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Homes for Life Housing Partnership
ANNUAL REPORT and GROUP ACCOUNTS
For the year ended 31 March 2026

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Homes for Life Housing Partnership
Report of the Board of Management

ANNUAL REPORT and GROUP ACCOUNTS

For the year ended 31 March 2026

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For the year ended 31 March 2026

BOARD, EXECUTIVE and ADVISORS

Board of Directors
Members of the Board of Management during the year were as follows:
David Leishman (Chair)
Deborah Gillett (Vice Chair)
Rob Hughes
Jamila Greig
Donald Graeme MacGregor
Alistair Kettles (Chair HfL Audit and Compliance Sub Committee)
Jav Yaqub
Shamsu Rahman
Scott Robertson
David Ogilvie (Appointed 20-05-2026) (Chair HfL Plus)
Raymond Strang (Appointed 3-12-2025)
Otis Berry (Appointed 24-09-25)
Neil Macdonald (Resignation 21-05-2025)
David Rose – (Resignation 24-09-2025)
Otis Berry (Resignation 26-01-2026)
Raymond Strang (Resignation 24-02-2026)

Registered Office
Tolbooth Gate
57 Market Street
Haddington
East Lothian EH41 3JG

Chief Executive & Secretary
Gill Binnie

Auditor
AAB Audit & Accountancy Limited
133 Finnieston Street
Glasgow
G3 8HB

Internal Auditor
Cameron Audit Ltd
4/2 Grosvenor Gardens
Edinburgh
EH12 5JU

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BOARD, EXECUTIVE and ADVISORS continued

Solicitors
T C Young
7 West George Street
Glasgow
G2 1BA

Bankers
The Royal Bank of Scotland plc
32 Court Street
Haddington EH41 3NS

Registered Charitable Company Limited by Guarantee Number
SC188299

Charity Number
SC028542

Scottish Housing Regulator Registration Number
HAC311

Letting Agent Registration – Homes for Life Plus
LARN2512009

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STRATEGIC REPORT

For the year ended 31 March 2026

The directors present their Strategic Report of the Board of Directors and the audited financial statements for the year ended 31 March 2026.

Principal activities
Homes for Life's (HFL) principal activity during the year was the provision, improvement and management of affordable housing for social and mid-market rent in East Lothian.

Review of Business
The directors are delighted to present a very positive report on HfL's activity during 2025-26.

During the year we have continued an increased level of planned and cyclical investment in our housing stock and expanded our service offer with the establishment of mid-market rent service and provision, under our subsidiary HfL Plus of 16 affordable homes for mid-market rent in East Lothian.

Revised 30-Year Plan
The 30-year plan was updated at the end of March 26 to reflect the business model assumptions that were relevant at that time. The 30-year plan is kept under review and updated to reflect all and any material changes in HFLs financial performance and plans. The new Asset Management Strategy developed alongside a detailed stock condition survey carried out in 2026 will inform the future business planning process alongside a HfL Group 5-year Strategic Plan for the period 2027-2032.

Internal Audit Outcomes

Internal Audit	Assurance Outcome
Estate Management	High Assurance
Tenant Safety	High Assurance
Rental Income and Arrears Management	Substantial Assurance
Overall Internal Audit outcome for 2025-26	High Assurance

Performance Indicators
HfL participates in the Scottish Housing Network benchmarking club. The Board review ARC performance quarterly and benchmark annually against averages for all Registered Social Landlords in Scotland. The Board of Management is pleased to report that HfL continues to perform extremely well against the relevant Scottish Average Benchmarks. Further detailed KPI information as well as a useful KPI comparison tool can be found at www.scottishhousingregulator.gov.uk.

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Table 1: Summary of Performance Outputs Reported in the ARC

Indicators	2025/2026	2024/2025
Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year (Indicator 23)	0.51%	0.70%
Percentage of reactive repairs carried out in the reporting year completed right first time (Indicator 10)	98.62%	86.00%
Percentage of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service (Indicator 12)	51.79%	75.3%
Average length of time to complete emergency repairs (Indicator 8)	3.45 Hours	2.87 hours
Average length of time taken to complete non-emergency repair (Indicator 9)	11.15 days	6.3 days
Percentage of all complaints responded to in full at Stage 1 and percentage of all complaints responded to in full at Stage 2. (Indicators 3 & 4)	100% Stage 2 (n/a)	100.00% Stage 2 (n/a)
Rent collected as percentage of total rent due in the reporting year (Indicator 22)	105.05%	100%
Percentage of tenants satisfied with the overall service provided by their landlord (Indicator 1)	83.44%	83.44%
Percentage of tenants satisfied with the opportunities given to them to participate in their landlord's decision-making processes (Indicator 5)	93.38%	93.4%
SHQS Compliance	92%	99%

Financial Indicators

	2026	2025
Quick Ratio	2.50	3.57
Net Surplus %	36.00	32.00
Arrears %	0.78	0.73

Asset Investment

Between April and September 2025, we delivered a major refurbishment project in Musselburgh, enabling 16 flats to be brought back into use and let as mid-market rent homes. During the year, Homes for Life also completed the final year of its 3 year planned maintenance programme for kitchens and bathrooms, with 26 kitchens and 8 bathrooms installed. In addition, 32 properties received Fabric First Heat upgrades, including air source heat pump systems, solar panels, ventilation improvements and insulation upgrades. A further 13 properties benefited from the installation of high-efficiency, A-rated boilers.

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Mid-Market Rent Activity
The Mid-Market Rent (MMR) portfolio saw strong performance during the financial year, following the successful completion of a refurbishment programme. 16 flats were brought back into service and tenanted from mid-September 2025. Demand for the properties was high, reflecting the continued shortage of affordable housing options across East Lothian. As a result, all 16 properties were successfully let and fully occupied by the financial year end, with no void periods recorded. As the properties have recently undergone refurbishment, there were no major repair issues to report during the year. The improved condition of the properties has contributed to positive tenancy outcomes and reduced maintenance requirements.

Overall, the MMR portfolio has performed well, achieving full occupancy, low arrears, and strong demand, providing high-quality affordable housing.

