HORIZON HOUSING ASSOCIATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Financial Conduct Authority Number: 1827R (S)

Scottish Housing Regulator Registration Number: HEP 128

Registered Scottish Charity Number: SC011534

HORIZON HOUSING ASSOCIATION

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HORIZON HOUSING ASSOCIATION

ASSOCIATION INFORMATION

Board Members	J Pritchard F Wood R Docking I Harrington D Theakstone R Statt M Kane L Bain E McCaffery E Kotrys J Turner
Secretary	M Driscoll
Registered office	Leving House Fairbairn Place Livingston EH54 6TN
Auditor	RSM UK Audit LLP Third Floor 2 Semple Street Edinburgh EH3 8BL
Internal auditor	TIAA Artillery House Fort Fareham Industrial Site Fareham PO14 1AH
Bankers	Clydesdale Bank 2-4 Royal Exchange Square Glasgow G1 3AB

HORIZON HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2026

The Board presents its report for the year ended 31 March 2026.

Principal activities

The principal activity of Horizon Housing Association Limited ("Horizon") is the provision and promotion of affordable, accessible housing and related services that enable people to live independently in the community. Horizon is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society, the Office of the Scottish Charity Regulator (OSCR) as a Scottish charity, and the Scottish Housing Regulator as a Registered Social Landlord.

Horizon is a subsidiary of Link Group Limited and operates in accordance with its 2026–29 Business Plan, which sets out the strategic framework for the Association's activities.

OPERATING AND FINANCIAL REVIEW

Financial Performance

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 2018 for Social Housing Providers.

For the year ended 31 March 2026, Horizon achieved a total comprehensive income of £1,140k (2025: £878k). Turnover increased to £6,500k (2025: £6,020k), primarily reflecting rent increases, while operating costs increased to £5,382k (2025: £4,896k), largely due to ongoing inflationary pressures. The income from Social Letting Activities increased in the year by 8.3% (2025:12.0%) and this principally reflects rent increases applied in April 2025. Turnover from Other Activities relating solely to Factoring services increased by 4.5% (2025: 21.0%).

During the year, non-current assets have decreased by £136k (0.3%) to £43,427k (2025: £43,563k). The current assets have increased by £752k (31.8%) to £3,118k (2025: increased by £869k), the majority of this is in respect of debtors where turnover has increased in the year.

Current liabilities have increased by £7,775k (568.9%) to £9,158k (2025: £1,383k), primarily due to reclassification of the intra-group loan as a current liability as opposed to a non-current liability in 2025, this is a temporary position as at 31 March 2026 as a new 10-year loan agreement has now been approved post year end.

Overall, total net assets have increased by £1,140k (11.9%) to £9,952k (2025: £8,812k).

Properties in Management

At 31 March 2026, Horizon managed a total of 910 properties (2025: 913).

Horizon owns and manages 796 self-contained properties for social rent (2025: 796). It also owns 11 non-self-contained properties, providing shared accommodation comprising 43 bedspaces for people with disabilities and support needs (2025: 11 properties, 43 bedspaces).

Included within the 796 self-contained properties are two properties leased to Women's Aid (2025: two).

Horizon part-owns and manages 19 shared ownership properties (2025: 19) and manages 29 Access Ownership properties, of which 20 are owned by Link Group and 9 by Horizon (2025: 29 properties – 20 Link Group, nine Horizon).

Horizon provides a factoring service to 54 properties within its estates (2025: 54), comprising 35 owner-occupied properties and 19 shared ownership properties.

In addition, Horizon manages a number of properties under lease arrangements with partner organisations. This includes two properties leased from Sense and 18 properties leased from The Richmond Fellowship Scotland, which provide accommodation for people with complex needs.

Horizon also owns Leving House, its purpose-built office accommodation, and leases two self-contained properties used as office accommodation by support providers.

Houses under Construction

At 31 March 2026, Horizon had no properties under construction, (2025: nil).

Operating Performance

Housing Services

Horizon provides housing management services to its tenants as part of its core housing activities. The Board has oversight of housing services and receives assurance that services are delivered in accordance with Horizon's policies, regulatory requirements and risk management framework.

Housing services were delivered within a challenging operating environment during the year, with continued pressure from the wider cost-of-living context. Despite this, Horizon maintained broadly stable operational performance across its core housing services.

Key operational achievements during the year included sustained low levels of rent arrears, effective void management and continued compliance with statutory health and safety requirements. Lettings activity remained steady, with void turnaround times continuing to compare favourably against sector performance.

Performance in core service areas such as responsive repairs, income management and complaints handling remained a key management focus. While performance varied across service areas, arrangements were in place to identify emerging pressures and implement service improvements during the year.

The delivery of housing services is aligned with Horizon's Business Plan and supported by appropriate governance, performance monitoring and assurance arrangements. Detailed information on tenant service performance, including repairs, arrears, voids and complaints, is reported separately through the Annual Return on the Scottish Social Housing Charter and Horizon's performance reporting to tenants.

Asset Management

Horizon is responsible for the management and stewardship of its housing assets, ensuring that homes remain safe, compliant and fit for purpose. The Board has oversight of asset management arrangements and receives assurance that asset investment and management decisions are aligned with Horizon's strategic objectives, risk appetite and financial capacity.

