ALBYN HOUSING SOCIETY LIMITED

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Registered Housing Association Number 64
Financial Conduct Authority Number 1776 R (S)
Charity Number SC027123

ALBYN HOUSING SOCIETY LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Contents	Pages

Registration Particulars

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registration number – 1776 R (S)
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registration number – 64
Charity Number	SC027123

ALBYN HOUSING SOCIETY LIMITED

BOARD, EXECUTIVES AND ADVISERS

FOR THE YEAR ENDED 31 MARCH 2026

Board
L McInnes
C Patching
C Warner
S Macleod
C Levy
J Bugden
L Holburn
N Owen
E McGarrie
A Newlands
T Semple

Executive Officers
M Knight
A Martin
R Buchanan
L Macleod

Registered Office
98-104 High Street
Invergordon IV18 0DL

Auditor
RSM UK Audit LLP
Third Floor
2 Semple St
Edinburgh
EH3 8BL

Internal Auditor
Wylie & Bisset
168 Bath Street
Glasgow G2 4TP

Bankers
Royal Bank of Scotland
Fifth Floor, Kirkstane House
139 St Vincent Street
Glasgow G2 5JF

Solicitors
Harper MacLeod LLP
Citypoint 65
Haymarket Terrace
Edinburgh EH12 5HD

ALBYN HOUSING SOCIETY LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2026

The Board presents its report and the audited financial statements for the year ended 31 March 2026.

Principal Activities

The principal activity of Albyn Housing Society Limited ("Albyn") is the development, management and maintenance of housing in the Highlands of Scotland for people in housing need.

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

Our Strategic Aims

<u>Our Vision</u>

To maintain and build quality homes, providing excellent customer service and giving opportunities for people and communities to flourish.

<u>Our Strategic Objectives</u>

Albyn has as its Strategic Objectives:

1. **Our homes** - Develop 600 properties across the Business Plan period. Work with partners developing innovative solutions to embed future sustainability and affordability into existing and new homes to improve the customer experience.

2. **Our customers** – Support the welfare of all our customers by providing proactive energy advice, and practical assistance in maintaining a tenancy and to ease cost pressures associated with starting a tenancy thus promoting long-term housing stability. Through targeted support and advocacy, we will help ensure our customers can maintain and enjoy their homes while promoting energy efficiency and long-term customer satisfaction on the services we provide.

3. **Our people** – We will develop and improve recruitment, retention and succession plans. Staff development will be framed around staff and organisational ambition. We will continue to focus on staff engagement, communication and organisational culture to be an 'employer of choice' and demonstrate our values.

4. **Our finances and digital Services** – We will implement measures to manage the Society's finances to meet regulatory obligations for affordable rents whilst ensuring that there are sufficient financial resources to meet our day-to-day commitments, business plan objectives and future capital investment needs.

   We will successfully implement identified actions to strengthen and enhance our ICT network and data management arrangements and will continue the implementation and exploitation of the CX housing and asset management software to provide improved digital services and efficient and effective processes.

5. **Our partnerships** – We will use our expertise to influence social housing policy and develop partnerships across the Highlands that add value to our communities.

Albyn works to the following core values and behaviours:

- Being Caring
- Being Adaptable
- Being Professional

Albyn has three wholly owned subsidiaries. Albyn Enterprises Limited ("AEL"), the objective of which was to undertake activities of a non-charitable nature that will help Albyn to meet its objectives, Highland Residential (Inverness) Limited ("HRL"), the objective of which is to undertake factoring and low-cost home ownership and rental and one dormant entity, Suund Limited, which has been formed for the potential exploitation of innovation and currently remains a dormant company.

AEL has moved to a non-trading status following the transfer of assets and liabilities to HRIL at the beginning of the 2025/26 financial year.

The table below shows the homes that we manage:

Managed Property Numbers	2026	2025
Tenanted Properties	3,515	3,490
Managed on Behalf of Others	12	12
Shared Ownership Properties	102	105
Properties Leased to HRL for Mid Market Rent	258	251
Total	**3,887**	**3,858**

Financial Review

Albyn made a surplus of £1,326k (2025 - £475k) during the year. This is as a result of increased income and effective cost control during the year, particularly regarding repairs costs and loan interest charges. The consolidated results of Albyn and its trading subsidiaries, Albyn Enterprises Limited and Highland Residential (Inverness) Limited gave a surplus of £1,116k (2025 - £482k).

The surplus recorded for the financial year to 31 March 2026 includes charges and actuarial losses and gains to the statement of comprehensive income for the defined benefit pension scheme. The surplus for the year prior to these losses, gains and charges was £1,157k (2025 - £394k) for the Society and £947k (2025 – £401k) for the consolidated result of the Society and trading subsidiaries.

The defined benefit liability as at 31 March 2026 is £1,100k (2025 - £1,200k). This has therefore resulted in a reduction in the liability at 31 March 2026 of £100k (2025 – reduction in liability of £21k).

At the end of the financial year, the actuarial assessment of the future liability resulted in an actuarial gain of £169k (2025 - gain of £81k) and other charges to the Statement of Comprehensive Income of £69k (2025 - £60k), arriving at a closing liability at 31 March 2026 of £1,100k (2025 - £1,200k).

Deficit reduction payments have been reintroduced from April 2026.

Due to the unpredictable nature of the underlying assumptions in calculating the future liability, there is likely to be some volatility in the pension liability at each financial year end.

Albyn has held discussions with its main bankers and as the movement on the liability is a non-cash movement, it does not anticipate there being any adverse impact on the Society's loan covenants.

The cash surplus generated by Albyn Housing Society in the year continues to be reinvested in homes for our tenants through our new build programme and our investment in the quality of our existing homes.

Albyn remains in a strong financial position; we continue to have a substantial major repair investment programme with work to comply with the Scottish Housing Quality Standards ("SHQS") and the Energy Efficiency Standard for Social Housing ("EESSH"), as well as maintaining the quality of our homes. We have budgeted for expenditure on improvements to our homes of £3.0m in the next financial year (2025: £2.5 million) as our programme meets our own lifecycle replacement requirements and the identified needs of the Stock Condition Survey.

Our ongoing budget for improvements will continue to increase in each year as the delivery of our Asset Management Strategy is realised and the requirements of meeting more stringent environmental and energy efficiency measures becomes clearer, including the Social Housing Net Zero Standard.

The Board of Albyn has approved a development programme of around 600 units over the course of a 5-year planning period which begun in 2025/26. This follows a previous commitment to deliver 500 homes over the same period with the increase in response to the Highlands Housing Challenge. The achievement of this stretching target will depend upon the availability of land, securing private finance at the appropriate time and the continued support form Scottish Government grants through the Affordable Homes Supply programme.

Cash surpluses will continue to be made, subject to our planned major repair programme over the next few years, and we will continue to make efficiency savings in our operational costs wherever possible.

Following the wider economic challenges, we continue to focus on the issues facing our customers in the current economic climate by securing support with the cost of living enabling tenancies to be maintained and for tenants to meet their obligations to housing costs. Our budgets and plans have been prepared to provide support for these challenges whilst maintaining cash flows and meeting key performance indicators.

Development and Performance

This report details developments that have occurred during the year relating to the main activities undertaken by Albyn and how we have performed.

Corporate Governance

Albyn has a Board (detailed on page 15) which is elected by the members of the Society. It is the responsibility of the Board to develop the strategy, setting of policy and overall direction for Albyn. They also monitor the operational activities of Albyn. Board members undertake this work in a voluntary, unpaid capacity.

The Executive Team (listed on page 16) together with the managers have been responsible for delivering the strategy and undertaking the operational activities in line with the agreed policies throughout the year.

The Board monitor the implementation of the Business Plan regularly throughout the year resulting in good progress in meeting our planning objectives. The Board was able to submit its annual assurance statement to The Scottish Housing Regulator in October 2025 which concluded that the Society was compliant with the Regulatory Framework. The Scottish Housing Regulator concurred with this assessment in its annual engagement plan published on 31 March 2026.

The Regulator continues to classify Albyn as being of “systemic importance”. The Regulator refers to a number of RSLs as ‘systemically important’ because of their stock size, turnover or level of debt or because of their significance within their area of operation. They need to maintain a comprehensive understanding of how our business model operates and the risks we face, so they seek some additional assurance through our regulation plans. It is important to bear in mind that higher levels of regulatory engagement do not therefore mean we are poorly performing.

Operational Review

Customer facing delivery teams focusing on Income, Tenancy Sustainment, Operations, and Repair & maintenance teams continue to operate well and support the delivery of our plans and objectives.

Our Housing Management System, Civica CX continues to be developed and bring benefits to our operations since its implementation 2022. The system provides a platform from which we can meet our strategic objectives for our Customer Experience and build further integration of our systems in accordance with our IT strategic goals.

We continued our focus on our rent collection figures, in light of the ongoing cost of living pressures and its impact on the ability of tenants to meet their rental obligations. We provide access to a tenant support fund to assist those most vulnerable.

Our development programme continues to deliver, and we remain committed to the role that Albyn can play in expanding the supply of social and affordable housing in the Scottish Highlands. The declaration of a Housing Challenge by the Highland Council in June 2024 suggests that up to 24,000 new homes will be needed in the area across the next 10 years driven by housing need and the economic opportunities presented by the new Inverness and Cromarty Firth Green Freeport.

As a key delivery partner of affordable housing in the Highlands, the Albyn Board has made plans to expand its commitment to build up to 600 new homes over the next five years to support this collective challenge. The 2025/26 year was the first of this five-year period.

Customer Services Team

High quality customer service is central to the success of our business. Over the last few years, we have been developing new ways to improve our service delivery, both through changes to organisational structures and through building on the successful methods we currently use.