Tenancy Sustainment Service
Our Tenancy Sustainment Service continued to provide proactive, person-centred support to help tenants sustain successful tenancies. During the year, we completed 118 home visits, delivering tailored advice and early intervention to address financial, social and wellbeing challenges before they escalated. We made 30 referrals to Changeworks for specialist home energy advice, facilitated more than 20 food referrals for households experiencing hardship, provided two refurbished laptops through our partnership with The Remakery Edinburgh to help digitally excluded tenants access essential online services, and referred tenants to Volunteer Centre East Lothian for one-to-one community support.

Alongside individual support, we delivered community initiatives including Digital Café sessions and Home Energy Pop-Up events and successfully piloted a six-month programme of themed monthly social events in partnership with Lammermuir Larder, East Lothian Works and Fixing for a Future. These sessions combined practical workshops, home energy advice, employability support, and opportunities for social connection, helping to reduce isolation, improve digital inclusion, build financial resilience, and strengthen links with local services. Through early intervention, partnership working and community engagement, the service continues to support tenancy sustainment, prevent homelessness and contribute to stronger, more resilient communities.

We will **continue to invest** in our stock and review our services to **provide homes that are attractive, warm,** and **energy efficient** and **services that are accessible, efficient** and **fit for purpose**.

Fixed Assets
In accordance with the Statement of Recommended Practice (SORP) – Accounting by Registered Social Housing Providers, 2018, the company utilises component accounting in dealing with its housing assets. Component accounting ensures that the major components of the company's housing stock are identified and depreciated over their estimated economic lives. The cost of any subsequent replacement of a major component will be capitalised in the Statement of Financial Position with the item replaced being disposed of from the Statement of Financial Position. This enables the financial statements to better reflect the use of the component over its life cycle.

Changes in respect of housing properties, resulting from transactions during the year, are detailed in note 19. As at 1 April 2026, all HfL properties meet the Scottish Housing Quality Standard with the exception of 16 that are classed as fails due to the requirements of EESSH2 (in transition to SHNZS) or access for EICR's. All HfL properties have a fully compliant LD2 heat and smoke detection system in place.

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STRATEGIC REPORT continued

Structure and Governance
HfL is limited by guarantee and is recognised as a charity. It does not trade for profit and is prohibited from making distributions to its members. HfL is registered as a Registered Social Landlord with the Scottish Housing Regulator and is required to prepare financial statements in accordance with the Scottish Housing Regulator's Determination of Accounting Requirements (2024): Regulatory Guidance and the Companies Act 2006.

For the ongoing management of 11 homes sold on a Shared Equity basis, the Company is registered as a property Factor (PF0000219) for common maintenance and as a Credit provider (724055) for equity loans.

Homes for Life Plus
Homes for Life is registered as a Scottish Letting Agent LARN2512009 to enable the letting of HfL properties for MMR. HfL Plus is also registered on the Scottish Letting Agent Register in its own right to facilitate the future delivery of MMR Services to other housing providers Registration LARN2508012.

Risks and Uncertainties
The Board approved a revised Risk Management Strategy in September 2024, and Risk Map. The Risk Map is reviewed regularly at Board meetings to ensure that the key risks are identified and mitigated where possible. The current high-risk areas identified are rent levels, health and safety and contract management.

Risk Description	Risk Mitigation Actions
Rent Levels Affordability	Income Management Policy and Procedure Strong arrears monitoring and early intervention Low level rent arrears, significantly below RSL sector average Rent comparability exercise completed annually New Rent and Service Charge Policy approved December 2024 Rent and Service Charge consultation carried out in advance of the 2025-26 budget approval. Revised 30 yr plan inclusive of service charges phased in over 2 years from 2025-26 New service charge structure commenced 1 April 2025 Rent Consultation completed January 2026 Approved Rent Increase applied 1 April 2026 Substantial Assurance received April 2026 following Internal Audit of Income Management and Rent Arrears Recovery
Health and Safety Landlord and employer risks Reputational risk Notifiable event SHR involvement	Full adoption of EVH H&SCM (Landlord and Employer) and H&S Framework Audit & Compliance Committee monitoring of H&S Performance Asset and Maintenance Manager responsible for H&S assurance H&S practices regularly reviewed ACS Audit completed March 2026 – reported good compliance

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	Annual H&S Training for Board members and ongoing via IHASCO for all staff along with individual essential training via ACS High Level of Assurance received in recent Tenant Safety Internal Audit Report.- March 2026 IA Report and Recommendation presented to Audit and Compliance May 2026 and will be presented to the full Board in August 2026
Contracts, Contract and Asset Management Failure to procure, manage and monitor contracts effectively. Poor contractor performance or failure to deliver agreed outcomes. Inadequate control of contract expenditure, variations and associated costs. Failure to deliver planned and cyclical maintenance programmes. Deterioration in stock condition, resulting in increased reactive repair costs and reduced tenant satisfaction.	Procurement Policy reviewed annually Contract Standing Orders and delegated authority framework in place Procurements undertaken in accordance with the Procurement Reform (Scotland) Act 2014, the Public Contracts (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016. Responsive Repairs Contract review being undertaken Handover of PMP to new Maintenance and Asset Manager completed External Contract Managers appointed when required, transferring delivery risk to insured professionals and supplementing in-house technical expertise Formal mobilisation process for all new contracts Regular contractor performance meetings KPI dashboard covering right first time, emergency response and completion times, complaints, tenant satisfaction and health and safety compliance Quarterly financial monitoring against budget supported by monthly budget reviews by budget holders Annual contractor performance review informing contract extension or re-procurement decisions Full stock condition surveys commenced in June 2026. Rolling Planned Maintenance Programme informed by stock condition data and the emerging Asset Management Strategy Annual procurement pipeline approved by the Board.

