Charity registration number SC014968 (Scotland)

EDRADOUR HOUSING ASSOCIATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

EDRADOUR HOUSING ASSOCIATION

LEGAL AND ADMINISTRATIVE INFORMATION

Committee Of Management	Johnston Clark (Chairman) Murray Petrie Marjory MacDonald Robert Galloway Laura McDowall	
Charity registration	Scotland	SC014968
Principal address	10 Euclid Crescent Dundee DD1 1AG	
Auditor	bk plus Audit Limited 144 Nethergate Dundee DD1 4EB	
Bankers	Bank of Scotland Plc PO Box 17235 Edinburgh EH11 1YH	
Investment advisors	Blackadders Wealth Management LLP 10 Euclid Crescent Dundee DD1 1AG	

EDRADOUR HOUSING ASSOCIATION

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EDRADOUR HOUSING ASSOCIATION

COMMITTEE OF MANAGEMENT REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Committee of Management submit to the meeting their Report and Statement of Accounts duly audited for the year ended 31st December 2025. The Committee of Management are the Trustees of Edradour Housing Association.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Objectives and activities

The charity's objective and principal activity is to provide housing and associated amenities for elderly persons of limited means in the Burgh of Arbroath and elsewhere in the County of Angus. The Association provides 68 such houses in three streets in Arbroath, Edradour Gardens, Alveston Gardens, and Harry Nicoll Gardens.

Public benefit

The Committee of Management have paid due regard to guidance issued by the The Scottish Charity Regulator in deciding what activities the charity should undertake.

Achievements and performance

Significant activities and achievements against objectives

In the period under review, the properties were almost continually let at rents which compare favourably with local authority and other publicly funded housing. The Committee of Management believe that the properties are well maintained and there is a waiting list of approximately 112 applications for the houses.

The Association complies with the Scottish Quality Housing Standards 2015 and the Energy Efficiency Standard for Social Housing applicable from 2020.

During 2025, the Association undertook a rigorous assessment process of the energy efficiency needs, focussing initially on the 12 houses at Harry Nicoll Gardens which had older style electric heating. Consultants advised that gas central heating was the best option along with solar panels. This work was completed and included upgrades to insulation, raising the properties from a level D Energy Efficiency to a Level A, and from level E Environmental Impact to level B.

In addition, the consultants were engaged to undertake surveys of the houses at Edradour Gardens and work on these properties is ongoing in the current year.

Financial review

The results for the year are detailed in the Statement of Financial Activities and the notes to the accounts.

Total income for the year increased to £197,119 (2024: £191,140), comprising rental income of £152,803 and investment income of £44,316.

Expenditure increased to £459,146 (2024: £238,161), primarily due to significant maintenance and energy efficiency improvement works undertaken at Harry Nicoll Gardens. Maintenance and improvement expenditure totalled £380,012 compared with £153,201 in the previous year.

As a result, the Charity recorded a deficit before investment gains of £262,027 (2024: deficit £47,021). The investment portfolio performed strongly during the year, generating gains of £276,627 (2024: £178,179), resulting in an overall surplus for the year of £14,600 (2024: £131,158).

The Charity's investment portfolio increased in value to £2,895,271 at 31 December 2025 (2024: £2,727,776), while total funds increased to £4,106,875 (2024: £4,092,275). Cash balances at the year end were £64,148 (2024: £225,801), reflecting the significant investment in property improvements during the year.

The Committee of Management considers the Association's financial position to remain strong and is satisfied that its reserves and investment portfolio provide adequate resources to support future maintenance commitments and the continued delivery of its charitable objectives.

Reserves policy

The reserves of the Association originate from the original capital benefactions and donations together with the growth in value of the investments. The Committee of Management have adopted a reserve policy that ensures the continuing ability of the Association to meet its objectives. Some reserves are designated to meet maintenance and improvement costs of the properties whilst, in previous years, other reserves are designated based on the gains and losses on disposal of investments.

Investment policy

The primary objective is to balance income and capital growth on a moderately to adventurous basis, using a total returns model.

Major risks

Risk Management

The Committee of Management have assessed the major risks to which the Association is exposed, and particularly those related to the management of its properties and investments. The properties are insured on a valuation basis as advised by Murray Petrie, Chartered Surveyor and member of the Committee of Management, on an annual basis. The Association is registered as a Landlord with Angus Council and complies with all relevant legislation.