We have continued to develop our Customer Services Team to push day to day decision making through to the front-line staff, enabling them to respond more effectively and efficiently to our customers’ needs. Local initiatives on arrears accounts and new, improved ways of ensuring that our new tenants have the best possible chance of sustaining a successful tenancy have delivered against our objectives for our customers who are living in our homes.

Albyn continues to have an increasing proportion of tenants who are supported with their housing costs. We continue to encourage direct payment of housing related benefits and have improved our direct debit facilities to provide greater flexibility for those wishing to manage their rent payments using this system.

We are committed to ensuring our tenants have direct input into our service delivery and are continually looking for new ways to enable them to do this. We have developed a number of specialist focus groups where tenants can participate and gain knowledge in areas of interest to them. We have communicated regularly with our tenants providing notification of changes to service delivery and how they can get support for housing needs.

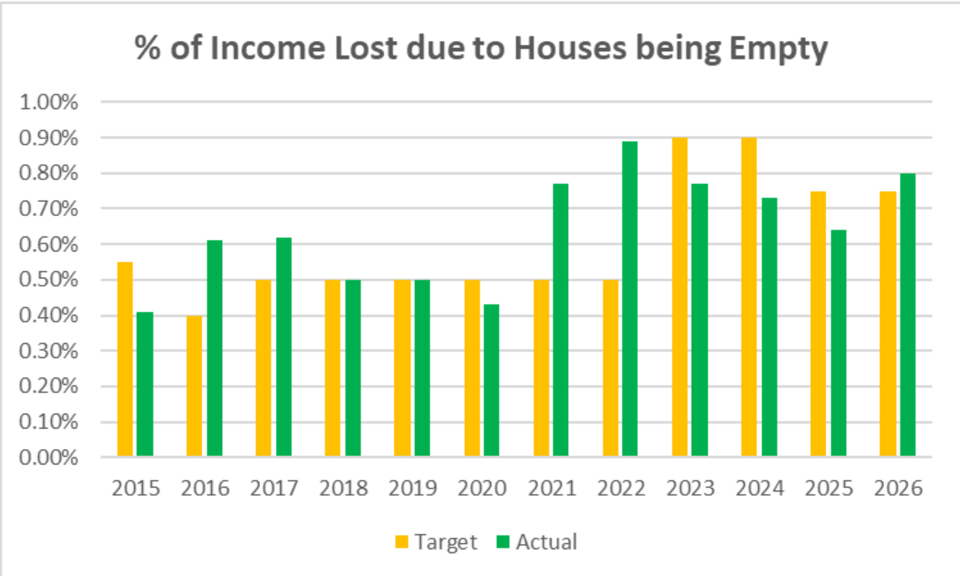
We have once again surveyed our tenants during the financial year on rent levels. Responses to our surveys have been consistently strong providing valuable information on which to drive further service improvement. Tenants selected a 4.8% increase in rent levels effective from 1 April 2026 to continue the implementation of our policy of raising rents in line with CPI inflation plus 1%.

We continued to work in partnership with our tenants to be able to publish a Tenants' Charter Report that delivers the information that matters to them on our performance against the requirements of the Scottish Social Housing Charter in an easy-to-read format.

Allocations
We recognise the importance of allocating houses to new tenants to minimise the cost of empty homes. This urgency supports minimising costs and enables Albyn to maximise its impact to house applicants on the waiting list as quickly as possible. With the on-going development activity both within Albyn and our partner organisations in the Highlands, we re-housed a large number of families in the year.

Families re-homed in the year	2026	2025
Re-lets	227	232
New Build / other Acquisitions	27	-
Total	**254**	**232**
Average Days taken to fill an empty home	24	24

The average number of days taken to fill our empty homes remined consistent in the year. The costs of void periods in the year as a percentage of income was 0.80% (2025 - 0.64%). Current and historic voids performance is set out in the graph below:



Historically we have found that it takes us longer to allocate homes in Caithness and a handful of developments in the more rural parts of the Highlands. With experienced officers dealing with the homes in these areas, and the Choice Based Lettings initiative implemented, we continue to work hard to keep our lost income as low as possible.

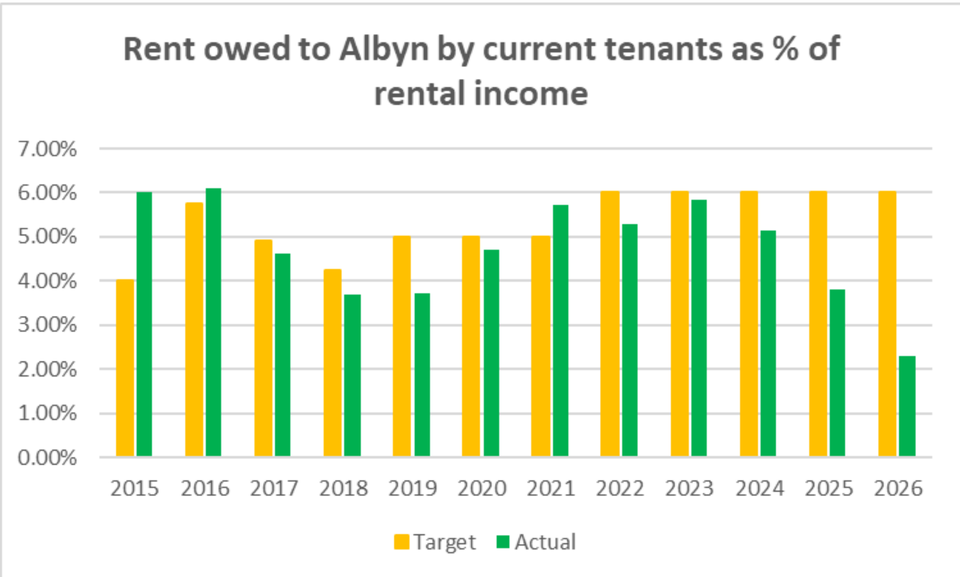
We achieve high levels of satisfaction with the condition of our homes, with 86% (2025 - 86%) of tenants responding to tenancy surveys indicating that they are satisfied with the quality of their home.

We constantly review the performance of our homes in terms of the amount of money they cost us and how happy our tenants are with them, so that we can be proactive in deciding the future use of our homes.

Rent Arrears
Rent arrears performance has consistently improved over the past few years as we continue to work hard to support tenants to meet their rental obligations during challenging economic circumstances and realise the benefits of our focused income team. We have continued to improve our internal reporting and monitoring processes, maintaining early intervention whilst respecting the importance of sustaining tenancies.

At the end of the year a total of 1,975 tenants (2025 – 1,948) elected to have their housing costs paid directly to their landlord. We continue to encourage tenants to elect for this method of payment of rent as it supports a managed control of housing rental arrears. We are continuing to work in partnership across the Highlands on a number of initiatives with local RSLs and the Highland Council to establish access to support for our tenants who may be struggling with the cost of living.

The graph below details our recent performance on rent arrears for tenants in our homes:



Tenancy Management
We work in partnership with other local agencies to tackle Anti-Social Behaviour ("ASB") and to manage our estates.

Number of ASB Cases opened in the year	2026	2025
Total	**304**	**305**
Cases per 1,000 properties	**8.55**	**9.44**

The number of reported nuisance and anti-social behaviour cases we have to deal with at any one time reduced slightly in the year, although remains a low proportion of all tenancies. It is always worth noting that whilst the ASB cases can be small in numeric terms as a proportion of the overall number of homes we manage, the cases often require a disproportionate amount of time and effort to find a resolution. These cases invariably require close customer liaison and support.

The number of tenancies created in the financial year that were still successfully in place after a year remains high at 95.71% (2025 – 92.91%).

Reactive Repairs
Our performance in Reactive Repairs has seen further improvement in the year as our specialist repairs and maintenance team begins to deliver a positive impact and is detailed in the following table:

Category	Performance Measure	Target	2026	2025
Emergency	Average time to complete	8 hours	4.18 hrs	4.28 hrs
Non-Emergency	Average time to complete	10 days	4.44 days	4.82 days
Right First Time			86.30%	92.10%

The total number of reactive repairs completed during the reporting year was 8,474 (2025 – 8,879). This reduction, alongside a focused management of the repairs management process has seen costs managed in line with the previous year despite ongoing inflationary pressures.

88.54% (2025 – 88.54%) of tenants who returned the satisfaction survey were satisfied with the overall quality of our repairs service.

Communities

Albyn works with tenants and communities to develop innovative solutions to enable people to live in their own homes as long as it is safe for them to do so.

During the year the Board made a decision to stop further development of the Fit Home technology which has been in place, supported by the Highlands and Islands City region Deal programme since 2017. Whilst the programme has been very successful for a number of service users, the decision has been taken in order to enable Albyn to focus on its core business priorities and embed the improvements in systems and processes that have been introduced over the past few years.

Asset Management

We have commissioned a programme of stock condition surveys to ensure that we hold accurate and up to date information on all of our housing stock to inform the targeting of our improvement and energy efficiency improvement budget.

During the year we incurred expenditure on improvements to our homes as follows:

Replacement Type	2026	2025
	£000's	£000's
Energy Efficiency Measures	1,272	735
Window and Door Replacements	304	349
Kitchen Replacements	232	187
Bathroom Replacements	447	590
Individual Property Upgrades and Other Costs	237	138
Total	**2,492**	**1,999**

Expenditure on improving our homes increased in 2026 compared to 2025 and will continue to increase investment in existing homes in 2026 with planned expenditure of £3 million.

During 2026 we will accelerate work to set out a long-term plan on meeting decarbonisation and energy efficiency improvements alongside the Governments communication on targets for the social housing sector. Our programme will continue into the planning period being informed by our Asset Management Strategy which was approved by the Board in 2023.