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Financial Viability Future borrowing requirements	Finance Function transferred in-house 2024 Revised Treasury Management Strategy Robust Treasury Management Strong Financial Controls and Monitoring Full Stock condition surveys commenced June 2026 to inform Asset investment requirements NPV appraisal of all homes, combining net present value with asset condition, demand and energy performance data, to confirm each asset remains financially viable and to target investment where it delivers greatest long-term value. No outstanding debt High cash reserves 30-Year Plan focused on achieving increased income, long term viability and best value Continuous review of operating costs Robust budget setting and monitoring External funding experts appointed to procure future borrowing

Future Plans

The key objectives for the coming year outlined in our interim 1-year Business Plan for 2026-27 remain, **Investing in Our Services, Our Homes, Our People and Our Future.**

The interim plan articulates the strategic direction and ambition of the Board as the governing body of the organisation during 2026-27 as we move towards the creation of a 5-year Strategic Business Plan in 2027-28.

Asset Investment

During the year, the Association reviewed its long-term investment programme to align with its emerging Asset Management and Decarbonisation Strategies. The revised programme moves beyond maintaining compliance with statutory and regulatory standards and adopts a more strategic approach to investment, prioritising homes that deliver the greatest benefit for tenants. Investment decisions will focus on creating healthy, comfortable and affordable homes, improving the long-term performance and resilience of the housing stock, and ensuring resources are targeted where they deliver the greatest value. The programme also positions the Association to maximise opportunities for external grant funding, enabling improvements to be accelerated while maintaining long-term financial sustainability.

This approach is being formalised through the Association's new Asset Management Strategy, developed in line with the Scottish Housing Regulator's Recommended Practice on Integrated Asset Management. The Strategy evaluates the long-term performance of every home using both financial and non-financial measures, including net present value, asset condition, demand, energy performance and tenant outcomes, to determine whether each asset remains fit for purpose. This provides a robust evidence base for investment decisions, ensuring resources are targeted where they will achieve the greatest long-term value for tenants, communities and the Association, while identifying where alternative options and interventions may be required to ensure long-term sustainability**.**

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ICT Infrastructure and Systems

During the year we completed an options review of our Housing Management and Property systems and agreed a move away from SDM to a cloud-based integrated HMS (HomeMaster) with an expected transition fully from December 2026. This marks the start of a wider digital transformation, designed to strengthen operational efficiency, improve services, enhance tenant engagement, and support informed decision-making over the coming years, as set out in our 2026–31 Digital Strategy.

Equalities Monitoring

Improving diversity, equality and inclusion is key to Homes for Life's approach to delivering services. To help inform our business plans and meet our duty to collect equalities data a survey is issued to all tenants annually. This year's results were collated in May. On migration to HomeMaster later this year, in addition to the annual survey, equalities monitoring information will be collected on tenant contact to increase the level and real-time accuracy of data held.

New Supply

We will participate in the delivery of East Lothian Council's Strategic Housing Investment Programme where financially viable to do so. Pending planning permission, we will commence new build development activity in Gullane in 2027, and a programme of open market acquisitions to increase HfL's provision of mid-market rental homes via our subsidiary HfL Plus in East Lothian.

Closing Remarks

2025-26 has been a significant year for HfL, with the completion of major property investment projects and the establishment of our subsidiary HfL Plus.

Through implementation of our service plans, forthcoming Asset Management Strategy and 5-year Strategic Plan we will continue to drive forward business efficiencies and identify opportunities for best value to improve Tenant Services and facilitate growth.

BY ORDER OF THE BOARD

Signed by:
Gill.Binnie
5577487D011A42C...

Gill Binnie
Secretary

Date: 15-Sep-26 | 7:07 PM BST

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REPORT OF THE BOARD OF DIRECTORS

The directors and executive officers of the company who served during the year and up to the date these accounts were approved are listed on page 3.

Related Party Transactions

One of the company's directors is a tenant director. Tenant directors must comply with the same regulations as non-director tenants and do not receive favourable terms or discounted rents.

Transactions with tenant directors and other related parties are disclosed at note 20.

Statement of Board of Directors' Responsibilities

Housing Association legislation requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for the year ended on that date. In preparing those financial statements the Board are required to:

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

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company.

The Board 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.

Statement on Internal Financial Control

The Board of Directors acknowledges its ultimate responsibility for ensuring that the company has in place a system of controls that is appropriate to the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

1. The reliability of financial information used within the company or provided for external users;
2. The maintenance of proper accounting records; and
3. The safeguarding of assets against unauthorised use or disposition.

Such systems of internal financial control can only provide reasonable and not absolute assurance against material misstatement or loss.

Key procedures, which the Board has established and which are designed to provide effective financial control, include the following:

1. Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of financial controls and restrict the unauthorised use of the company's assets;

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REPORT OF THE BOARD OF DIRECTORS continued

Statement on Internal Financial Control (continued)

2. Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
3. Forecasts and budgets are prepared which allow the Board of Directors and executive officer to monitor the key business risks, financial objectives and the progress being made towards achieving plans set for the year and for the medium term;
4. Management accounts are prepared regularly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;
5. All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Directors;
6. The Board receives an annual report from the external auditor who reviews and tests the system of internal financial control only to the extent necessary to express their audit opinion;
7. The Board receives an annual report from the internal auditor as part of an agreed audit plan; and
8. Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external reports, including for delegation of preliminary consideration of reports and action by an Audit and Compliance Sub Committee.

The Board confirms that it has reviewed the effectiveness of the company's system of internal financial control as it operated during the year ended 31 March 2026. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements or in the auditor's report on the financial statements.

Disclosure of information to the Auditor

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

- So far as the directors are aware, there is no relevant information of which the company's auditor is unaware; and
- Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant information and to establish that company's auditor is aware of the information.

Auditor

A resolution to re-appoint AAB Audit & Accountancy Limited will be put to the members at the Annual General Meeting.

BY ORDER OF THE BOARD

Signed by:
Gill.Binnie
5577487D011A42C.....

Gill Binnie
Chief Executive Officer

15-Sep-26 | 7:07 PM BST
.....
Date

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INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the consolidated financial statements of Homes for Life Housing Partnership (the 'parent' company) and its subsidiaries (the 'group') for the year ended 31 March 2026, which comprise the group and parent Statement of Comprehensive Income, the group and parent Statement of Financial Position, the group and parent Statement of Changes in Capital and Reserves, and the group and parent Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2026 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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 Board of Directors with respect to going concern are described in the relevant sections of this report.