The Committee of Management believe that the investment risk to which the Association is exposed is acceptable in the context of the Association's overall financial position. The investments are held in a diversified portfolio managed by professional investment managers. The portfolio is exposed to market, credit, currency and interest rate risks. The Committee of Management manage these risks through regular review of the investment arrangements and the performance of the investment manager.

Plans for future periods

The Association has no plans for future development at present but would consider opportunities if they presented themselves. In the meantime, the Committee is focussed on improving the current housing stock to provide comfortable, affordable homes for the long-term benefit of the people of Arbroath.

Structure, governance and management

The Association was registered under the Industrial and Provident Societies Act 1893 on 14th December 1956 (Registered No: 1382R.Angus) and operates under the rules amended by Extraordinary General Meeting of the Association held on the 20th August 2004. The Association is also registered with the Office of the Scottish Charities Regulator under Reference No: SC014968.

The Committee of Management who served during the year and up to the date of signature of the financial statements were:

Johnston Clark (Chairman)	
Murray Petrie	
Campbell J.S. Clark	(Resigned 31 March 2026)
Marjory MacDonald	
Robert Galloway	
Laura McDowall	

Recruitment and appointment of trustees

The Association's business is managed by the trustees who are known as the Committee of Management.

The Association has no employees, and therefore management of the properties is delegated to Blackadders LLP. Investment of the Association's funds is managed by Blackadders Wealth Management LLP.

New members of the Committee of Management are assumed by existing members who take into account suitability of any nominee given the principles encompassed by the founding document, the area of operation of the Charity, and the background and skill of any nominee relative to the existing members' skill base.

All new members receive a copy of OSCR's publication 'Guidance and good practice for Charity Trustees' and support and training from the Committee of Management and Blackadders LLP.

Statement of Committee of Management responsibilities

The Committee of Management are responsible for preparing the Committee Of Management Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Committee of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that year.

In preparing these financial statements, the Committee of Management are required to:
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 charity will continue in operation.

The Committee of Management are responsible for keeping sufficient accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above report was approved by the Committee of Management.

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Johnston Clark (Chairman)
Member of Committee

Date: 01 September 2026 | 9:59 AM BST

INDEPENDENT AUDITOR'S REPORT

TO THE COMMITTEE OF MANAGEMENT OF EDRADOUR HOUSING ASSOCIATION

Opinion

We have audited the financial statements of Edradour Housing Association (the 'charity') for the year ended 31 December 2025 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 charity's affairs as at 31 December 2025 and of its incoming resources and application of resources, 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 Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 charity 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 the provisions available for small entities, in the circumstances set out in note 24 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Committee of Management use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity'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 Committee of Management with respect to going concern are described in the relevant sections of this report.

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 Committee of Management are 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.

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 Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Committee of Management report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Committee of Management

As explained more fully in the statement of Committee of Management responsibilities, the Committee of Management 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 Committee 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 Committee of Management are responsible for assessing the charity’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 of Management either intend 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 section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

At the planning stage, we assess the risk of material misstatement and any such irregularities and design audit procedures tailored to these risks which will be followed to ensure that we are capable of meeting our responsibilities in this area. Factors relevant to our assessment, which have a positive impact on the capability of our procedures to detect such irregularities, are the size of the entity, the complexity of the entity's operations and our understanding of their regulatory and control environments.
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Staff working on this audit assignment have been fully briefed in relation to the charity's activities, including the regulatory regime in which they operate.

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 evidence that is sufficient and appropriate to provide a 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 internal control.

EDRADOUR HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE COMMITTEE OF MANAGEMENT OF EDRADOUR HOUSING ASSOCIATION

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

- Conclude on the appropriateness of the Committee of Management'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 charity'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 charity 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.

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

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:
Murray Dalgety
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For and on behalf of bk plus Audit Limited, Statutory Auditor
Chartered Certified Accountants
144 Nethergate
Dundee
DD1 4EB
Date: 01 September 2026 | 12:10 PM BST

bk plus Audit Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

EDRADOUR HOUSING ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2025

Current financial year	Notes	Unrestricted funds general 2025 £	Unrestricted funds designated 2025 £	Restricted funds 2025 £	Total 2025 £	Total 2024 £
Income from:						
Charitable activities	3	152,803	-	-	152,803	144,475
Investments	4	44,316	-	-	44,316	46,665
Total income		197,119	-	-	197,119	191,140
Expenditure on:						
Raising funds	5	20,710	-	-	20,710	17,755
Charitable activities	6	58,424	380,012	-	438,436	220,406
Total expenditure		79,134	380,012	-	459,146	238,161
Net gains on investments	10	276,627	-	-	276,627	178,179
Net income/(expenditure)		394,612	(380,012)	-	14,600	131,158
Transfers between funds		(108,295)	108,295	-	-	-
Net movement in funds	8	286,317	(271,717)	-	14,600	131,158
Reconciliation of funds:						
Fund balances at 1 January 2025		2,125,592	806,153	1,160,530	4,092,275	3,961,117
Fund balances at 31 December 2025		2,411,909	534,436	1,160,530	4,106,875	4,092,275