It is essential that all properties with gas central heating are serviced at not more than 12 monthly intervals, and we put in place procedures which ensured that we hit this target. Where access to carry out gas servicing is not possible, we have followed HSE advice and guidance in risk assessing each situation on a case-by-case basis. All properties where it was not possible to meet this obligation are evidenced by this process.

Category	Performance Measure	Target	2026	2025
Gas Servicing	Within 12 Mths of previous inspection	100%	100.0%	100.0%
	Within 13 Mths of previous inspection	100%	100.0%	100.0%

The development programme has continued in year and whilst we have seen a rapid acceleration in the number of schemes now getting on site, completions have been modest due to the challenges in mobilising schemes due to delays in the planning process. In addition, we are seeing tendered costs significantly in excess of benchmark which is leading to further assessment and requirements of larger Government grants.

Looking ahead, the Board have committed to a medium-term ambition to develop around 600 properties over a 5 year period to enable resources to be focused on stock improvement as well as new home development. We purchased 7 homes for rent during the year to 31 March 2026 (2025 – 11) and completed 27 new build homes. (2025 – 0).

Developments completed in the year	Rented	MMR	Total
Various former shared equity purchases from Scottish Government	0	7	7
Castlepark phase 2, Dingwall	27	0	27
Total	**27**	**7**	**34**

The table below details our expenditure on these completed projects and the way in which they were financed:

Development Funding	2026	2025
	£000's	£000's
Expenditure	8,564	1,912
Grant	6,536	930
Commercial Debt	2,028	982
Own resources	**0**	**0**

Corporate Services Teams

Albyn's Corporate Services Teams, which includes Finance and ICT, continued to support the Albyn Group throughout the year. The team supported the Board in reviewing the number of houses we would build and ensuring that the corporate and financial governance of the Society remained strong.

The team has continued to work with the operational teams in Albyn and HRL to provide up to date and streamlined processes and systems to help them provide good service to our customers on a day-to-day basis.

Our IT strategy continues to be implemented focusing on the implementation and exploitation of core systems within Housing, Finance, HR and Asset Management. The output of this work will aim to deliver robust secure systems, enabling efficient and effective processes enhancing the customer experience of Albyn as a landlord.

Albyn Enterprises Limited

Albyn Enterprises Limited (AEL) is a wholly owned subsidiary.

The Board made a decision to transfer AELs activities, assets and liabilities to other parts of the group. This was initially affected in the March 2025 financial statements when the company ceased trading and then in the current year the remaining assets and liabilities were transferred to Albyn Housing Society. The closure of the bank accounts at the end of March 2026 now puts the company into a non-trading status and the company will be dissolved once it's accounts are signed.

Highland Residential (Inverness) Limited (HRIL)

HRIL has continued to develop its offering to the affordable homes market through expansion of MMR and development of the factoring service.

In the year to 31 March 2026, the Factoring Services team continued to deliver services to tenants of Albyn as well as the owners of homes in our developments. The portfolio of mid-market rental homes grew, and our other sales and lettings activities performed well. Against this backdrop, the business continued its improved performance delivering a strong operating surplus for the year.

<u>Other Matters</u>

Credit Payment Policy
Albyn's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is within thirty days.

Rental Income
Albyn's Rent Policy is based on the size, type and facilities available to each home. The policy ensures that the rent structure is easy to administer and covers the wide variations of properties that we own and manage. The rent charged is reviewed annually to ensure that the rents cover the required costs. The rent increase was consulted with tenants for the 2025/26 financial year. This policy follows the generally accepted practice / principles of the RSL Sector.

Sales of Housing Properties
We sold 2 homes on the open market in 2026 (2025 – 1) and sold 3 (2025 - 2) Shared Ownership properties in the year to their sharing owners.

Management Structure
The Board has overall responsibility for Albyn and there is a formal schedule of matters specifically reserved for decision by the Board.

Risk Management Policy
The Board has a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the six critical success factors for Albyn then analysing the types of risks Albyn faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Board has reviewed the adequacy of Albyn's current internal controls.

The Board has set policies on internal controls which cover the following:

- consideration of the type of risks Albyn faces
- the level of risks which they regard as acceptable
- the likelihood of the risks concerned materialising
- the risk appetite
- Albyn's ability to reduce the incidence and impact on the business of risks that do materialise
- management of the costs of operating particular controls relative to the benefit obtained.

In order to ensure that these policies are adhered to, management has:

- clarified the responsibility of management to implement the Board's policies and to identify and evaluate risks for the Board's consideration
- communicated that employees have responsibility for internal control as part of their accountability for achieving objectives
- embedded the control system in the organisation's operations so that it becomes part of the culture of Albyn
- developed systems to respond quickly to evolving risks arising from factors within the charity and to changes in the external environment
- included procedures for reporting failings immediately to appropriate levels of management and the Board together with details of corrective action being undertaken.

ALBYN HOUSING SOCIETY LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2026

Albyn holds a full strategic risk register but has identified the following key risks in the year and has in place appropriate mitigation measures:

Health & Safety A failure to maintain and operate an effective Health & Safety management System leading to a breach of legal obligations and significant regulatory or statutory intervention.	***Mitigation Measure*** Health & Safety Management System including a consultative Health & Safety Committee.
Cyber Security Breach of IT security leading to a significant loss of data, functionality and service.	***Mitigation Measure*** Network management security controls and testing.
IT Management Failure of the capability or capacity of the IT management system leading to potential service failure and/or data loss	***Mitigation Measure*** Contractual Obligations of the provider and monitoring of service performance
Housing Development Failure of the development programme to deliver the outcomes either on time or within budget leading to financial and/or reputational loss.	***Mitigation Measure*** Project management techniques and stakeholder partnership working.
Recruitment & Retention of Staff Failure to recruit or retain suitably qualified and experienced staff leading to an erosion of the organisations ability to deliver for its customers.	***Mitigation Measure*** Recruitment policy and use of multiple recruitment techniques.
External Economic Conditions Adverse changes in external economic conditions resulting in financial loss and a failure to deliver our objectives.	***Mitigation Measure*** Engagement with stakeholders and use of respected forecasting data.
Financial Viability A failure in the financial management of the society leading to loss and breach of obligations to key stakeholders.	***Mitigation Measure*** Budgeting and financial management including sensitivity testing of financial models.
Asset Management A failure of asset management resulting in statutory breach or failure to meet regulatory standards for the condition and quality of our housing stock.	***Mitigation Measure*** Asset management strategy and stock conditions surveys.
Data Protection A failure in the governance, protection or integrity of data leading to serious breach.	***Mitigation Measure*** Data protection policy, professional advice and staff training.
Customer Experience Poor customer service delivery leading to decline in customer satisfaction, and a failure to meet customer expectations.	***Mitigation Measure*** Regular KPI monitoring and customer satisfaction survey, procedural review.
Legal & Regulatory Compliance Failure to meet our legal and regulatory obligations leading to intervention or failure of the society.	***Mitigation Measure*** Board approved policy, reporting of legal and regulatory compliance.

Sustainability and Asset Management
Albyn has a Sustainability Strategy, with a focus on sustaining Albyn as a business whilst helping improve the quality of life for the residents in our communities. This Strategy is supported by an Asset Management Strategy which identifies initiatives for sustaining / improving the performance of our property assets. Our Asset Management Strategy was updated following the completion of the stock condition survey in 2023.

Albyn has a long-term programme of major repairs to cover work which has become necessary since the original development was completed, including works required for subsequent legislative changes such as SHQS, EESSH and carbon net zero. This includes replacement or repairs to parts of the properties which have come to the end of their useful economic lives. The costs of these repairs are charged to the Income and Expenditure Account, unless it is agreed they be capitalised within the terms outlined in the Statement of Recommended Practice for Registered Social Landlords.

Budgetary Process
Each year the Board approves the five-year budgets and rolling thirty-year strategic Business Plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Board of variances from the budget, updating forecasts for the year where necessary together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Treasury Management
Albyn has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Board. In this way Albyn manages its borrowing arrangements to ensure that it is always in a position to meet financial obligations as they fall due, whilst minimising excess cash and liquid resources held. The Treasury Management Policy was reviewed by the Board on 23 January 2024 and will be reviewed again in a further three years' time.

The Audit and Risk Management Committee receives an annual report on the implementation of the Treasury Management Strategy as part of their assurance work.

Albyn, as a matter of policy, does not enter into transactions of a speculative nature. Albyn has a mix of fixed and variable rate finance, which it considers appropriate at this time.

Going Concern
Over the past few years, the period of high inflation followed by high interest rates and borrowing costs have eased. Whilst this is positive news, there remains many uncertainties and sensitivities in projecting the economic climate in which Albyn operates. The Board have considered a number of sensitivities within the organisation's financial plans and have a reasonable basis on which make to judgements on the impact.

On 31 March 2026, the Board approved the annual budget and financial forecast for the next five-year period. The key assumptions and targets have been set with reference to the management of business risk. The Board continues to employ sensitivity testing with a number of differing scenarios after which the Board has further considered the impact on the business as a going concern.

Based on the budgetary processes detailed above, the Board has a reasonable expectation that Albyn has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Quality and Integrity of Staff
The integrity and competence of staff is ensured through high recruitment standards and subsequent training and development. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Chief Executive. Our staff also have the opportunity to take part in a range of training opportunities to develop their skills and knowledge.

Albyn is committed to involving staff in decision-making and drafting policy. Albyn enjoys strong relationship with its recognised trade union working collaboratively to establish new and revised policy to meet the interest of the business and its staff.

Employee Involvement and Health and Safety
Albyn encourages employee involvement in all major initiatives and maintaining Health & Safety standards in all areas. A Health and Safety Committee is in place which includes membership from across the society. The outcomes of the work of the Committee inform both the Board and Leadership Team's oversight of the health and safety system.

Disabled Employees
Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with Albyn may continue. It is the policy of Albyn that training, career development and promotion opportunities should be available to all employees.