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Other information
The other information comprises the information included in the Board of Directors' report, other than the financial statements and our Auditor's report thereon. The Board members are responsible for the other information.

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

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
In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Board of 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of the Board Members
As explained more fully in the Statement of the Board's Responsibilities on page 12, the Board of 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 Board of 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 Board of 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 Board of Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements - February 2024.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the association's key performance indicators to meet targets
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgements made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations
- Analytical procedures to identify any unusual or unexpected trends or relationship
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud.

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

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: https://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company'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 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.

Signed by:
AAB Audit & Accountancy Limited
38098ACFCA184A3...

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

17-Sep-26 | 9:38 AM BST
Date:.....

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REPORT BY THE AUDITOR TO THE MEMBERS OF HOMES FOR LIFE HOUSING PARTNERSHIP ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 12 and 13 concerning the Company's compliance with the information required by the Regulatory Standards in respect of internal financial controls 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 to 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 Company's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on pages 12 and 13 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 controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

Signed by:
AAB Audit & Accountancy Limited
38098ACFCA184A3...

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

17-Sep-26 | 9:38 AM BST
Date: .....

Docusign Envelope ID: BEA7F582-A0AF-8238-82D5-DEDA83EF2599

Homes for Life Housing Partnership

CONSOLIDATED and ASSOCIATION STATEMENT of COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	Group		Association	
		2026	2025	2026	2025
		£'000	£'000	£'000	£'000
Turnover	4	2,037	1,915	1,963	1,915
Gain on disposal of housing properties and other income	4	183	7	239	7
Operating Expenditure	4	(1,902)	(1,337)	(1,884)	(1,337)
Operating Surplus		**318**	**585**	**318**	**585**
Interest receivable and similar income	8	32	43	32	43
Interest payable and similar charges	9	-	(29)	-	(29)
Surplus on ordinary activities before taxation		**350**	**599**	**350**	**599**
Taxation on ordinary activities	10	-	-	-	-
Surplus on ordinary activities after taxation		**350**	**599**	**350**	**599**
Actuarial gains (losses) in respect of pension scheme		-	(30)	-	(30)
Total comprehensive income for the year		**350**	**569**	**350**	**569**

These financial statements were approved and authorised for issue on 15 September 2026 by the Board of Management and signed on its behalf by:

Chairperson
David Leishman.....

Signed by: David Leishman 46030CC1F7A847A...

Vice Chair
Deborah Gillett.....

Signed by: D Gillett D045FCADFAF740E...

Secretary
Gill Binnie.....

Signed by: Gill.Binnie 5577487D011A42C...

The notes on pages 24 to 42 form part of these financial statements.

Docusign Envelope ID: BEA7F582-A0AF-8238-82D5-DEDA83EF2599

Homes for Life Housing Partnership

CONSOLIDATED and ASSOCIATION STATEMENT of CHANGES IN RESERVES

For the year ended 31 March 2026

	Group		Association	
	Income and Expenditure Reserve £'000	**Total Reserves £'000**	**Income and Expenditure Reserve £'000**	**Total Reserves £'000**
Balance at 1 April 2025	5,737	5,737	5,737	5,737
Surplus from statement of comprehensive income	350	350	350	350
Net Transfers	-	-	-	-
Balance at 31 March 2026	**6,087**	**6,087**	**6,087**	**6,087**

For the year ended 31 March 2025

	Group		Association	
	Income and Expenditure Reserve £'000	**Total Reserves £'000**	**Income and Expenditure Reserve £'000**	**Total Reserves £'000**
Balance at 1 April 2024	5,168	5,168	5,168	5,168
Surplus from statement of comprehensive income	599	599	599	599
Other comprehensive expenditure	(30)	(30)	(30)	(30)
Net Transfers	-	-	-	-
Balance at 31 March 2025	**5,737**	**5,737**	**5,737**	**5,737**

All results relate to continuing activities.

The notes on pages 24 to 42 form part of these financial statements.

Docusign Envelope ID: BEA7F582-A0AF-8238-82D5-DEDA83EF2599

Homes for Life Housing Partnership

CONSOLIDATED and ASSOCIATION STATEMENT of FINANCIAL POSITION

For the year ended 31 March 2026

	Notes	Group		Association	
		2026	2025	2026	2025
		£'000	£'000	£'000	£'000
Fixed assets					
Housing Properties	11	11,248	10,613	11,248	10,613
Other tangible fixed assets	11a	513	548	513	548
		11,761	**11,161**	**11,761**	**11,161**
Current assets					
Debtors	12	171	94	248	94
Cash and cash equivalents		477	1,151	477	1,151
Term Deposits		702	648	702	648
		1,350	1,892	1,427	1,892
Creditors: amounts falling due within one year	13	(494)	(530)	(571)	(530)
Net current assets		**856**	**1,362**	**856**	**1,362**
Total assets less current liabilities		**12,617**	**12,523**	**12,617**	**12,523**
Creditors: amounts falling due after more than one year	14	(6,530)	(6,786)	(6,530)	(6,786)
Total net assets		**6,087**	**5,737**	**6,087**	**5,737**
Capital and reserves					
General reserves		6,087	5,737	6,087	5,737
Total capital and reserves		**6,087**	**5,737**	**6,087**	**5,737**

These financial statements were approved and authorised for issue on 15 September 2026 by the Board of Management and signed on its behalf by:

Chairperson
David Leishman.....

Signed by:
David Leishman
46030CC1F7A847A...

Vice Chair
Deborah Gillett.....

Signed by:
D Gillett
D045FCADFAF740E...

Secretary
Gill Binnie.....

Signed by:
Gill.Binnie
5577487D011A42C...

The notes on pages 24 to 42 form part of these financial statements.