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

EDRADOUR HOUSING ASSOCIATION

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2025

Prior financial year	**Notes**	**Unrestricted funds general 2024 £**	**Unrestricted funds designated 2024 £**	**Restricted funds 2024 £**	**Total 2024 £**
Income from:					
Charitable activities	**3**	144,475	-	-	144,475
Investments	**4**	46,665	-	-	46,665
Total income		191,140	-	-	191,140
Expenditure on:					
Raising funds	**5**	17,755	-	-	17,755
Charitable activities	**6**	67,205	153,201	-	220,406
Total expenditure		84,960	153,201	-	238,161
Net gains on investments	**10**	178,179	-	-	178,179
Net income/(expenditure)		284,359	(153,201)	-	131,158
Transfers between funds		(104,711)	104,711	-	-
Net movement in funds	**8**	179,648	(48,490)	-	131,158
Reconciliation of funds:					
Fund balances at 1 January 2024		1,945,944	854,643	1,160,530	3,961,117
Fund balances at 31 December 2024		2,125,592	806,153	1,160,530	4,092,275

EDRADOUR HOUSING ASSOCIATION

BALANCE SHEET

AS AT 31 DECEMBER 2025

		2025		2024	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**12**		1,160,530		1,160,530
Investments	**13**		2,895,271		2,727,776
			4,055,801		3,888,306
Current assets					
Debtors	**14**	161		400	
Cash at bank and in hand		64,148		225,801	
		64,309		226,201	
Creditors: amounts falling due within one year	**15**	(13,235)		(22,232)	
Net current assets			51,074		203,969
Total assets less current liabilities			4,106,875		4,092,275
The funds of the charity					
Share capital	**17**		27		27
Restricted income funds	**16**		1,160,530		1,160,530
Unrestricted funds - general	**19**		2,411,882		2,125,565
Unrestricted funds - designated			534,436		806,153
			4,106,875		4,092,275

The financial statements were approved by the Committee of Management on 26 August 2026.

DocuSigned by:
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Johnston Clark (Chairman)
Member of Committee

Signed by:
Robert Galloway
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Robert Galloway
Member of Committee

EDRADOUR HOUSING ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 £	2025 £	2024 £	2024 £
Cash flows from operating activities					
Cash absorbed by operations	**22**		(315,101)		(84,513)
Investing activities					
Purchase of investments		(60)		(2,700,886)	
Proceeds from disposal of investments		109,192		2,571,557	
Investment income received		44,316		46,665	
Net cash generated from/(used in) investing activities			153,448		(82,664)
Net cash generated from financing activities			-		-
Net decrease in cash and cash equivalents			(161,653)		(167,177)
Cash and cash equivalents at beginning of year			225,801		392,978
Cash and cash equivalents at end of year			64,148		225,801

The notes on pages 12 to 22 form part of these financial statements.

EDRADOUR HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

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1 Accounting policies

Charity information

Edradour Housing Association was registered under the Industrial and Provident Societies Act 1893 on 14th December 1956 (Registered No: 1328R.Angus) and operates under rules amended by Extraordinary General Meeting of the Association held on the 20th August 2004. The Association is also registered with the office of the Scottish Charities Regulator under Reference no: SC014968.

1.1 Basis of preparation

The financial statements have been prepared in accordance with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of investments to market value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Committee of Management have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Committee of Management continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Committee of Management in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the Committee of Management for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.4 Income

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Rental income from the charity's housing stock is recognised in the period it falls due.

1 Accounting policies (Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources.

Resources expended are included in the Statement of Financial Activities on an accrual basis, inclusive of any VAT which cannot be recovered.

- Charitable Activities include all expenditure in relation to providing the properties for rent including insurance and factoring charges.

- Investment Management Costs are those fees charged in relation to Portfolio Management.

- Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with the constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

1-36 Edradour Gardens	Nil
1-20 Alveston Gardens	Nil
1-12 Harry Nicoll Gardens	Nil

No depreciation is provided on the housing properties as the residual values and estimated useful lives are such that any depreciation would not be material. Provision will be made should any permanent diminution in the value of these properties occur, such provision being based on the subsequent valuation.

The Maintenance and Improvement Reserve is utilised to ensure that the properties are maintained at their current standards.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.8 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1 Accounting policies (Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity’s contractual obligations expire or are discharged or cancelled.

2 Critical accounting estimates and judgements

In the application of the charity’s accounting policies, the Committee of Management are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from charitable activities

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Chaitable income		
Rental income	152,803	144,475

4 Income from investments

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Income from listed investments	40,151	37,978
Interest receivable	4,165	8,687
	44,316	46,665

5 Expenditure on raising funds

	Unrestricted funds 2025 £	Unrestricted funds 2024 £
Investment management	20,710	17,755

6 Expenditure on charitable activities

	Charitable expenditure 2025 £	Charitable expenditure 2024 £
Direct costs		
Insurance	24,686	23,845
Law agents charges in respect of property matters	18,406	25,118
Maintenance and improvements	380,012	153,201
	423,104	202,164
Share of support and governance costs (see note 7)		
Governance	15,332	18,242
	438,436	220,406
Analysis by fund		
Unrestricted funds - general	58,424	67,205
Unrestricted funds - designated	380,012	153,201
	438,436	220,406

7 Support costs allocated to activities

	Charitable expenditure 2025 £	Total 2024 £
Governance	15,332	18,242

Governance costs comprise:	2025 £	2024 £
Audit fees	6,314	6,013
Law agents charges	5,090	4,718
Miscellaneous	3,928	7,511
	15,332	18,242

Governance costs includes payments to the auditors of £6,314 (2024- £6,013) for audit fees.

EDRADOUR HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

8 Net movement in funds

	2025	2024
	£	£
The net movement in funds is stated after charging/(crediting):		
Fees payable for the audit of the charity's financial statements	6,314	6,013

9 Maintenance and Improvements

	2025	2024
	£	£
Joiner	15,606	14,512
Plumbing and Electrical Work	236,037	36,840
Ground Maintenance	26,065	22,065
General Repairs	2,883	9,703
Roof Repairs	7,090	13,200
Angus Decorating	-	-
Energy Improvements	92,331	56,881
	380,012	153,201

10 Gains and losses on investments

	Unrestricted funds 2025	Unrestricted funds 2024
Gains/(losses) arising on:	£	£
Revaluation of investments	276,627	178,179

11 Taxation

The charity is a registered charity and is therefore entitled to exemption from taxation on income and gains from its charitable activities, provided such income and gains are applied for charitable purposes.

12 Tangible fixed assets

	1-36 Edradour Gardens	1-20 Alveston Gardens	1-12 Harry Nicoll Gardens	Total
	£	£	£	£
Cost				
At 1 January 2025	52,976	53,572	1,053,982	1,160,530
At 31 December 2025	52,976	53,572	1,053,982	1,160,530
Carrying amount				
At 31 December 2025	52,976	53,572	1,053,982	1,160,530
At 31 December 2024	52,976	53,572	1,053,982	1,160,530

The land and properties have an insured value of £24,745,500.

13 Fixed asset investments

	Listed investments
	£
Cost or valuation	
At 1 January 2025	2,727,776
Additions	60
Valuation changes	276,627
Disposals	(109,192)
At 31 December 2025	2,895,271
Carrying amount	
At 31 December 2025	2,895,271
At 31 December 2024	2,727,776

At the year end, the Charity's investment portfolio was managed by Blackadders Wealth Management LLP. The portfolio is held to generate long-term income and capital growth in support of the Charity's objectives. All investments are included at market value using quoted market prices for listed securities and fund valuation prices for collective investment schemes. The historical cost of the investments at the 31st December 2025 was £2,290,868 (2024 - £2,367,400).

As at 31 December 2025, the investment portfolio had a total market value of £2,895,271.

