. No tax was due in respect of its other activities in the year (2024: *£nil*).

ANCHO LIMITED

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

12a. Tangible fixed assets

	Housing Properties Held For Letting £	Community Link Project Offices £	Office Equipment & IT £	Furniture & Fittings £	Total £
<u>Cost</u>					
At 1 April 2024	27,075,931	82,911	35,760	71,396	27,265,998
Additions during the year - Components	231,592	-	-	-	231,592
Disposals during the year - Properties	(25,411)	-	-	-	(25,411)
Disposals during the year - Components	(47,906)	-	-	-	(47,906)
At 31 March 2025	<u>27,234,206</u>	<u>82,911</u>	<u>35,760</u>	<u>71,396</u>	<u>27,424,273</u>
<u>Depreciation</u>					
At 1 April 2024	5,049,217	27,566	35,760	64,832	5,177,375
Provided during the year	568,368	1,417	-	491	570,276
Disposals during the year - Properties	(4,949)	-	-	-	(4,949)
Disposals during the year - Components	(19,253)	-	-	-	(19,253)
At 31 March 2025	<u>5,593,383</u>	<u>28,983</u>	<u>35,760</u>	<u>65,323</u>	<u>5,723,449</u>
<u>Net Book value</u>					
As at 31 March 2025	<u>21,640,823</u>	<u>53,928</u>	<u>-</u>	<u>6,073</u>	<u>21,700,824</u>
As at 31 March 2024	<u>22,026,714</u>	<u>55,345</u>	<u>-</u>	<u>6,564</u>	<u>22,088,623</u>

All land and housing properties are freehold.

The Association's Lenders have standard securities over 492 of the affordable housing units with a carrying value of £16,689,625 (2024: £17,139,192)

The Association clarifies its cash generating units in terms of the property schemes that it uses for asset management purposes.

Included in housing properties held for letting is land with a carrying value of £3,002,104 (2024: £3,005,657).

ANCHO LIMITED

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

12b. Investment properties	2025	2024
	£	£
At 1 April	335,000	335,000
Gain/(loss) on revaluation	-	-
At 31 March	<u>335,000</u>	<u>335,000</u>
Investment properties are garages leased to 3rd parties. The turnover and operating expenditure in relation to these properties is disclosed in Note 5b. There are 179 (2024: 179) investment properties. The minimum lease payments receivable in respect of leases in relation to investment properties are due within one year. This amounted to £68,630 (2024: £53,610). The garages were revalued on a fair value basis in August 2025 by Jones Lang LaSalle Limited. The gain on revaluation was not material to the financial statements and therefore will be recognised in 2025/26.		
13. Unit Numbers	2025	2024
	no	no
Affordable Housing properties – general needs	671	672
Investment properties - Garage units	179	179
Community Link Project offices	2	2
	<u>852</u>	<u>853</u>
14. Debtors	2025	2024
Amounts falling due within one year:		
Rental arrears	56,212	99,672
Less: bad debt provision	(39,733)	(61,306)
	<u>16,479</u>	<u>38,366</u>
Prepayments and accrued income	56,282	73,486
Other debtors	39,239	13,325
	<u>112,000</u>	<u>125,177</u>
15. Cash and cash equivalents	2025	2024
	£	£
Cash at bank and in hand	<u>1,457,401</u>	<u>1,410,281</u>
16. Creditors due within one year	2025	2024
	£	£
Bank loans	566,739	535,560
Trade creditors	346,002	49,064
Amounts due to parent	83,955	287,542
Rents in advance and homeowner floats	196,538	174,495
Deferred Government capital grants	532	532
Other creditors	6,808	6,812
Accruals and deferred income	108,036	176,846
	<u>1,308,610</u>	<u>1,230,851</u>

ANCHO LIMITED

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

17. Creditors due after more than one year

	2025 £	2024 £
Bank loans	3,177,422	3,744,893
Loan from parent	1,460,000	1,460,000
Deferred Government capital grants	21,261	21,793
	<u>4,658,683</u>	<u>5,226,686</u>
Bank loans		
Amounts falling due in:		
One year or more but less than two years	469,306	566,739
Two years or more but less than five years	1,644,604	1,566,003
Five years or more	1,063,512	1,612,151
	<u>3,177,422</u>	<u>3,744,893</u>

The Nationwide Building Society holds a standard security on 492 of the Association's 672 housing properties. The loan is a variable rate interest loan and is repayable in 2036. Interest is payable at SONIA + 1.47% per annum.

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

The loan from Cairn Housing Association Limited is a fixed interest rate loan and is repayable on the 25th anniversary of the date of the first advance which was 27 September 2018. The interest rate is 3.5% per annum.