Docusign Envelope ID: BEA7F582-A0AF-8238-82D5-DEDA83EF2599

Homes for Life Housing Partnership

CONSOLIDATED and ASSOCIATION STATEMENT of CASH FLOWS

For the year ended 31 March 2026

	Notes	Group		Association	
		2026 £'000	2025 £'000	2026 £'000	2025 £'000
Net cash generated from operating activities	17	472	854	472	854
Cashflow from investing activities					
Purchase of tangible fixed assets		(1,124)	(495)	(1,124)	(495)
Purchase of intangible assets		-	-	-	-
Proceeds from sale of tangible fixed assets		-	-	-	-
Increase in deposits with banks		(54)	(32)	(54)	(32)
Grants received in year		-	-	-	-
Other Income		-	2	-	2
Interest received		32	41	32	41
Net cash from/ (used in) investing activities		(1,146)	(484)	(1,146)	(484)
Cash flow from financing activities					
Interest paid		-	-	-	-
Repayments of borrowings		-	-	-	-
New secured borrowings		-	-	-	-
Net cash from/ (used in) financing activities		-	-	-	-
Net change in cash and cash equivalents		(674)	370	(674)	370
Cash and cash equivalents at the beginning of the year		1,151	781	1,151	781
Cash and cash equivalents at the end of the year		**477**	**1,151**	**477**	**1,151**

The notes on pages 24 to 42 form part of these financial statements.

Docusign Envelope ID: BEA7F582-A0AF-8238-82D5-DEDA83EF2599

Analysis of changes in net debt reconciliation (Group)	**1 April 2025 £'000**	**Cashflow £'000**	**Other changes £'000**	**31 March 2026 £'000**
Long term borrowing	-	-	-	-
Short term borrowing	-	-	-	-
Total Liabilities	-	-	-	-
Cash and cash equivalents	1,151	(674)	-	477
Term deposits	648	54	-	702
	1,799	**(620)**	**-**	**1,179**
	1,799	**(620)**	**-**	**1,179**

Net debt reconciliation (Association)	**1 April 2025 £'000**	**Cashflow £'000**	**Other changes £'000**	**31 March 2026 £'000**
Long term borrowing	-	-	-	-
Short term borrowing	-	-	-	-
Total Liabilities	-	-	-	-
Cash and cash equivalents	1,151	(674)	-	477
Term deposits	648	54	-	702
	1,799	**(620)**	**-**	**1,179**
	1,799	**(620)**	**-**	**1,179**

Docusign Envelope ID: BEA7F582-A0AF-8238-82D5-DEDA83EF2599

1. General Information

These group financial statements are stated in Pounds Sterling (GBP), as that is the currency in which the companies' transactions are denominated. They comprise the group financial statements of the companies drawn up for the year ended 31 March 2026. Except where otherwise stated all financial information is presented in GBP.

The group 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 United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements 2024 issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018.

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

The association is defined as a public benefit entity and thus the company complies with all disclosure requirements relating to public benefit entities. The association is a registered social landlord in Scotland and its registered number is HAC 311. The association is a private company limited by guarantee and incorporated in the United Kingdom and registered in Scotland. The company's registered number is SC188299. The registered address is included on page 3 of these financial statements. The association has one subsidiary company, Homes for Life Plus Limited, which provides mid-market rented accommodation.

2. Accounting policies

(a) Accounting convention

The financial statements are prepared under the historical cost basis of accounting and in accordance with applicable standards. The accounting policies of the companies are set out in paragraphs (d) to (w) below.

(b) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The effect of events relating to the year ended 31 March 2026, which occurred before the date of approval of the financial statements 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 2026 and of the results for the year ended on that date.

(c) Going concern

The group's business activities, its current financial position, and factors likely to affect its future development are set out within the report from the Board. In accordance with our treasury management policy, as at 31 March 2026 the group had available cash balances of £1.2m of which a minimum of £269k equivalent to one month rolling expenditure plus 25% could be drawn at short notice.

The group is budgeted to make a surplus for the year ended 31 March 2027, has healthy bank balances, a strong asset base, and has no liquidity issues. On this basis the directors are of the opinion that the company will continue to meet its obligations as they fall due for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these group financial statements.

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2. Accounting policies (continued)

(d) Turnover

Turnover represents rent and service charge income and fees from tenants and owners for factoring services, along with revenue-based grants received from The Scottish Government. The companies have no shared-ownership properties and consequently all rental income relates to properties wholly owned by the companies.

Donations received under the Gift Aid scheme to the parent association, Homes for Life Housing Partnership, from its subsidiary is recognised as turnover upon receipt as it relates to the principal activities of the association and is eliminated on consolidation.

(e) Apportionment of management expenses

Management and administration expenses are apportioned based on the units held within each sub-type.

(f) Repairs and maintenance costs

Costs for reactive and planned maintenance are charged to the Statement of Comprehensive Income as they are incurred. Property improvements are capitalised, if these are material in nature and can give rise to additional income or cost savings. These capitalised improvements are subsequently written off in line with the company's fixed asset policy.

(g) Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest rate method.

(h) 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.

(i) Grants

Capital

New Housing Partnership Grants (NHP) were made by East Lothian Council and were utilised to reduce the amount of loans required in respect of an approved scheme.

For schemes developed with NHP outright the grant was paid directly to the association as required to meet its liabilities during the development process.

Capital grants in respect of property development are applied in the following order:

- Land;
- Structure;
- With any remaining balance being allocated as "unapplied grants."

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2. Accounting policies (continued)

(j) Grants (continued)

Capital grants applied to land and structure are amortised at 2% and 6.67% per annum. Other components have various useful lives and to apportion grants to these components would not reflect that grants are not repayable except under disposal of the entire property. Unapplied grants are therefore amortised on a straight-line basis at 2% and 6.67% per annum in line with the main structure.

Revenue
Revenue grants are credited to income in the appropriate period to match related expenditure.

(k) Fixed assets – Housing Properties

Housing properties are stated at cost, less accumulated depreciation. The development cost of housing properties includes:

- Cost of acquiring land and buildings
- Development expenditure including administration costs.

