



OSPREY INITIATIVES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Registered in Scotland
Company Number: SC338850



OSPREY INITIATIVES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

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Registration Particulars:	
Company Number	SC338850

OSPREY INITIATIVES LIMITED

COMPANY INFORMATION

FOR THE YEAR ENDED 31 MARCH 2022

Osprey Initiatives Limited Board of Directors

Douglas Bodie, Chair

Catherine Darbyshire, Vice Chair

Stuart Robertson

Robert Hepburn

Leslie Allan (Resigned 15/09/2021)

Simpson Buglass (Appointed 15/09/2021)

Glenn Adcock (Resigned 30/11/2021)

Stacy Angus (Appointed 01/12/2021)

Gary Walker

Registered Office

22 Abercrombie Court

Prospect Road

Arnhall Business Park

Westhill

Aberdeenshire

AB32 6FE

Company Secretary

Clare Ruxton (Appointed 01/04/2022)

Solicitors

TC Young

69 George Street

Edinburgh

EH2 2JG

Peterkins

60 Market Place

Inverurie

Aberdeenshire

AB51 3XN

Auditors

RSM UK Audit LLP

Chartered Accountants

Third Floor, 2 Semple Street

Edinburgh

EH3 8BL

Bankers

Lloyds

PO Box 72

Bailey Drive

Gillingham Business Park

Gillingham

Kent

ME8 0LS

OSPREY INITIATIVES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors of Osprey Initiatives Limited (OIL) present their report and audited financial statements for the year to the 31 March 2022.

Background and Legal structure

Osprey Initiatives Limited (OIL), incorporated on 4 March 2008, is a company limited by shares. OIL is a wholly owned subsidiary of Osprey Housing Limited (OHL), a company limited by guarantee, and forms part of the Osprey Group, which comprises OHL and OIL. The company is able to act as a development agent for OHL and to undertake non-charitable trading otherwise not permitted under the parent company's charitable status.

Principal Activities

The principal activities of OIL are designed to add value to the Osprey Group and involve managing properties through private mid-market rent residential tenancies leased to it but owned by OHL. OIL also provides management services to third parties.

OIL's activities during 2021/22 are summarised below:

- Marketing, letting, management and maintenance of Mid-Market Rented (MMR) properties leased to it by OHL.
- Marketing, letting, management and maintenance of MMR properties on behalf of other third-party landlords.
- Letting, management and maintenance of Social Rented properties on behalf of other third-party landlords.

OIL's Strategic Objectives:

- Development – provide capability and capacity for an active development programme to build and maintain a sustainable, high quality portfolio of mid-market tenure housing.
- Add value through contributing to overall growth, capability and reputation of the Osprey Group.
- Contributing to supporting neighbourhoods and helping communities to thrive.
- Provide high quality, accountable management and maintenance services to other third-party landlords through partnership arrangements.
- Where appropriate, to offer development services to other social landlords and providers of affordable housing in the North East of Scotland.

Directors and Governance

It is the responsibility of the Board to provide strategic and policy direction, alongside performance monitoring.

A key objective of OIL is to contribute to the growth of OHL. It must also examine other appropriate business opportunities such as ongoing provision of services to Registered Social Landlords and other landlords/organisations. Directors therefore ensure they fulfil their roles with appropriate autonomy within a defined governance arrangement supported by written legal and service level agreements.

OSPREY INITIATIVES LIMITED

DIRECTORS' REPORT - Continued

FOR THE YEAR ENDED 31 MARCH 2022

Directors and Governance – continued

In order to ensure effective governance and mitigate against poor service delivery the Board receive regular performance, market operation and strategic reports from OHL management along with key reports from the external auditors. This provides reasonable assurance that specific control procedures are in place and are being followed.

Governance as well as operations has been impacted by the restrictions imposed by the COVID-19 pandemic.

Operational Review

It has been another challenging year for OIL. Efforts continued to be focussed on ensuring the Mid-Market Rented (MMR) properties leased from OHL remain an attractive proposition to potential new tenants in the context of a highly competitive private rental market with significantly increased choice of homes.

However, during the year Aberdeen Housing Soroptimist Housing Society completed its transfer of engagements to OHL, bringing the management contract with OIL to an end. Hillcrest Enterprises also brought their management agreement with OIL to an end, having reached sufficient stock levels to bring their management in-house.