Future Prospects
Albyn will continue with its policy of improving the quality of housing and housing services within its area of activity working with its existing and new partners.

The Board have approved an ongoing commitment to develop additional houses to contribute to the government's overall targets for growth in affordable housing in Scotland. This commitment is reviewed each year as part of the Business Planning process. The medium-term commitment as set out in our Business Plan is to complete an additional 600 social housing units across the five-year business planning period subject to affordability and the support provided through Government grants.

ALBYN HOUSING SOCIETY LIMITED

REPORT OF THE BOARD

FOR THE YEAR ENDED 31 MARCH 2026

Board
The Board of Albyn during the year to 31 March 2026 and up to 30 June 2026 was as follows:

Name	Office Bearing	Date Appointed	Attendance (to year end 31March 2026)	Committee Membership
Ms L McInnes	Chairperson 01/22 – present	Board Member 09/22 – present	100%	
Ms C Warner	Vice Chair 09/23 - present	Board Member 09/20 – present	91%	REM
Mr C Patching	Vice Chair 01/22 - 09/23	Board Member 09/20 – present	100%	REM A&RM
Mr I Fosbrooke	Secretary 09/20 -09/25	Board Member 09/16 – 09/25	67%	Rem
Ms F Mustarde		Board Member 09/20 – 09/25	100%	A&RM
Mr S MacLeod		Board Member 09/23 - present	91%	A&RM
Mr C Russell		Board Member 09/23 – 09/25	100%	
Mr C Levy		Board Member 09/23 - present	80%	
Ms J Bugden		Board Member 09/23 - present	73%	
Ms L Holburn		Board Member 09/23 - present	92%	A&RM (to 09/25)
Mr N Owen		Board Member 09/23 - present	82%	A&RM
Ms A Newlands		Board Member 09/25 - present	75%	REM
Ms T Semple		Board Member 09/25 - present	50%	A&RM
Mr E McGarrie		Board Member 09/25 - present	100%	A&RM

Committees
Audit & Risk Management Committee ("A&RM")
Remuneration Committee ("Rem")

Each member of the Board holds one fully paid share of £1.00 in Albyn. The executive officers of Albyn hold no interest in Albyn's share capital and although not having the legal status of "director" they act as executives within the authority delegated by the Board.

Board and Officers' Insurance
Albyn has purchased and maintains insurance to cover its Board and officers against liabilities in relation to their duties on behalf of Albyn, as authorised by the Society's rules.

Executive Team
The Directors of Albyn during the year and up to the date of signing the financial statements was as follows:

Ms Maureen Knight	Interim Group Chief Executive
Ms Kirsty Morrison	Group Chief Executive (Resigned 20 October 2025)
Mr Andrew Martin	Executive Director of Group Services
Ms Laurie MacLeod	Head of Human Resources
Mr Robert Buchanan	Director if IT & Business Services

Disclosure of Information to the Auditor
The members of the Board at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditor
A resolution for the reappointment of RSM UK Audit LLP, as auditors of the Society, will be proposed at the Annual General meeting.

By order of the Board

Maureen Knight

Maureen Knight
Secretary
30 June 2026

STATEMENT OF BOARD'S RESPONSIBILITIES UNDER THE COOPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014 FOR A REGISTERED PROVIDER OF SOCIAL HOUSING/REGISTERED SOCIAL LANDLORD

FOR THE YEAR ENDED 31 MARCH 2026

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Society and of the Group and of the surplus or deficit for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the Society will continue in business.

The Board is responsible for instituting adequate systems of internal control and for:

- safeguarding assets
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the keeping of proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Society and of the Group and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Housing Associations Determination of Accounting Requirements 2019.

The Board is responsible for the maintenance and integrity of the financial information included on the Albyn Housing Society website (www.albynhousing.org.uk).

By order of the Board

Maureen Knight

Maureen Knight
Secretary
30 June 2026

ALBYN HOUSING SOCIETY LIMITED

BOARD'S STATEMENT OF INTERNAL FINANCIAL CONTROL

FOR THE YEAR ENDED 31 MARCH 2026

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

- the reliability of financial information used within the Society, or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable, and not absolute, assurance against material financial misstatement or loss or failure to meet objectives. Key elements of the Society's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority which allow the monitoring of controls and restrict the unauthorised use of the Society's assets;
- experienced and suitably qualified staff take responsibility for the important business functions and annual appraisal procedures that have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Management Team and Board to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Board;
- the Audit & Risk Management Committee receives reports from management and from the external and internal auditors, to provide reasonable assurance that control procedures are in place and are being followed, and that a general review of the major risks facing the Society is undertaken; and
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal and external audit reports.

The effectiveness of the Society's system of internal financial control has been reviewed by the Audit & Risk Management Committee for the year ended 31 March 2026. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in these financial statements or in the auditor's report on the financial statements.

By order of the Board

Maureen Knight

Maureen Knight
Secretary
30 June 2026

REPORT BY THE AUDITOR TO THE MEMBERS OF

ALBYN HOUSING SOCIETY LIMITED

ON CORPORATE GOVERNANCE MATTERS

FOR THE YEAR ENDED 31 MARCH 2026

In addition to our audit of the Financial Statements, we have reviewed your statement on page 18 concerning the Society's compliance with the information required by the Regulatory Standards for systemically important RSLs 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 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Board and Officers of the Society and examination of relevant documents. The Bulletin does not require us to review the effectiveness of the Society'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 page 18 has provided the disclosures required by the relevant Regulatory Standards for systemically important RSLs 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.

RSM UK Audit LLP

RSM UK AUDIT LLP
Statutory Auditor
Chartered Accountants
Third Floor
2 Semple St
Edinburgh
EH3 8BL

Date 03/07/26

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ALBYN HOUSING SOCIETY LIMITED

FOR THE YEAR ENDED 31 MARCH 2026

Opinion
We have audited the financial statements of Albyn Housing Society Limited (the 'Society') and its subsidiaries (the 'Group') for the year ended 31st March 2026 which comprise the Statement of Comprehensive Income - Group, Statement of Comprehensive Income – Society, Statement of Changes in Capital and Reserves – Group, Statement of Changes in Capital and Reserves – Society, Statement of Financial Position – Group, Statement of Financial Position – Society, Statement of Cashflows – Group, Statement of Cashflows – Society 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 group's and the Society's affairs as at 31 March 2026 and of the group's income and expenditure of the Group and the income and expenditure of the Society 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 Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

Basis for opinion
We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Co-operative and Community Benefit Societies Act 2014 and report in accordance with regulations made under those Acts.

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 and the parent association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 Board's 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 group's or the association's ability to continue as a going concern basis 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 with respect to going concern are described in the relevant sections of this report.

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Society in accordance with section 75; or
- a satisfactory system of control over transactions has not been maintained by the Society in accordance with section 75; or
- the income account and the balance sheet are not in agreement with the books of account of the association; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we consider necessary for the purposes of our audit

Responsibilities of the Board
As explained more fully in the Board's responsibilities statement set out on page 17, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines 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 is responsible for assessing the Society'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 either intends to liquidate the Society 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.

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

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the group and the Society operates in and how the group and the Society are complying with the legal and regulatory frameworks;
- 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, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019 and the Housing Acts. 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 most significant laws and regulations that have an indirect impact on the financial statements are the Housing (Scotland) Acts 2006, 2010 and 2014, the Co-operative and Community Benefit Societies Act 2014, the Scottish Housing Regulator's Regulatory Framework (published 2019) and the Data Protection Act. We performed audit procedures to inquire of management and those charged with governance whether the Society are in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area 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, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is provided 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 Society's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Society's members those matters we are required to state to them in an auditor's report and for no other purpose.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ALBYN HOUSING SOCIETY LIMITED

FOR THE YEAR ENDED 31 MARCH 2026

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Third Floor
2 Semple St
Edinburgh
EH3 8BL

Date 03/07/26

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

ALBYN HOUSING SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME - GROUP

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £'000	2025 £'000
Turnover	2	25,995	24,992
Operating expenditure	2	(20,459)	(19,515)
Operating Surplus	7	5,536	5,477
Loss on disposal of fixed assets	6	(8)	(206)
Interest receivable	9	42	94
Interest and financing costs	10	(4,623)	(4,965)
Surplus before tax		947	400
Taxation	11	-	1
Surplus for the Year		**947**	**401**
Other Comprehensive Income			
Actuarial Gain in respect of pension schemes	30	169	81
Total Comprehensive Income for the year	24	**1,116**	**482**

The accompanying notes form part of these financial statements.

ALBYN HOUSING SOCIETY LIMITED

STATEMENT OF COMPREHENSIVE INCOME - SOCIETY

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £'000	2025 £'000
Turnover	2	25,302	24,398
Operating expenditure	2	(19,804)	(19,043)
Operating Surplus	7	5,498	5,355
Loss on disposal of fixed assets	6	(8)	(205)
Interest receivable	9	291	209
Interest and financing costs	10	(4,623)	(4,965)
Surplus before tax		1,157	394
Taxation	11	-	-
Surplus for the Year		**1,157**	**394**
Other Comprehensive Income			
Actuarial Gain in respect of pension schemes	30	169	81
Total Comprehensive Income for the year	24	**1,326**	**475**

The accompanying notes form part of these financial statements.