Material holdings
- Baillie Gifford Pacific B Acc – £190,988 (6.5% of portfolio)
- J P Morgan Global Growth & Income plc – £189,907 (6.4% of portfolio)
- Janus Henderson Global Sustainable Equity Fund – £159,494 (5.4% of portfolio)
- HarbourVest Global Private Equity Ltd – £158,621 (5.4% of portfolio)
- Royal London Sustainable Leaders Trust – £158,067 (5.4% of portfolio)

EDRADOUR HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2025

14 Debtors

Amounts falling due within one year:	**2025 £**	**2024 £**
Trade debtors	161	400

15 Creditors: amounts falling due within one year

	2025 £	**2024 £**
Trade creditors	13,235	22,232

16 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 January 2025 £	**At 31 December 2025 £**
A.S. Briggs	54,000	54,000
A.S. Briggs Trust	14,870	14,870
I.B. Briggs Trust	21,300	21,300
Allocation from Reserve	16,378	16,378
Mrs I.B. Briggs Executry	469,980	469,980
Allocation from Reserve	584,002	584,002
	1,160,530	1,160,530

Previous year:	**At 1 January 2024 £**	**At 31 December 2024 £**
	1,160,530	1,160,530

A.S. Briggs (£54,000), A.S Briggs Trust (£14,870), I.B.B Trust (£21,300) and an Allocation from Reserve (£16,378) are allocated for capital purposes for Edradour and Alveston Gardens, representing the initial cost/ valuation of these properties.

Mrs I.B. Briggs Executry (£469,980) and an Allocation from Reserve (£584,002) are allocated for capital purposes for Harry Nicoll Gardens, representing the initial cost/valuation of these properties.

17 Share capital

	2025	2024
	£	£
Initial underlying shares of the Association	27	27

18 Analysis of net assets between funds

	Unrestricted Funds 2025	Designated Funds 2025	Restricted Funds 2025	Total 2025	Total 2024
	£	£	£	£	£
Fund balances at 31 December 2025 are represented by:					
Tangible assets	-	-	1,160,530	1,160,530	1,160,530
Investments	2,360,835	534,436	-	2,895,271	2,727,776
Current assets/(liabilities)	51,074	-	-	51,074	203,969
	2,411,909	534,436	1,160,530	4,106,875	4,092,275

19 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the Committee of Managment for specific purposes:

		Movement in funds			
	Balance at 1 January 2025	Incoming resources	Resources expended	Transfers	Balance at 31 December 2025
	£	£	£	£	£
Maintenance & Improvement Reserve	351,941	-	(380,012)	108,295	80,224
Capital Reserve	454,212	-	-	-	454,212
	806,153	-	(380,012)	108,295	534,436

A detailed breakdown of the resources expended of £380,012 on the Maintenance and Improvement Reserve is given in Note 9.

Transfers into the Maintenance and Improvement Reserve are considered and agreed each year by the Committee of Management and are as follows:

	£
Transfers from general reserve for ongoing improvements at £1,500 per property	102,000
Allocation of interest on reserves	6,295
	108,295

20 Capital commitments

Amounts contracted for but not provided in the financial statements:

The Association has capital commitments at 31st December 2025 of £490,105 (2024 - £250,000). They are currently undertaking energy efficiency improvements works at 1-36 Edradour Gardens, Arbroath.

21 Related party transactions

Transactions with related parties
During the year the charity entered into the following transactions with related parties:

	Services Provided	
	2025	**2024**
	£	**£**
Other related parties	46,206	54,091
	46,206	54,091

Johnston Clark (Chairman), Laura McDowall (Secretary) and Campbell Clark who are all members of the Committee of Management are also Partners in Blackadders LLP, Solicitors, who provide management and factoring services to the Association. They are also Partners in Blackadders Wealth Management LLP.

Murray Petrie who is a member of the Committee of Management received £2,000 in the year to 31st December 2025 to cover expenses of property management.

During the year the value of these related party services were as follows:

	2025	**2024**
	£	**£**
Secretarial fees	5,090	4,718
Charges in relation to property matters	18,406	17,918
Investment Services	20,710	17,755
Professional services	-	7,200
Murray Petrie	2,000	6,500
	46,206	54,091

21 Related party transactions **(Continued)**

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2025	**2024**
	£	**£**
Other related parties	2,898	11,348
	2,898	11,348

22 Cash absorbed by operations	**2025**	**2024**
	£	**£**
Surplus for the year	14,600	131,158
Adjustments for:		
Investment income recognised in statement of financial activities	(44,316)	(46,665)
Fair value gains and losses on investments	(276,627)	(178,179)
Movements in working capital:		
Decrease in debtors	239	568
(Decrease)/increase in creditors	(8,997)	8,605
Cash absorbed by operations	(315,101)	(84,513)

23 Analysis of changes in net funds

The charity had no material debt during the year.

24 Non-audit services provided by auditor

In common with many businesses of our size and nature we use our auditor to assist with the preparation of the financial statements.