Following from this and the strategic decision taken by the OHL Board not to develop any further MMR units the OIL Board took the decision to advise OHL that it could no longer accept the level of charges for staff services currently being applied.

The service has been re-modelled by OHL and future costs have been significantly reduced. This is expected to return OIL to profitability next year.

Market Overview – MMR

The OHL and OIL Boards remain of the view future provision of this tenure will only be considered on an exceptional basis. This is largely due to the narrowing of rental levels between the Private Rented Sector and MMR homes.

In turn the narrowing of rent levels has had a profound impact on OIL's business plan. To remain competitive, it has not been possible to raise rents for over 7 years now and this has reduced the planned contribution OIL could make to the Group in relation to overall income generation and potential for re-investment.

MMR remains an intermediary affordable housing tenure aimed at providing an alternative option for those who are economically active and/or may have an expressed need but are otherwise unable to access either conventional social housing or do not earn sufficient income to meet their own needs in the owner occupied market. MMR provides tenure choice and contributes to balanced communities.

OSPREY INITIATIVES LIMITED
DIRECTORS' REPORT - Continued
FOR THE YEAR ENDED 31 MARCH 2022

Operational Review - continued

Market Overview – MMR - continued

However, the housing market in Aberdeen City and the Aberdeen housing market area that also includes parts of Aberdeenshire continues to go through significant adjustment as a consequence of the ongoing pandemic and increase in supply within the Private Rented Sector (PRS). In 2021/22, further new build in the sector has resulted in a continued oversupply, particularly of 2 bed flats. This much wider choice combined with static or depressed rent levels has left little room for manoeuvre on OIL's own rental levels.

While OIL's performance has held up reasonably well – it has been affected by restrictions including the well-publicised ban on evictions during the pandemic. This did result in some tenancies "assuming" that rent payments could be deferred or simply not paid and arrears did increase.

In relation to relets it became more difficult during the year to continue to ensure homes were let within good timescales. 2021/22 saw Osprey MMR rents again frozen to ensure it continues to attract tenants.

OIL retains a very strong brand identity based on delivery of a high-quality product, customer service excellence and an ethical approach to renting. While this helps OIL remain strongly positioned in the market, operations are becoming increasingly challenging.

Given there is now an unprecedented level of supply in the PRS sector in which MMR operates it has, as expected, put pressure on OIL's originally projected rental income and void turnaround. Performance has remained strong with void periods and associated rental loss minimised. Some investment to individual properties has been required to ensure MMR homes remain as attractive as possible to potential new tenants.

The split in OIL's leased MMR properties at 31 March 2022 and 31 March 2021 was:

Aberdeen City – 37 units
Aberdeenshire – 51 units

Managed Services

OIL has continued to generate income from management fees charged for providing services to other landlord organisations including:

- Aberdeen Soroptimist Housing Society (ASHS) - 15 units at 31 October 2021 (March 2021: 15 units).
- Hillcrest Enterprises - 58 units at 31 March 2022 (March 2021: 58 units).

However, Aberdeen Housing Soroptimist Housing Society completed its transfer of engagements to OHL ON 1 November 2021, bringing the management contract with OIL to an end. Hillcrest Enterprises also brought their management agreement with OIL to an end on 31 March 2022, having reached sufficient stock levels to bring their management in-house.

OSPREY INITIATIVES LIMITED
DIRECTORS' REPORT - Continued
FOR THE YEAR ENDED 31 MARCH 2022

Future Business Opportunities

OIL continues to look for potential business development opportunities that include short and potentially longer-term projects. However, this has proven particularly difficult during such a challenging year and this shows no sign of changing into 2022/23.

On a more positive note, OIL is now well established as having significant experience and expertise in marketing and letting MMR properties which is recognised in the sector. This continues to help position OIL well in the face of increasing competition from PRS Letting Agents.

Development and business opportunities are not readily emerging and will be subject to rigorous and robust strategic review and risk assessment.

Resources

Despite a difficult year under challenging circumstances both internally for OIL and externally for operations customer service excellence continues to underpin the ongoing ethos of OIL's business. This ongoing commitment has resulted in regular review of how we continue to deliver OIL's offering. Resources for service delivery are structured in a way that has enabled OIL to be flexible and responsive to market conditions.