ALBYN HOUSING SOCIETY LIMITED

STATEMENT OF CHANGES IN CAPITAL AND RESERVES - GROUP

FOR THE YEAR ENDED 31 MARCH 2026

	Share Capital £000	**Revenue Reserve** £000	**Total Reserves** £000
Balance at 01 April 2025	1	**44,123**	**44,124**
Total comprehensive Income for the year	-	1,116	1,116
Balance at 31 March 2026	**1**	**45,239**	**45,240**
Balance at 01 April 2024	1	43,641	43,642
Total comprehensive Income for the year	-	482	482
Balance at 31 March 2025	**1**	**44,123**	**44,124**

The notes form part of these financial statements

ALBYN HOUSING SOCIETY LIMITED

STATEMENT OF CHANGES IN CAPITAL AND RESERVES - SOCIETY

FOR THE YEAR ENDED 31 MARCH 2026

	Share Capital £000	Revenue Reserve £000	Total Reserves £000
Balance at 01 April 2025	1	43,870	43,871
Total comprehensive Income for the year	-	1,326	1,326
Balance at 31 March 2026	**1**	**45,196**	**45,197**
Balance at 01 April 2024	1	43,395	43,396
Total comprehensive Income for the year	-	475	475
Balance at 31 March 2025	**1**	**43,870**	**43,871**

The notes form part of these financial statements

ALBYN HOUSING SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION - GROUP

AT 31 MARCH 2026

	Notes	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Fixed Assets					
Housing properties	13		314,994		311,640
Other tangible fixed assets	14		2,010		1,987
Investments	15		1		1
			317,005		313,628
Current Assets					
Stock and Work in Progress	16	1,172		796	
Trade and other debtors	17	1,802		1,812	
Cash and cash equivalents	25	12,671		9,604	
		15,645		12,212	
Current Liabilities					
Creditors due within one year	18	(11,611)		(11,391)	
Net Current Assets			4,034		821
Total Assets Less Current Liabilities			321,039		314,449
Creditors: amounts falling due after more than one year	19		(274,516)		(268,951)
Provision For Liabilities	22		(183)		(174)
Provisions for Liabilities - Defined Benefit Liability	30		(1,100)		(1,200)
Total Net Assets			45,240		44,124
Capital and Reserves					
Share capital	23		1		1
Income and Expenditure Reserve	24		45,239		44,123
			45,240		44,124

The financial statements on pages 24 to 31 were approved by the Board and authorised for issue on 30 June 2026 and are signed on its behalf by:

Lesley McInnes - Chair

Clea Warner - Vice Chair

Maureen Knight - Secretary Maureen Knight

ALBYN HOUSING SOCIETY LIMITED

STATEMENT OF FINANCIAL POSITION - SOCIETY

AT 31 MARCH 2026

	Notes	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Fixed Assets					
Housing properties	13		314,994		311,640
Other tangible fixed assets	14		1,949		1,924
Investments	15		1		1
			316,944		313,564
Current Assets					
Stock and Work in Progress	16	1,172		796	
Trade and other debtors	17	2,469		1,964	
Cash and cash equivalents	25	11,752		9,018	
		15,392		11,778	
Current Liabilities					
Creditors due within one year	18	(11,354)		(11,160)	
Net Current Assets			4,039		618
Total Assets Less Current Liabilities			320,983		314,183
Creditors: amounts falling due after more than one year	19		(274,516)		(268,951)
Provisions for Liabilities	22		(169)		(161)
Provisions for Liabilities - Defined Benefit Liability	30		(1,100)		(1,200)
Total Net Assets			45,197		43,871
Capital and Reserves					
Share capital	23		1		1
Income and Expenditure Reserve	24		45,196		43,870
			45,197		43,871

The financial statements on pages 24 to 31 were approved by the Board and authorised for issue on 30 June 2026 and are signed on its behalf by:

Lesley McInnes - Chair

Clea Warner - Vice Chair

Maureen Knight - Secretary Maureen Knight

ALBYN HOUSING SOCIETY LIMITED

STATEMENT OF CASHFLOWS - GROUP

FOR THE YEAR ENDED 31 MARCH 2026

	2026		2025	
	£'000	£'000	£'000	£'000
Surplus before Tax for the year		947		400
Adjustments for non-cash items:				
Depreciation of tangible fixed assets	6,417		6,391	
Amortisation of capital grants	(3,306)		(3,255)	
Increase in provisions	9		9	
Gain on disposal of tangible fixed assets	8		206	
Interest receivable	(42)		(94)	
Interest payable	4,623		4,965	
Taxation paid	-		-	
		7,710		8,222
Operating cash flows before movements in working capital		8,657		8,622
Decrease/(Increase) in properties held for sale	(375)		(154)	
Decrease/(increase) in trade and other debtors	(463)		(86)	
Increase/(decrease) in trade and other creditors	570		556	
		(269)		315
Cash generated from operations		8,388		8,937
Cash flow from investing activities				
Development of own property	(10,153)		(10,494)	
Purchase of other fixed assets	(202)		(163)	
Proceeds from sale of tangible fixed assets	(8)		35	
Grants received	5,858		6,193	
Interest received	42		94	
Net cash used in investing activities		(4,464)		(4,335)
Cash flow from financing activities				
Interest paid	(4,554)		(4,905)	
Loans received	6,000		1,000	
Loans repaid	(2,303)		(2,213)	
Payments to pension past service deficit	-		-	
Net cash from financing activities		(857)		(6,118)
Net Increase/(decrease) in cash and cash equivalents		3,067		(1,516)

Note 25 should be read in conjunction with this statement. *3,067*

ALBYN HOUSING SOCIETY LIMITED

STATEMENT OF CASHFLOWS - SOCIETY

FOR THE YEAR ENDED 31 MARCH 2026

	2026		2025	
	£'000	£'000	£'000	£'000
Surplus for the year		1,157		394
Adjustments for non-cash items:				
Depreciation of tangible fixed assets	6,410		6,385	
Amortisation of capital grants	(3,306)		(3,255)	
Increase in provisions	9		9	
Loss on disposal of tangible fixed assets	8		206	
Interest receivable	(291)		(209)	
Interest payable	4,623		4,965	
		7,453		8,100
Operating cash flows before movements in working capital		8,610		8,494
Decrease/(increase) in properties held for sale	(375)		(154)	
Decrease/(increase) in trade and other debtors	(464)		(266)	
Decrease/(increase) in trade and other creditors	29		643	
		(810)		223
Cash generated from operations		7,800		8,717
Cash flow from investing activities				
Development of own property	(10,153)		(10,494)	
Purchase of other fixed assets	(197)		(103)	
Proceeds from sale of tangible fixed assets	(8)		(24)	
Grants received	5,858		6,193	
Interest received	44		97	
Gift Aid donation received	247		112	
Net cash used in investing activities		(4,209)		(4,219)
Cash flow from financing activities				
Interest paid	(4,554)		(4,905)	
Loans received	6,000		1,000	
Loans repaid	(2,303)		(2,213)	
Payments to pension past service deficit	-		-	
Net cash from financing activities		(857)		(6,118)
Net increase/(decrease) in cash and cash equivalents		2,734		(1,620)

Note 25 should be read in conjunction with this statement. *2,734*

1 Accounting Policies

The principal accounting policies of the Group and the Society are set out in the paragraphs below.

a. Legal Status
Albyn Housing Society Limited is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society, and the Scottish Housing Regulator as a Registered Social Landlord under the Housing (Scotland) Act 2010. Albyn Housing Society Limited adopted Charitable Rules on 18 March 1997 and its Charity Number is SC 027123.

The Society's address is listed on page 1. Its principal activities and the nature of its operations are detailed on page 2.

b. Basis of Accounting
These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and the comply with the Determination of Accounting Requirements 2019, and under the historical cost convention.

Albyn Housing Society Limited is a public benefit entity (PBE). The financial statements are prepared in Sterling (£).

c. Basis of Consolidation
The consolidated financial statements consolidate the accounts of the Society and its commercial subsidiaries, Albyn Enterprises Limited ("AEL") and Highland Residential (Inverness) Limited ("HRL").

d. Critical Accounting Estimates and Areas of Judgement
Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below:

i. Useful lives of properties
Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on industry averages and our asset management strategy. Uncertainties in these estimates relate to the length of time certain components in our homes will last, with varying levels of use potentially lengthening or shortening the lives of these components.

ii. Recoverable amount of rent arrears and debtors
Management considers the reasonable likelihood of rent arrears and debtors being recoverable based on past experience. While every effort is made not to over-estimate the amounts which will be recovered by the Society in the future, the actual amounts which might be received are often outwith the Society's control.

iii. Defined benefit obligation
Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 31). The net defined benefit pension liability at 31 March 2026 was £1,100k (2025 - £1,200k).

e. Going Concern

Each year the Board approves the five-year budgets and rolling thirty-year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Board of variances from the budget, updated forecasts for the year where necessary together with information on the key risk areas.

On 31 March 2026, the Board approved the annual budget and financial forecast for the forthcoming period. The key assumptions and targets have been set with reference to the management of business risk during the previous year in which greater uncertainty of the global economic impacts of rising inflation, energy costs and conflict. The Board continues to employ sensitivity testing with a number of differing scenarios after which the Board has further considered the impact on the business as a going concern.

On that basis the Board has a reasonable expectation that the Group and Society has adequate resources to continue in operational existence for the foreseeable future. As a result, we continue to adopt the going concern basis of accounting in preparing the annual financial statements.

f. Turnover and Revenue Recognition

Turnover comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, sale of properties built for sale, other services provided at the invoice value (excluding VAT) and revenue grants receivable in the period.

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Income from first tranche sales and sales of properties built for sale is recognised at the point of legal completion of the transaction.

Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

g. Government Grants

Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received, such as relevant costs being incurred and paid for.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

On disposal of an asset for which a government grant was received, if there is no obligation to repay the grant, then any unamortised grant remaining is derecognised as a liability and recognised as income. Where there is a requirement to repay a grant, a liability is included in the Statement of Financial Position to recognise this obligation.

h. Other Grants
Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

i. Gift Aid Policy
Donations received under the gift aid scheme to the parent association, Albyn Housing, from its subsidiaries are recognised as turnover upon receipt as it relates to the principal activities of the association and is eliminated on consolidation.

j. Tangible Fixed Assets - Housing Properties
Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent and shared ownership.

Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Shared ownership properties are split proportionally between fixed assets and current assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds are included in turnover.

The remaining element is classed as a fixed asset and included in housing properties at cost, less any provisions needed for depreciation or impairment. Where the first tranche has been sold prior to the acquisition of the properties, these are included in fixed assets only.

k. Depreciation of Housing Properties
Freehold land or assets under construction are not depreciated.

The Society separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years which are estimated lives for accounting purposes:

Land	Nil
Assets under Construction	Nil
Structure	100 Years
Roof	70 Years
Windows and Doors	30 Years
Heating	15 Years
Kitchen	20 Years
Bathroom	30 Years
Other Mechanical and Engineering Works	30 Years

l. Impairments of Fixed Assets
An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously

recognised has fully or partially reversed. If such indications exist, the Society estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the income and expenditure account.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

m. Low Cost Initiatives for First Time Buyers ("LIFT")

LIFT transactions are grants received from a grant making body and passed on to an eligible beneficiary. A grant making body has a benefit of a fixed charge on the property entitling the grant making body to a share of the proceeds on the sale of the property by the beneficiary. These are classified as investments and are carried at historical cost with the linked finance cost (the grant received) being deducted from the gross amount of the LIFT asset.

Completed properties for outright sale (mainly LIFT Properties) and work in progress are valued at the lower of cost and net realisable value. Cost comprises the cost of land, development and interest. Net realisable value is based on estimated sale price after allowing for all further costs of completion and disposal.

n. Sales of Housing Accommodation

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale, except for first tranche sales. Any grants received that cannot be repaid from the proceeds of sale are abated and the grant removed from the financial statements.

o. Shared Ownership

Proceeds from first tranche disposals of shared ownership properties are accounted for in the Income and Expenditure account of the period in which the disposal occurs, with any surpluses on disposal recognised in the Income and Expenditure account as turnover. The cost of disposal of first tranche disposals is included within cost of sales. The first tranche element of any unsold properties is shown as a current asset.

p. Other Tangible Fixed Assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold buildings	Up to 75 years
Computer equipment	4 years
Fixtures, fittings and equipment	7 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

q. Leases and Hire Purchase Contracts
Rentals paid under operating leases are charged to income as incurred.

r. Borrowing Costs
General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expensed as incurred.

s. Value Added Tax
The Society is VAT registered, however a large proportion of income, namely rents, is exempt for VAT purposes therefore giving rise to a Partial Exemption calculation. Expenditure is shown inclusive of VAT.

t. Deposits and Liquid Resources
Cash comprises cash in hand and deposits repayable on demand less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.

u. Employee Benefits
The costs of short-term employee benefits are recognised as a liability and an expense.

Employees are entitled to carry forward up to five days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Society is demonstrably committed to terminating the employment of an employee or to provide termination benefits.

v. Retirement Benefits
<u>Defined contribution plans</u>
For defined contribution schemes the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

<u>Defined benefit plans</u>

Scottish Housing Association Pension Scheme (SHAPS)
The Association recognises its share of scheme assets and scheme liabilities as a past service deficit liability based on the present value of the Association's deficit funding agreement.

As at the year ended 31 March 2026, the net defined benefit pension deficit liability was £1,100k (2025 – £1,200k), which has been included within the provisions for pensions liability in the financial statements.

In the year ended 31 March 2025, the current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income. Refer to Note 30 for more details.

w. Provisions

Provisions are recognised when Albyn Housing Society Limited has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

x. Taxation

Albyn is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and meets the definition of a charitable company for UK corporation tax purposes. Accordingly, it is potentially exempt from taxation in respect of income or capital gains received within categories set out in chapter 3 part II of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent such income or gains are applied exclusively to charitable purposes.

The tax expense for subsidiary undertakings 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. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

y. Financial Instruments

The Association 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 and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument and are offset only when the Association currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Receivables

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

Where the arrangement with a trade receivable constitutes a financing transaction, the receivable 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 receivables 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 receivable 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

Income and Expenditure.

Financial liabilities

Trade and other payables
Trade payables 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 payable constitutes a financing transaction, the payable is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

2.1 Particulars of Turnover, Operating Costs and Operating Surplus - Group

	Notes	Turnover £'000	Operating costs £'000	2026 Operating surplus £'000	2025 Operating surplus £'000
Affordable Letting Activities	3	25,356	(19,157)	6,199	5,807
Other Activities	4	639	(1,302)	(663)	(330)
Total		**25,995**	**(20,459)**	**5,536**	**5,477**
2025		**24,992**	**(19,515)**	**5,477**	

2.2 Particulars of Turnover, Operating Costs and Operating Surplus - Society

	Notes	Turnover £'000	Operating costs £'000	2026 Operating surplus £'000	2025 Operating surplus £'000
Affordable Letting Activities	3	25,051	(18,982)	6,069	5,786
Other Activities	4	251	(822)	(571)	(431)
Total		**25,302**	**(19,804)**	**5,498**	**5,355**
2025		**24,398**	**(19,043)**	**5,355**	

3.1 Particulars of Turnover, Operating Costs and Operating Surplus from Affordable Letting Activities - Group

	General Needs Housing £'000	Shared Ownership Housing £'000	2026 £'000	2025 £'000
Rent Receivable Net of Service Charges	21,007	300	21,307	20,584
Service Charges	841	-	841	806
Gross Income from Rents and Service Charges	21,848	300	22,148	21,390
Less Voids	(142)	-	(142)	(146)
Net Income from Rents and Service Charges	21,706	300	22,006	21,244
Grants Released from Deferred Income	3,350	-	3,350	3,331
Total Turnover from Affordable Letting Activities	25,056	300	25,356	24,575
Management and Maintenance Administration Costs	7,159	185	7,344	7,076
Service Costs	929	-	929	708
Planned and Cyclical Maintenance including Major Repairs Costs	1,021	-	1,021	1,075
Reactive Maintenance Costs	3,442	-	3,442	3,609
Bad Debts - Rents and Service Charges	183	-	183	109
Depreciation of Affordable Let Properties	6,216	23	6,239	6,192
Operating Costs for Affordable Letting Activities	18,950	208	19,157	18,768
Operating Surplus for Affordable Lettings Activities	**6,107**	**92**	**6,199**	**5,807**
2025	**5,581**	**226**	**5,807**	

3.2 Particulars of Turnover, Operating Costs and Operating Surplus from Affordable Letting Activities - Society

	General Needs Housing	Shared Ownership Housing	2026	2025
	£'000	£'000	£'000	£'000
Rent Receivable Net of Service Charges	20,702	300	21,002	20,313
Service Charges	841	-	841	806
Gross Income from Rents and Service Charges	21,543	300	21,843	21,119
Less Voids	(142)	-	(142)	(146)
Net Income from Rents and Service Charges	21,401	300	21,701	20,973
Grants Released from Deferred Income	3,350	-	3,350	3,331
Total Turnover from Affordable Letting Activities	24,751	300	25,051	24,304
Management and Maintenance Administration Costs	6,866	185	7,051	6,683
Service Costs	1,047	-	1,047	850
Planned and Cyclical Maintenance including Major Repairs Costs	1,021	-	1,021	1,075
Reactive Maintenance Costs	3,442	-	3,442	3,609
Bad Debts - Rents and Service Charges	183	-	183	109
Depreciation of Affordable Let Properties	6,216	23	6,239	6,192
Operating Costs for Affordable Letting Activities	18,775	208	18,982	18,518
Operating Surplus for Affordable Lettings Activities	**5,976**	**92**	**6,069**	**5,786**
2025	**5,561**	**226**	**5,786**	

4.1 Particulars of Turnover, Operating Costs and Operating Surplus from Other Activities - Group

	Grants from Scottish Ministers	Other Revenue Grants	Other Income	Total Turnover	Operating Costs	2026 Operating Surplus /(Loss)	2025 Operating Surplus /(Loss)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Factoring	-	-	247	247	(168)	79	34
Uncapitalised Development Administration Costs	-	-	-	-	(566)	(566)	(432)
NSSE Properties for Sale	-	-	-	-	-	-	-
Housing Adaptations	-	-	228	228	(242)	(14)	-
Subsidiary Operating Costs	-	-	-	-	(285)	(285)	-
Other Activities	-	-	163	163	(42)	121	68
Operating Deficit	**-**	**-**	**639**	**639**	**(1,302)**	**(664)**	**(330)**
2025	**-**	**-**	**417**	**417**	**(747)**	**(330)**	

The Determination includes additional information lines to those shown in notes 3 and 4 above.
The Board does not feel that any additional information is required with regards to these notes.

4.2 Particulars of Turnover, Operating Costs and Operating Surplus from Other Activities - Society

	Grants from Scottish Ministers	Other Income	Total Turnover	Operating Costs	2026 Operating Surplus /(Loss)	2025 Operating Surplus /(Loss)
	£'000	£'000	£'000	£'000	£'000	£'000
Uncapitalised Development Administration Costs	-	-	-	(565)	(565)	(431)
Housing Adaptations	-	228	228	(242)	(13)	-
Other Activities	-	23	23	(15)	7	-
NSSE Properties for Sale	-	-	-	-	-	-
Operating Deficit	**-**	**251**	**251**	**(822)**	**(571)**	**(431)**
2025	**-**	**94**	**94**	**(525)**	**(431)**	

The Determination includes additional information lines to those shown in notes 3 and 4 above.
The Board does not feel that any additional information is required with regards to these notes.