(l) Depreciation and impairment of fixed assets

Depreciation is charged on tangible fixed assets so as to write off the asset cost less any recoverable value on a straight-line basis over its anticipated useful life as follows:

	Useful Economic Life
Office premises	30 years
Office furniture and equipment	3 years

Each housing unit has been split between its major component parts. Each major component is depreciated on a straight-line basis over its expected useful economic life. The following major components and useful lives have been identified by the company:

Housing properties (by component):

• Land Infinite	
• Structure	50 years
• Roof	50 years
• Kitchens	25 years
• External doors and windows	30 years
• Bathrooms and WCs	25 years
• Electrics	30 years
• Boilers	15 years
• Specialist heating, plumbing, ventilation systems	30 years

Impairment reviews are carried out when there are indicators of impairment. Reviews for indicators of impairment are carried out at each reporting date. Where impairment reduces the economic value of a group of properties to an amount less than the net book value, the impairment is charged to the Statement of Comprehensive Income.

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2. Accounting policies (continued)

(m) Investment in subsidiaries

Investments in subsidiaries are accounted for in accordance with the cost model and are recorded at cost less any accumulated impairment losses.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

(n) Financial instruments

The group only enters basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and related parties.

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, such as 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 outright 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 company 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.

(o) Debtors

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

(p) Rental arrears

Rental arrears represent amounts due by tenants for rental of social housing and mid-market 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 12.

(q) 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 3 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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2. Accounting policies (continued)

(r) 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 method.

(s) Pensions

Homes for Life Housing Partnership participates in a defined contribution pension Scheme, administered by Smart Pensions. Employer contributions are either 7% or 8% of salary. Contributions payable by the association are charged to the statement of comprehensive income in the year to which they relate. Pension charge for the year was £20k (2025 £85k). At the end of the year £236 (2025; £4k) was outstanding and included within creditors. The pension scheme is administered as a salary sacrifice arrangement.

(t) Financial commitments

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

(u) Consolidation

The Group's financial statements consolidate those of the parent company, Homes for Life Housing Partnership and its subsidiary, Homes for Life Plus Limited at 31 March 2026. The subsidiary has a reporting date of 31 March.

(v) VAT

The company is not registered for VAT purposes, and all expenses are shown inclusive of VAT.

(w) Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

3. Judgements in applying policies and key sources of 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 directors consider the following to be critical judgements in preparing the financial statements:

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

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3. Judgements in applying policies and key sources of uncertainty (continued)

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

Estimate	Basis of estimation
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management, 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 members of staff on a case-by-case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.

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4. Turnover

	Group		Association	
	2026 £'000	2025 £'000	2026 £'000	2025 £'000
Income from lettings	2,037	1,915	1,963	1,915
Management services and other income	183	7	239	7
	2,220	**1,922**	**2,202**	**1,922**

4(a). Turnover, operating costs, operating Surplus: Group

	Turnover £'000	Operating Costs £'000	2026 Operating Surplus £'000	2025 Operating Surplus £'000
Income and expenditure from affordable letting and other activities				
Affordable letting activities – note 4 (c)	1,963	(1,884)	79	578
Mid-Market Letting Activities	74	(18)	56	-
Other activities – note 4 (e)	183	-	183	7
Total 2026	**2,220**	**(1,902)**	**318**	**585**
Total 2025	**1,922**	**(1,337)**	**585**	

4(b). Turnover, operating costs, operating Surplus: Association

	Turnover £'000	Operating Costs £'000	2026 Operating Surplus £'000	2025 Operating Surplus £'000
Income and expenditure from affordable letting and other activities				
Affordable letting activities – note 4 (d)	1,963	(1,884)	79	578
Other activities – note 4 (f)	239	-	239	7
Total 2026	**2,202**	**(1,884)**	**318**	**585**
Total 2025	**1,922**	**(1,337)**	**585**	

Docusign Envelope ID: BEA7F582-A0AF-8238-82D5-DEDA83EF2599

4(c). Particulars of turnover, operating costs and operating surplus or deficit from affordable letting activities: Group

Included in the rent receivable amount stated below, is £75k and operating costs of £18k relating to Mid-Market Rental Income and expenditure, generated by Homes for Life Plus Limited.

	General Accom'n £'000	Supported Accom'n £'000	Other Accom'n £'000	2026 £'000	2025 £'000
Income from affordable letting activities					
Rent receivable net of identifiable service charges	1,658	27	28	1,713	1,656
Service charges receivable	26	3	-	29	-
Gross rents receivable	**1,684**	**30**	**28**	**1,742**	**1,656**
Add/(Less): Rent losses from voids	5	-	-	5	(16)
Net rents receivable	**1,689**	**30**	**28**	**1,747**	**1,640**
Grants released from deferred income (social)	247	5	4	256	255
Adaptation grants	34	-	-	34	20
Total income from affordable letting activities	**1,970**	**35**	**32**	**2,037**	**1,915**
Expenditure on affordable letting activities services					
Management and maintenance administration costs	886	16	15	917	949
Reactive maintenance	158	3	3	164	365
Planned and cyclical maintenance including major repair costs	292	5	5	302	280
Bad Debts - rent & service chg.	63	1	1	65	11
Housing Depreciation	440	7	7	454	431
Pension Settlement	-	-	-	-	(807)
Education Payment	-	-	-	-	106
Total expenditure on affordable letting activities	**1,839**	**32**	**31**	**1,902**	**1,337**
Operating surplus on affordable letting activities	**131**	**3**	**1**	**135**	**578**
Operating surplus/(deficit) 2025	**582**	**-**	**(4)**	**578**	

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4(d). Particulars of turnover, operating costs and operating surplus or deficit from affordable letting activities: Association

	General Accom'n £'000	Supported Accom'n £'000	Other Accom'n £'000	2026 £'000	2025 £'000
Income from affordable letting activities					
Rent receivable net of identifiable service charges	1,593	27	28	1,648	1,656
Service charges receivable	22	3	-	25	-
Gross rents receivable	**1,615**	**30**	**28**	**1,672**	**1,656**
Less: Rent losses from voids		-	-		(16)
Net rents receivable	**1,615**	**30**	**28**	**1,672**	**1,640**
Grants released from deferred income (social)	247	5	4	256	255
Adaptation grants	34	-	-	34	20
Total income from affordable letting activities	**1,896**	**35**	**32**	**1,963**	**1,915**
Expenditure on affordable letting activities services					
Management and maintenance administration costs	868	16	15	899	949
Reactive maintenance	158	3	3	164	365
Planned and cyclical maintenance including major repair costs	292	5	5	302	280
Bad Debts - rent & service chg.	63	1	1	65	11
Housing Depreciation	440	7	7	454	431
Pension Settlement	-	-	-	-	(807)
Education Payment	-	-	-	-	106
Total expenditure on affordable letting activities	**1,821**	**32**	**31**	**1,884**	**1,337**
Operating surplus on affordable letting activities	**75**	**3**	**1**	**79**	**578**
Operating surplus/(deficit) 2025	**582**	**-**	**(4)**	**578**	