A dedicated team employed by OHL is no longer feasible as OIL's activities have significantly reduced. Unfortunately, this resulted in both the Leasing Services Manager and a Leasing Services Assistant leaving OHL. The service delivery has been re-modelled and costs will be reduced from the start of 2022/23.

The Board consider performance during the year has been satisfactory in difficult circumstances. Performance has remained acceptable given that the MMR client group has been particularly susceptible to the impact of COVID-19. However, it is recognised tenant turnover within the MMR stock has increased and, some void times are increasing. In overall terms turnaround of OIL's MMR stock is still on average outperforming private sector re-let times. Arrears have risen over the year and this again represents the difficult economic and operational climate.

OIL has a range of policies, procedures, comprehensive insurances alongside continuing analysis of market intelligence and early response mechanisms, which together make up the Risk Management Strategy inclusive of an anti-money laundering policy that will be directly applicable to OIL's activities and is a key counter fraud measure.

Financial Review

Turnover for the year was £699,576 (2021: £771,613) whilst costs for the year were £774,081 (2021: £698,890). This has resulted in an operating loss of £74,505 (2021: profit £72,723). The Board will not gift aid to the parent company until the reserve position allows. Corporation tax of £nil (2021: (£nil)) is due to be paid. The loss before and after taxation is £74,505 (£2021: profit £72,839).

OSPREY INITIATIVES LIMITED
DIRECTORS' REPORT - Continued
FOR THE YEAR ENDED 31 MARCH 2022

Going Concern

Having scrutinised detailed cash flow and business performance forecasts, that have been stress tested to reflect plausible downside scenarios as a result of the ongoing COVID-19 pandemic, the current cost of living crisis and the uncertain economic outlook for the UK economy, the Board of Directors is satisfied that the Company has sufficient cash reserves to enable it to meet its obligations as they fall due for a period of a least 12 months from the date of signing of these financial statements.

As such, the directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, it continues to adopt the going concern basis for preparing these financial statements.

Statement as to Disclosure of Information to Auditors

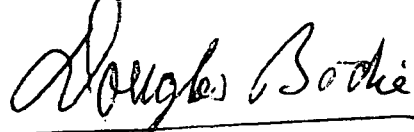
The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditors

A resolution to re-appoint RSM UK Audit LLP will be put to the members at the next AGM as per section 487 of the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the Board



Douglas Bodie
Chair

Date: 10 August 2022

OSPREY INITIATIVES LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 MARCH 2022

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent; and
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OSPREY INITIATIVES LIMITED
FOR THE YEAR ENDED 31 MARCH 2022**

Opinion

We have audited the financial statements of Osprey Initiatives Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, statement of financial position, statement of movement in equity 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 FRS 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 company's affairs as at 31 March 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 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 company 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 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 directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OSPREY INITIATIVES LIMITED - Continued
FOR THE YEAR ENDED 31 MARCH 2022

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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements;
- and the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
OSPREY INITIATIVES LIMITED - Continued
FOR THE YEAR ENDED 31 MARCH 2022

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 9, the directors 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 directors 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

OSPREY INITIATIVES LIMITED - Continued

FOR THE YEAR ENDED 31 MARCH 2022

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls and the risk of fraud in revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, as well as reviewing a risk-based sample of income to confirm valid and recorded in the correct period.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Kelly Adams

KELLY ADAMS (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor, 2 Sempie Street
Edinburgh
EH3 8BL

Date: 29/09/22

OSPREY INITIATIVES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022 £	2021 £
Turnover		699,576	771,613
Cost of sales		<u>(750,735)</u>	<u>(674,659)</u>
Gross (Loss)/Profit		(51,159)	96,954
Administrative expenses		<u>(23,346)</u>	<u>(24,231)</u>
Operating (Loss)/Profit	2	(74,505)	72,723
Interest Receivable and Other Income		<u>-</u>	<u>116</u>
(Loss)/Profit on Ordinary activities before taxation		(74,505)	72,839
Taxation	4	<u>-</u>	<u>-</u>
(Loss)/Profit on ordinary activities after tax and profit for the financial year		(74,505)	72,839
Retained Earnings at 1 April		<u>403,889</u>	<u>331,050</u>
Retained Earnings at 31 March		<u>329,384</u>	<u>403,889</u>

The income statement has been prepared on the basis that all operations are continuing operations.