5 Accommodation in Management - Group and Society

The number of properties in management were as follows:	Tenanted	Mid-Market Rent	Managed on behalf of others	Shared Ownership	2026 No	2025 No
1 April	3,490	251	12	105	3,858	3,852
Additions during the year	27	7			34	11
Conversion from Shared Ownership					-	-
Disposals	(2)			(3)	(5)	(5)
31 March 2026	3,515	258	12	102	3,887	3,858
2025	3,490	251	12	105	3,858	

6 a Surplus on Sale of Fixed Assets - Housing Properties

	Group 2026 £'000	Group 2025 £'000	Society 2026 £'000	Society 2025 £'000
Sale proceeds	411	181	411	181
Carrying value of fixed assets	(251)	(149)	(251)	(149)
	160	32	160	32
Capital Grant repaid	-	-	-	-
	160	32	160	32
6 b Deficit on Replacement of Components	(169)	(237)	(169)	(237)
	(8)	(205)	(8)	(205)

7 Operating surplus

Operating surplus is stated after charging:				
Auditors' remuneration	37	43	33	32
Operating lease rentals [note 29]	47	47	47	50
Surplus on disposal of tangible fixed assets [note 6]	160	32	160	32
Depreciation of housing properties	6,239	6,193	6,239	6,192
Depreciation of other tangible fixed assets	178	199	172	192
Depreciation of intangible fixed assets	-	-	-	-

RSM UK Audit LLP's associated company received £0 (2023 - £0) for professional services other than audit.

8 Key Management Personnel and Employees

[a] Staff costs including Key Management Personnel's emoluments	Group 2026 £'000	Group 2025 £'000	Society 2026 £'000	Society 2025 £'000
Salaries	3,851	3,806	3,643	3,522
Social security costs	532	408	498	385
Severance Costs	132	-	132	-
Defined contribution pension cost	380	335	362	320
Other pension costs	-	-	-	-
	4,895	4,549	4,635	4,227
Temporary, seconded and agency staff costs	104	246	92	224
Development administration costs capitalised	(158)	(147)	(158)	(147)
	4,842	4,648	4,570	4,304

Average monthly number of full time equivalent persons employed	No	No	No	No
Asset Management and Investment	23	23	23	23
Customer Services	36	39	36	39
Factoring	4	3	-	-
Sales and Letting	4	3	-	-
Innovative Projects	-	-	-	-
Finance and Corporate Services	22	23	22	22
	89	91	81	84

[b] Key Management Personnel

Under FRS102 Albyn Housing Society has defined "key management personnel" as the members of the senior management team whose posts are set out on page 16 of the Report and Financial Statements.
Severance payments totalling £132k (2025: £Nil) were recognised during the year. These relate to termination benefits, including amounts paid under settlement agreement, recognised in accordance with FRS 102. Included within this balance is an amount relating to former members of staff. No further amounts are payable at the year end

	Salary Bands		2026	2025
			Group and Society	
			No	No
Number of Key Management Personnel earning:	£ 60,001	£ 70,000	-	-
	£ 70,001	£ 80,000	1	1
	£ 80,001	£ 90,000	1	1
	£ 90,001	£ 100,000	-	1
	£ 100,001	£ 110,000	1	1
	£ 120,001	£ 130,000	1	-
	£ 130,001	£ 140,000	1	1

	2026	2025
	£	£
Aggregate emoluments payable to key management personnel (excluding pension contributions but including benefits in kind)	587,360	435,520
Aggregate pension contributions in relation to the above key management personnel	45,956	36,302
Emoluments payable to the Chief Executive (excluding pension contributions)	215,405	139,840

Board members are not paid for there services.
Expenses paid to Board Members totalled £3,335 (2025 - £4,790).

	Group		Society	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
9 Interest Receivable and Similar Income				
Interest receivable from banks	42	94	44	97
Gift Aid Donation from Subsidiary	-	-	247	112
	42	94	291	209
10 Interest and Financing Costs				
Bank and Building Society loans and overdrafts	4,624	4,905	4,624	4,905
Defined Benefit pension charge	69	60	69	60
	4,693	4,965	4,693	4,965
Less: Interest Capitalised on housing properties constructed	(70)	-	(70)	-
	4,623	4,965	4,623	4,965
11 Taxation				
Current Tax:				
UK corporation tax on profits of current year	-	-	-	-
Deferred Tax:				
Origination and reversal of timing differences	-	1	-	-
	-	1	-	-
Reconciliation of Current Tax charge:				
Profit on ordinary activities before taxation	52	119		
Profits exempt due to charitable exemption	(52)	(112)		
	0	7		
Effects of depreciation in excess of capital allowances	(2)	(18)		
Tax adjustments and other timing differences	-	11		
Profits subject to Corporation Tax	(2)	-		
Tax charge at 25% / 25%	-	-		

Albyn Housing Society Limited was recognised as a Charity on 18 March 1997. Albyn Housing Society Limited does not undertake any activities outwith those associated with its charitable activities. Albyn Housing Society Limited has no liability to Corporation Tax.

12 Intangible Fixed Assets - Group

	Website & Branding £'000
Cost	
1 April 2025	21
Additions	-
Disposals	-
31 March 2026	21
Amortisation	
1 April 2025	21
Charge	-
Disposals	-
31 March 2026	21
Net Book Value	
31 March 2026	-
31 March 2025	-

13 Tangible Fixed Assets - Housing Properties - Group and Society

	Rented Occupation £'000	Shared Ownership £'000	Under Construction £'000	Total £'000
Cost				
1 April 2025	370,233	3,587	12,934	386,754
Additions	-	-	8,916	8,916
Transfers	7,452	-	(7,452)	-
Properties acquired	1,111	-	-	1,111
Works to existing properties	2,492	-	(2,492)	-
Schemes completed	-	-	-	-
Adjustments	-	-	-	-
Disposals	(1,235)	(80)	-	(1,315)
31 March 2026	380,054	3,507	11,906	395,467
Depreciation				
1 April 2025	74,130	985	-	75,114
Depreciation charged in year	6,216	23	-	6,239
Released on disposal	(877)	(3)	-	(880)
31 March 2026	79,469	1,004	-	80,473
Net Book Value				
31 March 2026	300,585	2,503	11,906	314,994
31 March 2025	296,103	2,602	12,935	311,640

	2026 £'000	2025 £'000
Expenditure on works to existing properties		
Improvement work capitalised	261	-
Replacement component spend capitalised	2,231	1,999
Amounts charged to income and expenditure	-	106
Total major repairs spend	2,492	2,105
Finance costs		
Aggregate amount of finance costs included in the cost of housing properties	2,252	2,182

The cost of land included in the costs above totals £48,858,487 (2025: £48,348,487)

Albyn Housing Society Limited considers individual schemes to be separate cash generating units when assessing for impairment, in accordance with Statement of Recommended Practice 2014.

14.1 Tangible Fixed Assets - Other Fixed Assets - Group

	Offices	Equipment	Total
	£'000	£'000	£'000
Cost			
1 April 2025	2,438	2,164	4,602
Additions	-	202	202
Disposals	-	-	-
31 March 2026	2,438	2,366	4,804
Depreciation			
1 April 2025	753	1,862	2,616
Charge	39	140	178
Disposals	-	-	-
31 March 2026	792	2,002	2,794
Net Book Value			
31 March 2026	1,646	364	2,010
31 March 2025	1,684	302	1,986

14.2 Tangible Fixed Assets - Other Fixed Assets - Society

	Offices	Equipment	Total
	£'000	£'000	£'000
Cost			
1 April 2025	2,437	1,990	4,426
Additions	-	197	197
Disposals	-	-	-
31 March 2026	2,437	2,187	4,623
Depreciation			
1 April 2025	755	1,748	2,503
Charge	38	133	172
Disposals	-	-	-
31 March 2026	793	1,881	2,674
Net Book Value			
31 March 2026	1,644	306	1,949
31 March 2025	1,682	242	1,924

15 Fixed Assets Investments

Other Investments - Group and Society

Apple Juice (Applecross) Ltd	1,000 shares in Community Benefit Society	Community Hydro Scheme

Subsidiary Undertakings - Society

Albyn Housing Society Limited's subsidiary undertakings are:

Name of undertaking	*Class of shareholding*	*Proportion of nominal value held directly*	*Nature of business*
Albyn Enterprises Ltd	Ordinary	100% (2024: 100%)	Property related activities
Highland Residential (Inverness) Ltd	Ordinary	100% (2024: 100%)	Renting/operating of housing real estate
Sunnd Ltd	Ordinary	100% (2024: 100%)	Dormant

16 Stock and Work in Progress

	Group		Society	
	2026	**2025**	**2026**	**2025**
	£'000	£'000	£'000	£'000
Properties for Sale	1,172	796	1,172	796
	1,172	642	1,172	642

17 Debtors

	Group		Society	
	2026	2025	2026	2025
Amounts falling due within one year	£'000	£'000	£'000	£'000
Rent and service charges receivable	820	877	428	523
Less: provision for bad and doubtful debts	(114)	(102)	(20)	(28)
	706	775	408	495
HAG receivable	208	167	208	167
Other debtors	255	378	200	312
Prepayments and accrued income	633	492	627	490
Amounts due from Group undertakings	-	-	958	426
	1,802	1,812	2,400	1,890
Amounts falling due after more than one year				
Amounts due from Group undertakings	-	-	68	74
	1,802	1,812	2,469	1,964

18 Creditors: amounts falling due within one year

	Group 2026	Group 2025	Society 2026	Society 2025
Debt [note 20]	2,903	2,843	2,903	2,843
Rent and service charges received in advance	1,268	1,183	1,268	1,183
Deferred capital grants [note 21]	3,284	3,121	3,284	3,121
Trade creditors	1,794	1,708	1,727	1,656
Corporation tax [note 11]	-	-	-	-
Other taxation and social security costs	122	118	115	112
Other creditors	1,671	1,695	1,510	1,548
Accruals and deferred income	569	723	548	697
Amounts due to Group undertakings	-	-	-	-
	11,611	11,391	11,354	11,160

Included in creditors is an amount of £1,296,925 (2025 - £1,229,556) relating to payments due to the Scottish Government. £0 (2025 - £0) relates to capital and £1,296,925 (2025 - £1,229,556) to revenue activities.