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4(e). Particulars of Turnover, operating expenditure and operating surplus from other activities Group

	Other Income £'000	Other Expenses £'000	Operating Surplus £'000	2026 £'000	2025 £'000
Income from Other Activities					
Other Income	5	-	5	5	7
Property gain on disposals	178	-	178	178	-
Gross other Income	**183**	**-**	**183**	**183**	**7**

4(f). Particulars of Turnover, operating expenditure and operating surplus from other activities Association

	Other Income £'000	Other Expenses £'000	Operating Surplus £'000	2026 £'000	2025 £'000
Income from Other Activities					
Other Income	5	-	5	5	7
Income from group undertakings	40	-	40	40	-
Gift aid donation	16		16	16	-
Property costs/gain (loss) on disposals	178	-	178	178	-
Gross other Income	**239**	**-**	**239**	**239**	**7**

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5. Surplus on ordinary activities before taxation

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Surplus on ordinary activities before taxation is stated after:				
Depreciation Housing	414	402	414	402
Depreciation Other Assets	36	36	36	36
Gain on disposal of housing properties	(178)	-	(178)	-
Loss on disposal of components	39	29	39	29
Amortisation – Capital Grants	256	256	256	256
Auditor's remuneration				
Audit services	**18**	**14**	**18**	**14**

6. Directors Emoluments

The directors are defined as Board members and did not receive any remuneration or accrue any retirement benefits during the year. During the year, Board members were reimbursed £2,435 (2025: £1,472) for travel and subsistence expenses in respect of attendance at Board meetings and training sessions. Board members include tenant directors who must comply with the same regulations as non-director tenants. The company considers key management personnel to be the chief executive officer and the directors of the company. The emoluments of key management for the year were £81,753 (2025: £75,355). The employer's NI contributions for the year were £10,596 (2025: £8,345) and the pension contributions for the year were £5,603 (2025: £13,489).

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Total emoluments of key management (excluding pension contributions)	82	75	82	75
Pension contributions on above	6	13	6	13
The emoluments of the highest paid officer, excluding pension contributions	82	75	82	75

The number of key management whose emoluments, excluding pension contributions, exceeded £60,000 for the twelve-month equivalent period were:

	Group		Association	
	2026	**2025**	**2026**	**2025**
£60,001 to £70,000	-	-	-	-
£70,001 to £80,000	-	1	-	1
£80,001 to £90,000	1	-	1	-

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7. Employee information

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Staff costs (including key management personnel) during the year were as follows:				
Wages and salaries	453	432	453	432
Social security costs	41	35	41	35
Pension costs	20	86	20	86
Group Life Cover	-	2	-	2
Pension Service Cost	-	(59)	-	(59)
Pension liability remeasurement	-	(807)	-	(807)
	514	**(311)**	**514**	**(311)**

The average monthly number of persons employed by the Association during the year (including part-time staff) was as follows:

	Group		Association	
	2026	**2025**	**2026**	**2025**
Office staff	10	10	10	10
Cleaning Team staff	-	-	-	-
Total staff	**10**	**10**	**10**	**10**
Full-time equivalent total staff	**8**	**8**	**8**	**8**

8. Interest receivable and other income

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Interest receivable on bank balances	32	41	32	41
Other income	-	2	-	2
	32	**43**	**32**	**43**

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9. Interest and financing costs

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Interest on defined benefit pension scheme	-	(29)	-	(29)
	-	**(29)**	**-**	**(29)**

10. Taxation

The Association is a registered Charity (number SC028542) and is not liable to United Kingdom corporation tax on its housing activities. No tax liability arises in the year on the Group's non-housing activities as a result of the subsidiary profits being donated in full to the Association.

Homes for Life Plus is a registered company (SC185409) and is liable to corporation tax payable at 25% on Net Profits.

	Group	
	2026	2025
	£'000	£'000
Surplus on ordinary activities before taxation	350	569
Tax calculated at 25% (2025: 25%)	88	142
Exempt charitable activities	(88)	(142)
Tax expense/(refund) for the year	**-**	**-**

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11. Tangible fixed assets – housing properties: Group and Association

None of these properties are held under lease.

The net book loss of components which have been replaced in the year of £39k (2025: £29k) is included in the depreciation charge of £454k (2025: £431k) in 4 (c) and note (d).

Included in freehold housing properties is land with a historic cost allocation of £2,025,949 (2025: £2,025,949).

	Housing properties held for letting	Housing properties under construction	Housing properties total
	£'000	£'000	£'000
Cost			
At 1 April 2025	18,868	24	18,892
Additions including properties under construction	1,085	39	1,123
Disposals including replaced components	(320)	-	(320)
At 31 March 2026	19,633	63	19,695
Depreciation			
At 1 April 2025	(8,279)	-	(8,279)
Charged for the year	(414)	-	(414)
Released on disposal during the year	246	-	246
At 31 March 2026	(8,447)	-	(8,447)
Net book value			
At 31 March 2026	**11,185**	**63**	**11,248**
At 31 March 2025	10,588	24	10,613

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11a. Other fixed assets – Group and Association

	Heritable property	Computer equipment	Office property and equipment
	£'000	£'000	£'000
Cost			
At 1 April 2025	694	123	817
Additions during year	-	1	1
Disposals during the year	-	-	-
At 31 March 2026	694	124	818
Depreciation			
At 1 April 2025	(171)	(98)	(269)
Charged for the year	(23)	(13)	(36)
Disposals during the year	-	-	-
At 31 March 2026	(194)	(111)	(305)
Net book value			
At 31 March 2026	**500**	**13**	**513**
At 31 March 2025	523	25	548