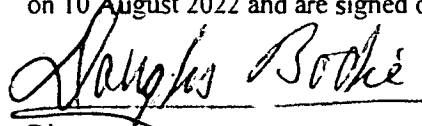
OSPREY INITIATIVES LIMITED
STATEMENT OF FINANCIAL POSITION
(Company no. SC338850)

AS AT 31 MARCH 2022

		Notes	
		2022	2021
		£	£
Current Assets			
Debtors	5	25,051	28,991
Cash at Bank and In Hand		409,342	638,795
		<u>434,393</u>	<u>667,786</u>
Creditors: amounts falling due within one year	6	<u>(104,909)</u>	<u>(263,797)</u>
Net Current assets		<u>329,484</u>	<u>403,989</u>
Total assets less liabilities		329,484	403,989
Creditors: amounts falling due after more than one year		<u>-</u>	<u>-</u>
Net Assets		<u>329,484</u>	<u>403,989</u>
Capital and Reserves			
Share Capital	8	100	100
Reserves		329,384	403,889
Total Equity		<u>329,484</u>	<u>403,989</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements on pages 14 to 23 were approved and authorised for issue by the directors on 10 August 2022 and are signed on their behalf by:



Director
Douglas Bodie

Date: 10 August 2022

OSPREY INITIATIVES LIMITED
STATEMENT OF MOVEMENT IN EQUITY
YEAR TO 31 MARCH 2022

	Share	Income and	Total
	capital	expenditure	
		reserve	
	£	£	
Balance at 1 April 2020	100	331,050	331,150
Surplus for the year	-	72,839	72,839
Balance as at 31 March 2021	100	403,889	403,989
(Loss) for the year	-	(74,505)	(74,505)
Balance at 31 March 2022	100	329,384	329,484

OSPREY INITIATIVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

General Information

Osprey Initiatives Limited is a private company limited by shares and incorporated in Scotland (SC338850). The registered office address of the Company is 22 Abercrombie Court, Prospect Road, Arnhall Business Park, Westhill, Aberdeenshire AB32 6FE.

1. Accounting Policies

(a) Basis of Accounting

The principal accounting policies of the Company are set out in the paragraphs (b) to (k) below. These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime, and under the historical cost convention. Monetary amounts in their financial statements are rounded to the nearest whole £1 except where otherwise indicated.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- Section 7 'Statement of cash flows' – Preparation of a cash flow statement
- Section 33 'Related party disclosures' – Disclosure of key management personnel.

The financial statements of the Company are consolidated in the financial statements of Osprey Housing Limited. The consolidated financial statements of Osprey Housing Limited are available from its registered office, 22 Abercrombie Court, Prospect Road, Arnhall Business Park, Westhill, Aberdeenshire AB32 6FE.

OSPREY INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting Policies – continued

(b) Going Concern

The Directors have reviewed detailed cash flow and business performance forecasts and based on the assumptions underlying these forecasts, the Directors are satisfied that the Company has sufficient cash reserves to enable it to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. As such, the directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. For this reason, it continues to adopt the going concern basis for preparing these financial statements.

(c) Functional and Presentational Currencies

The financial statements are presented in sterling, which is also the functional currency of the company.

(d) Turnover

Turnover represents income from management contracts with the other bodies, and rental income from mid-market units, and is recognised when receivable.

(e) Development Administration Costs

Development administration costs relating to development activities are charged to work in progress based on an apportionment of the staff time spent on this activity.

(f) Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

(g) Operating Leases

Rentals paid in respect of operating leases are charged to the Statement of Comprehensive Income account as incurred.

OSPREY INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting Policies – continued

(i) Value Added Tax

Osprey Initiatives Limited is registered for VAT and is part of the Osprey Group VAT Registration, effective from 1st May 2013. OIL is partially exempt and irrecoverable VAT is calculated throughout the year. Expenditure is shown inclusive of VAT.

(j) Pension

There are no staff employed directly by Osprey Initiatives Limited and therefore no pension scheme is operated.