19 Creditors: amounts falling due after more than one year

	Group 2026	Group 2025	Society 2026	Society 2025
Debt [note 20]	98,604	94,967	98,604	94,967
Deferred capital grants [note 21]	175,912	173,984	175,912	173,984
	274,516	268,951	274,516	268,951
Included in creditors are:				
Amounts repayable other than by instalments falling due after more than five years	192,778	191,498	192,778	191,498
Amounts repayable by instalments falling due after more than five years	58,050	55,171	58,050	55,171
	250,828	246,669	250,828	246,669

20 Debt Analysis - Borrowings

	Group		Society	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Creditors: amounts falling due within one year				
Bank Loans	2,903	2,843	2,903	2,843
Creditors: amounts falling due after more than one year				
Bank Loans	98,604	94,967	98,604	94,967

The loans are secured by specific charges on Albyn Housing Society Limited's properties and the capital instalments are repayable over periods as indicated at varying rates of interest ranging from 0% to 5.82% (2025 - 0% to 5.82%).

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	Group 2026	Group 2025	Society 2026	Society 2025
In the next year	2,903	2,843	2,903	2,843
In the second year	2,993	2,925	2,993	2,925
In the third to fifth year	10,011	9,321	10,011	9,321
In more than five years	85,600	82,721	85,600	82,721
	101,507	97,810	101,507	97,810

21 Deferred Capital Grant

	Group		Society	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
1 April 2025	177,105	174,700	177,105	174,700
Grants received in the year	5,616	5,761	5,616	5,761
Grants reduced in the year	(220)	(101)	(220)	(101)
Grant released in the year	(3,306)	(3,255)	(3,306)	(3,255)
31 March 2026	179,195	177,105	179,196	177,105
Amounts to be released within one year	3,284	3,121	3,284	3,121
Amounts to be released in more than one year	175,912	173,984	175,912	173,984
	179,196	177,105	179,196	177,105

Capital Grants received to 31 March 2026 total £233,437,740 (2025 - £228,041,441); if the Society were to sell its assets this amount would be repayable from the proceeds.

22 Provisions for liabilities and charges

	Group 2026	Group 2025	Society 2026	Society 2025
Biomass Infrastructure Replacement Fund	169	161	169	161
Deferred Tax	14	13	-	-
	183	174	169	161
1 April 2025	174	166	161	152
Added in the year	9	8	8	9
Deferred tax charge in statement of comprehensive income	-	-	-	-
31 March 2026	183	174	169	161

23 Share Capital

	Group		Society	
Allocated, allotted, called up and fully paid	2026	2025	2026	2025
Ordinary shares of £1 each	No	No	No	No
1 April 2025	43	49	43	49
Joined during the year	6	-	6	-
Left during the year	(7)	(6)	(7)	(6)
31 March 2026	42	43	42	43

Each member of Albyn Housing Society Limited holds one share of £1 in Albyn Housing Society Limited. These shares carry no rights to dividends or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of Albyn Housing Society Limited. Each member has a right to vote at a members' meeting.

24 Reserves

	Group		Society	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
1 April 2025	44,123	43,641	43,870	43,395
Surplus for the year	1,116	482	1,326	475
31 March 2026	45,239	44,123	45,196	43,870

25.1 Cash and Cash Equivalents - Group

Analysis of the balance of Cash as shown in the balance sheet.	2026	Change	2025
	£'000	£'000	£'000
Bank and Cash in hand	12,671	3,067	9,604
	12,671	3,067	9,604

25.2 Cash and Cash Equivalents - Society

	2026	Change	2025
Analysis of the balance of Cash as shown in the balance sheet.	£'000	£'000	£'000
Bank and Cash in hand	11,752	2,734	9,018
	11,752	2,734	9,018

26 Treasury Management

Albyn Housing Society Limited has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Board. In this way Albyn Housing Society Limited manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held. At 31 March 2026 Albyn Housing Society Limited has a revolving credit loan facility in place which is fully drawn down, and a £10million loan facility with £4million not yet drawn.

Albyn Housing Society Limited, as a matter of policy, does not enter into transactions of a speculative nature. At 31 March 2026 Albyn Housing Society Limited has a mix of fixed and variable rate finance, which it considers appropriate at this time.

27 Related Party Transactions

Members of the Board are related parties of the Society as defined by FRS102. The related party relationships of the members of the Board are summarised as:

Ms J Bugden, Mr S Macleod, C Levy and I Fosbrooke served as members of the Board of Albyn Housing Society Limited and were tenants of Albyn. The rent which tenant Board members pay for their home and any balances on their tenancy accounts are managed at arms' length in accordance with the Society's policies and procedures in force from time to time.

Albyn Housing Society is in receipt of a non Interest bearing loan provided by The Highland Council to support the acquisition of development land for social housing. An amount of £490,000 was outstanding at the balances sheet date and is disclosed under Creditors: amounts falling due within one year.

28 Capital Commitments

	Group		Society	
	2026	2025	2026	2025
	£'000	£'000	£'000	£'000
Capital expenditure contracted for but not provided in the financial statements	19,640	6,735	19,640	6,735

All developments in progress have been approved by Scottish Government for payment of HAG. Albyn Housing Society Limited expects that the Scottish Government will finance most of the expenditure by HAG with the remaining expenditure financed by loans from lenders.

29 Obligations under Operating Leases

The total future minimum lease payments under non-cancellable operating leases for fixed assets are as follows:

		Group		Society	
		2026	2025	2026	2025
Land and Buildings	Expiring	£'000	£'000	£'000	£'000
	In the next year	40	48	40	48
	In the second year	26	41	26	41
	In the third to fifth year	62	70	62	70
	In more than five years	251	270	251	270
		380	429	380	429

30 Retirement Benefits

Scottish Housing Association Pension Scheme (SHAPS)

The company participates in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. Deficit contributions will be reintroduced from April 2026 following a pause introduced in September 2022. The next triennial valuation will take place in 2027.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme.

Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

Under the defined benefit pension accounting approach, the SHAPS net deficit is £1,100k as at 31 March 2026.

Present Values Of Defined Benefit Obligation, Fair Value Of Assets And Defined Benefit Asset (Liability)

	2026	2025
	£'000	£'000
Fair value of plan assets	8,420	8,513
Present value of defined benefit obligation	9,520	9,713
(Deficit) in plan	**(1,100)**	**(1,200)**

Reconciliation Of Opening And Closing Balances Of The Defined Benefit Obligation

	2026	2025
	£'000	£'000
Defined benefit obligation at start of period	**9,713**	**10,497**
Current service cost	-	-
Expenses	16	15
Interest expense	544	503
Contributions by plan participants	-	-
Actuarial (gains)/losses due to scheme experience	(145)	192
Actuarial (gains)/losses due to changes in demographic assumptions	104	-
Actuarial (gains)/losses due to changes in financial assumptions	(125)	(1,064)
Benefits paid and expenses	(587)	(430)
Defined benefit obligation at end of period	**9,520**	**9,713**

Reconciliation Of Opening And Closing Balances Of The Fair Value Of Plan Assets

	2026	2025
	£'000	£'000
Fair value of plan assets at start of period	8,513	9,276
Interest income	475	443
Experience on plan assets (excluding amounts included in interest income)	3	(791)
Contributions by the employer	16	15
Benefits paid and expenses	(587)	(430)
Fair value of plan assets at end of period	**8,420**	**8,513**

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 was £478,000 (2025: £348,000).

Defined Benefit Costs Recognised In Statement Of Comprehensive Income (SoCI)

	2026	2025
	£'000	£'000
Expenses	16	15
Net interest expense	69	60
Defined benefit costs recognised in statement of comprehensive income (SoCI)	**85**	**75**

Defined Benefit Costs Recognised In Other Comprehensive Income	**2026**	**2025**
	£'000	£'000
Experience on plan assets (excl amounts included in net interest cost) - (loss)	(791)	(791)
Experience gains and losses arising on the plan liabilities - gain/(loss)	145	(192)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	125	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain	1,064	1,064
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain	169	81
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	-	-
Total amount recognised in other comprehensive income - gain	**169**	**81**

Assets	**2026**	**2025**
	£'000	£'000
Absolute Return	-	-
Alternative Risk Premia	-	-
Cash	3	45
Credit	384	362
Credit Relative Value	-	-
Currency Hedging	-	14
Distressed Opportunities	-	-
Emerging Markets Debt	-	-
Global Equity	1,112	986
High Yield	-	-
Infrastructure	-	2
Insurance-Linked Securities	16	32
Investment Grade Credit	353	389
Liability Driven Investment	2,324	2,397
Liquid Alternatives	1,610	1,568
Long Lease Property	-	3
Net Current Assets	126	11
Opportunistic Illiquid Credit	-	-
Private Equity	18	7
Private Debt	-	-
Private Credit	1,086	1,062
Property	439	422
Real Assets	835	1,016
Risk Sharing	-	-
Secured Income	114	197
Total assets	**8,420**	**8,513**

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key Assumptions	**2026**	**2025**
	£'000	£'000
Discount Rate	6.02%	5.77%
Inflation (RPI)	3.33%	3.11%
Inflation (CPI)	3.02%	2.78%
Salary Growth	4.02%	3.78%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March imply the following life expectancies:

	2026	**2025**
	Life expectancy at age 65	Life expectancy at age 65 (Years)
Male retiring now	20.7	20.2
Female retiring now	22.9	22.7
Male retiring in 20 years	21.9	21.5
Female retiring in 20 years	24.2	24.2