18. Deferred Government capital grants

	2025 £	2024 £
<u>Housing grants</u>		
At 1 April	22,324	22,856
Grants received in year	-	-
Released to income in year	(532)	(532)
	<u>21,792</u>	<u>22,324</u>
At 31 March		
Split:		
Due within one year	532	532
Due between one and two years	532	532
Due between two and five years	1,596	1,596
Due in five years or more	19,132	19,664
	<u>21,792</u>	<u>22,324</u>
At 31 March		

ANCHO LIMITED

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

19. Provision - Riverbank

	2025	2024
	£	£
At 1 April 2024	1,900,000	900,000
Additions	-	1,000,000
Utilised in the year	(85,791)	-
At 31 March 2025	<u>1,814,209</u>	<u>1,900,000</u>

ANCHO is the owner of a 207m stretch of the riverbank (into the middle of the riverbed) of the River Annick, behind Annick Drive, North Ayrshire. The gabion retaining structure is in poor condition due to extensive corrosion and the riverbank has experienced significant erosion affecting the stability of the fences and garden structures of the residential units along Annick Drive. There are 24 houses whose gardens back onto the land owned by ANCHO, of which ANCHO owns 1. The remaining 23 houses are privately owned and were disposed of via Right to Buy prior to the land coming into ANCHO's ownership. This land was transferred to ANCHO as part of the original stock transfer from Scottish Homes (in 1999).

This is a complicated project and there are various options available as to the extent of work that could be performed to address the issue. The extent of the work carried out will determine how long the restoration will last. There are options available that are expected to last up to 30 years whilst a more extensive and expensive project could provide a solution that would last up to 150 years. Based on the current professional advice, the expected cost to the Association is now estimated at £1.9m, and £85.8k has been spent in 2024/25.

The preference of the Board would be to undertake works that provide a longer-term solution (150 years) however for this work to take place, the Association would need financial support from the Scottish Government and relevant agencies via grant funding. The Association will continue to engage with these parties in respect of securing this funding that would cover the additional cost of a longer-term solution. As this additional cost is dependent on securing the funding, this cost has not been incorporated into the year-end provision and is considered a contingent liability as at 31 March 2025.

ANCHO LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025****20. Share Capital**

	2025	2024
	£	£
Shares of £1 fully paid and issued at beginning of year	45	55
Shares issued during year	1	3
Shares cancelled during the year	(13)	(13)
	<u>33</u>	<u>45</u>
Shares issued at end of year	<u>33</u>	<u>45</u>

Each member of the Association holds one £1 share in the Association. These shares carry no right 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.

21. Revenue reserves

Revenue reserves represents the cumulative surpluses and deficits.

	2025	2025	2024	2024
	Office	Equipment	Office	Equipment
	£	£	£	£
22. Operating lease commitments				
Total commitment due within:				
Within one year	-	-	19,630	-
	<u>-</u>	<u>-</u>	<u>19,630</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>19,630</u>	<u>-</u>

ANCHO LIMITED

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

23. Statement of Cash Flows

	2025 £	2024 £
Reconciliation of net cash inflow from operating activities as at 31 March 2025		
Surplus/(deficit) for the year	220,821	(870,044)
Depreciation (including loss on disposal of components)	598,929	600,643
Release of deferred government grants	(532)	(532)
Decrease in stock	1,370	5,950
Decrease in debtors	13,177	10,853
Increase in creditors	46,580	128,201
(Use of) /increase in provisions	(85,791)	1,000,000
 Adjustments for investing and financing activities:		
Interest payable	317,769	353,401
Interest receivable	(15,597)	(18,443)
Shares cancelled during the year	(13)	(13)
Gain on sale of fixed assets	(8,255)	-
	<u>1,088,458</u>	<u>1,210,016</u>

24. Related Party Transactions

Committee Members

No member of the Association received any fee or remuneration during the year is £nil (2024: £nil). Members of the Board of Management were reimbursed for out of pocket travel and accommodation expenses amounting to £1,596 (2024: £700).

The total rent payable in the year relating to tenant Board members is £nil (2024: £nil).

Key Management Personnel

The total remuneration (including pension contributions and benefits in kind) paid to Key Management who are deemed to be the Executive Officers as noted was £nil (2024: nil).

Payroll Recharges

During the year, Cairn Housing Association Limited recharged payroll costs to ANCHO of £811,571 (2024: £885,706).

Other Recharges

During the year, Cairn Housing Association Limited recharged other admin costs to ANCHO of £266,054 (2024: £245,901)

ANCHO LIMITED

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

24. Related Party Transactions (continued)

Loan and other balances

During the year ANCHO received loans of £nil from Cairn Housing Association Limited. At the year end the total loan outstanding was £1,460,000 (2024: £1,460,000). Interest is charged on the loan at 3.5% per annum and totalled £51,100 (2024: £51,240). Repayment is due on the 25th anniversary of the date of the first advance which was 27 September 2018.

At the year end, there is also £83,955 (2024: £287,542) remaining payable to Cairn Housing Association Limited in respect of recharges of expenditure incurred on behalf of the Association.

25. Legislative provisions

The Association is incorporated in Scotland under the Co-operative and Community Benefit Societies Act 2014.

26. Post Balance Sheet Event

On 1 April 2024, there was a transfer of engagement from ANCHO Limited to its parent, Cairn Housing Association Limited. The intention is now to wind up ANCHO Limited within 12 months of the signing date of these financial statements and thus the Association is not considered a going concern. Therefore, the financial statements have been prepared on a basis other than going concern.