(k) Financial Instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets

Trade and other debtors

Trade debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

OSPREY INITIATIVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 MARCH 2022

1. Accounting Policies – continued

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade and other creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

OSPREY INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 MARCH 2022

2. Operating Profit	2022	2021
	£	£
Operating Profit is stated after charging:		
Operating leases – land and buildings	414,681	414,681
Auditors' remuneration – Audit fee	7,702	5,359
Other remuneration to bodies related to RSM UK Audit LLP	<u>3,104</u>	<u>2,325</u>

3. Employees

The Company has no direct employees as they are all employed by its parent, Osprey Housing Limited, which recharges for units leased to the Company and time apportionment for all other services. Payments made by the parent and recharged to the Company amounted to £190,324 (2021: £138,717).

Expenses reimbursed to Directors for the period were £nil (2021: £nil).

4. Taxation	2022	2021
Analysis of (credit)/charge in period	£	£
Current tax	-	-
UK Corporation tax (credit)/charge	-	-
Current tax (credit)/charge	<u>-</u>	<u>-</u>

Corporation tax payable for 2022 is £nil (2021: £nil).

OSPREY INITIATIVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS - Continued

FOR THE YEAR ENDED 31 MARCH 2022

5. Debtors	2022	2021
	£	£
Rents in arrears	22,021	11,833
Less provision for doubtful debts	(14,986)	(6,715)
	<u>7,035</u>	<u>5,118</u>
Trade debtors	-	-
Corporation Tax	-	-
Due from Group (Note 12)	546	1,376
Other debtors and prepayments	<u>17,470</u>	<u>22,497</u>
	<u>25,051</u>	<u>28,991</u>
 6. Creditors due within one year	 2022	 2021
	£	£
Prepaid Rent	12,035	6,627
Trade Creditors	14,419	2,755
Other Tax and Social Security	2,631	3,452
Accruals	44,525	30,029
Due to Group (Note 12)	2,952	922
Other creditors	<u>28,347</u>	<u>220,012</u>
	<u>104,909</u>	<u>263,797</u>
 7. Financial Instruments	 2022	 2021
	£	£
Financial assets		
Debt instruments measured at amortised cost	25,051	28,991
Total	<u>25,051</u>	<u>28,991</u>
Financial liabilities		
Measured at amortised cost	90,243	253,718
Total	<u>90,243</u>	<u>253,718</u>
 8. Share Capital	 2022	 2021
	£	£
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

OSPREY INITIATIVES LIMITED
NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 MARCH 2022

9. Leasing Commitments

At 31 March 2022, the Company had annual rental commitments under non-cancellable operating leases as detailed below:

	2022	Restated 2021
	£	£
Land and Buildings		
Operating leases which expire:		
Within one year	414,681	414,681
Within one to two years	63,991	414,681
Within two to five years	37,328	101,319
	<u>516,000</u>	<u>930,681</u>

OIL signed a 5 year lease on 1 April 2018 with OHL for the management of 77 MMR properties and signed a 5 year lease on 28 October 2019 with OHM (subsequently transferred to OHL as part of a transfer of engagements that took place 1 April 2021) for the management of a further 11 MMR properties.

10. Capital Commitments

Osprey Initiatives Limited has no capital commitments at the year-end (2021: £nil).

11. Contingent Liability

Osprey Initiatives Limited is in a VAT group with its parent company, OHL. If OHL is unable to pay their VAT, OIL is potentially liable for the full amount payable of £23,824 at 31 March 2022 (2021: £5,655).

12. Related Party Transactions

During the period, the parent company OHL incurred expenses, including employee costs as detailed in Note 3, on behalf of OIL of £215,635 (2021: £171,528). In addition, £414,681 (2021: £350,690) was charged to OIL for the lease of 88 units (2021: 77 units) owned by OH (The figure of 88 units now includes the 11 units previously owned by OHM prior to their transfer of engagements with OHL on 1 April 2021). During the period, OIL incurred expenses on behalf of OHL of £696 (2021: £926)

The balance due to OHL at the period end was £2,952 (2021: £896) and the balance due from OHL was £546 (2021: £1,376). There are no guarantees or security and these balances are repayable on demand. No gift aid payment was made to OHL for the year ended 31 March 2022 (2021: £nil).

13. Ultimate Controlling Party

The ultimate controlling party is Osprey Housing Limited, a company and Registered Social Landlord registered in Scotland. Consolidated group accounts are available from Osprey Housing Limited, 22 Abercrombie Court, Prospect Road, Arnhall Business Park, Westhill, Aberdeenshire AB32 6FE.