12. Debtors

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Arrears of rent	15	13	15	13
Less: bad debt provision	(5)	(3)	(5)	(3)
	10	10	10	10
Group debtors – Other	-	-	78	-
Other debtors	48	4	47	4
Accrued income and prepayments	113	80	113	80
	171	**94**	**248**	**94**

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13. Creditors: amounts falling due within one year

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Prepaid rent	34	35	34	35
Group creditors	-	-	79	-
Other taxes and Social Security	12	11	12	11
Accruals	87	127	87	127
Pension Creditor	-	4	-	4
Other Creditors	105	97	103	97
Deferred capital grant (note 15)	256	256	256	256
	494	**530**	**571**	**530**

14. Creditors: amounts falling due after more than one year

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
Deferred capital grant (note 15)	6,530	6,786	6,530	6,786
	6,530	**6,786**	**6,530**	**6,786**

15. Deferred capital grant

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
At 1 April	6,786	7,042	6,786	7,042
Grant received during the year	-	-	-	-
Amortised during the year	(256)	(256)	(256)	(256)
At 31 March	**6,530**	**6,786**	**6,530**	**6,786**

Grants relating to assets are released to income over the lifetime of the related asset resulting in release as follows:

Grants received totalled £12,546k; the above £6,530k represents amortised balance as at 31st March 2026. Grants are repayable in certain circumstances primarily following the sale of the related property. A contingent liability of £6,016k exists in respect of amortised grants.

	Group		Association	
	2026	**2025**	**2026**	**2025**
	£'000	**£'000**	**£'000**	**£'000**
In one year or less	256	256	256	256
In more than one year	6,530	6,786	6,530	6,786
	6,786	**7,042**	**6,786**	**7,042**

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16. Share Capital

	2026	2025
	£	£
At 1 April	133	133
Issued during the year	1	4
Surrendered during the year	(6)	(4)
At 31 March	**128**	**133**

Each Member of the Association holds one voting share (nominal value £1) in the Association. These shares carry no rights to interest, bonuses, dividend or distributions on a winding up. All shares are surrendered on the cessation of membership. Each Member has the right to vote at members' meetings.

17. Cash flow from operating activities

	Group		Association	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Surplus for the year after tax	350	599	350	599
Adjustments for non-cash items:				
Depreciation of tangible fixed assets	450	438	450	438
Decrease/(increase) in trade and other debtors	(77)	89	(154)	89
Increase/(decrease) in trade and other creditors	(36)	28	41	28
Carrying amount of tangible fixed asset disposals	74	29	74	29
Adjustments for investing or financing activities:				
Pension service costs	-	(30)	-	(30)
Release of deferred capital grants	(256)	(256)	(256)	(256)
Interest received	(32)	(43)	(32)	(43)
Cash generated from operating activities tax paid	-	-	-	-
Net cash generated from operating activities	**473**	**854**	**473**	**854**

18. Capital commitments

There were no capital commitments at 31 March 2026 (2025: £nil).

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19.Units of Accommodation

Group and Association	At 1 April 2025 £'000	Additions £'000	Disposals £'000	Adjustment £'000	At 31 March 2026 £'000
Property held for letting					
General need housing	295	-	(1)	(16)	278
Supported housing	9	-	-	-	9
Other (Respite)	1	-	-	-	1
Mid-market rent	-	-	-	16	16
	305	**-**	**(1)**	**-**	**304**

As at 31 March 2026 the number of properties the Association leased to Homes for Life Plus for onward letting at mid-market rent was 16 (2025: nil).

20.Related party disclosure

The company has directors who are also tenants. The total rent charged in the year relating to tenant directors was £5,187 (2025: £4,889). The total rent arrears relating to tenant directors included within debtors at the year-end is £nil (2025: £nil).

As a member of EVH, the company sets its employee terms and conditions based on their guidance. The membership fee for the year ended 31 March 2026 was £6,024 (2025: £4,851) and the company has received other services from EVH during the year costing £1,099 (2025: £1,774).

The Association no longer subscribes for membership of SHARE, the company's membership for the year ended 31 March 2026 was £nil (2025: £2,800) however the company received other services during the year costing £2,200 (2025: £4,390).

As a member of SFHA, the company's membership for the year ended 31 March 2026 was £3,409 (2025: £3,310) and the company received other services during the year costing £675 (2025: £577).

The Association leased 16 properties during the year to Homes for Life Plus Limited, a subsidiary of Homes for Life Housing Partnership, which was set up in 2025-26 to accommodate the properties which receive rent on a mid-market rent basis, receiving £73,554 (2025: £nil) in respect of these leases. In addition, it provided Management services totalling £40,455 (2025: £nil) to Homes for Life Plus Limited. Homes for Life Plus Limited agreed a gift aid distribution of £16,612 (2025: £nil) to the association in relation to the period financial results. The net amount due to Homes for Life Plus Limited at 31st March was £1,796 (2025 £nil), the gross amounts are disclosed in Notes 12 and 13.

21.Revenue Commitments

The company had no commitments for rental payments under non-cancellable operating leases at 31 March 2026.

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22. Legislative provisions

The company is established under the Companies Act as a charitable company, limited by guarantee. In the event of a winding up each of the members (at 31 March 2026: 128) undertake to contribute an amount not exceeding £1.

Grants relating to assets are recognised as a liability which is then amortised or released to income over the lifetime of the related asset. The deferred capital grant disclosed at note 15 represents the remaining capital grants yet to be released to income. The original amounts of these grants become repayable on the sale or disposal of the related assets unless there is a specific agreement in place to recycle the grant against new property development. Housing Association Grant amortised to 31 March 2026 amounts to £6,530k.

23. Homes for Life Operating Lease

Homes for Life Housing Partnership charges Homes for Life Plus Limited a lease fee amounting to 55% of rental income for the properties that Homes for Life Housing Partnership owns and Homes for Life Plus Limited collects mid-market rental income. This year it amounted to £40k (2025: £Nil).

24. Investments – Association

The financial statements consolidate the results of one wholly owned subsidiary, a non-charitable subsidiary, Homes for Life Plus Limited; The association has the right to appoint members to the board of the subsidiary and thereby exercises control over it.

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