Asset management is delivered within the framework of Horizon's Asset Management Strategy and is integrated with the Business Plan and long-term financial projections. This approach supports sustainable investment in the housing stock, with planned maintenance and capital investment informed by asset data, compliance requirements and risk assessment to ensure the effective use of resources and the long-term sustainability of Horizon's homes.

Tenant Involvement

Horizon recognises the importance of tenant engagement in shaping services and supporting continuous improvement. Arrangements are in place to enable tenants to provide feedback, participate in scrutiny activity and influence decision-making on matters that affect their homes and services.

The Board receives assurance that tenant involvement arrangements are effective and that tenant feedback informs service improvement and value for money considerations. Detailed information on tenant involvement activity and service performance is reported separately through Horizon's tenant reporting and regulatory submissions. Horizon's Tenant Engagement Strategy is approved by the Board.

HORIZON HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

Future Developments

Horizon's future plans remain aligned to its strategic ambitions. These include:

- Invest in quality homes and sustainability
- Deliver outstanding customer experience
- Keeping Horizon safe, secure and financially resilient
- Valuing our people and foster a culture of improvement
- Strengthen partnerships and championing accessible living

Business Outlook

Horizon's Business Plan incorporates 5-year and 30-year financial projections, which demonstrate that the Association remains a viable going concern, with sufficient capacity to meet its financial commitments. These projections confirm Horizon's ability to fund its service delivery and asset management obligations and to comply with the financial covenants and requirements of its lender.

The Board recognises that Horizon continues to operate in a challenging economic environment, including the impact of rising costs and wider economic uncertainty affecting the social housing sector. The Business Plan therefore includes sensitivity and scenario analysis to test the resilience of Horizon's financial position under a range of adverse assumptions, these are reviewed on a regular basis. The results of this analysis provide assurance to the Board that Horizon's financial position remains robust and that appropriate mitigating actions are identified and kept under review. Horizon will remain compliant with Scottish Housing Regulations as stated in the Annual Assurance Statement.

Corporate Governance

The Board of Management is responsible for setting Horizon's strategic direction, overseeing performance and ensuring effective financial and risk management. Board members serve on a voluntary basis and receive no remuneration.

One new Board member was appointed during 2025/26. Board development, appraisal and training arrangements remained in place, with a focus on maintaining the skills required to govern a specialist housing provider operating in a complex environment.

The Board is supported by an Audit Sub-Committee, which oversees risk management, internal controls and internal and external audit arrangements and an Employment Sub-Committee whose responsibility is to ensure that Horizon acts as an effective and fair employer and meets its employer responsibilities with regard to its employment and health and wellbeing responsibilities.

Corporate Structure

Horizon is a wholly owned subsidiary of Link Group Limited (the "Group"), a Registered Social Landlord. Ultimate responsibility for the conduct and control of the Group rests with the Group Board. An intra-group agreement defines the governance framework through which the Group partners work together effectively and sets out the arrangements for Horizon's autonomous operation within the Group.

Treasury Management

Horizon has an active treasury management function which operates in accordance with a Treasury Management Policy approved by the Board. Treasury activity is managed to ensure that Horizon can meet its financial obligations as they fall due, while maintaining an appropriate balance between risk, cost and liquidity.

Horizon does not enter into transactions of a speculative nature. At 31 March 2026, £7.4m (100%) of Horizon's borrowings were with Link Group and subject to a fixed interest rate (2025: £7.4m, 100% fixed).

Budgetary Process

The Board approves the annual budget, the rolling five-year strategic plan and the 30-year financial projections. Performance against the approved budget is monitored throughout the year through quarterly reports to the Board, which include analysis of variances, updated forecasts and information on key risk areas.

Approval procedures are in place for significant areas of risk, including major contract tenders, capital expenditure and treasury management arrangements.

Internal Audit

Internal Audit services are provided by an experienced external provider, TIAA. The internal audit work plan is developed following a structured audit-needs assessment, informed by a systematic risk assessment of the Group's operations and activities.

The Internal Auditor reports directly to the Audit Sub-Committee, providing independent assurance over the effectiveness of Horizon's governance, risk management and internal control arrangements.

Risk Management

The Board has overall responsibility for the management of risk and is supported by the Audit Sub-Committee. The Board and Audit Sub-Committee receive regular reports on Horizon's risk profile, informed by a structured risk management framework and periodic risk-mapping exercises.

Horizon has an established system of internal control and risk management policies designed to identify, assess and manage the principal risks facing the Association. These arrangements define Horizon's risk appetite, the responsibilities of management and staff, and the mechanisms for monitoring emerging risks and implementing mitigating actions.

The principal risks identified by the Board include those relating to the wider economic environment and cost pressures, the affordability of rents and income collection, financial and cyber fraud, and compliance with health, safety and regulatory requirements. The Board is satisfied that appropriate controls are in place and that these risks are actively monitored and mitigated through Horizon's governance, reporting and assurance arrangements.

Performance Management

Horizon has a structured performance management framework designed to support continuous improvement and the delivery of positive outcomes for tenants and communities. As part of the business planning process, performance targets and key performance indicators are established and aligned to Horizon's strategic objectives.

Performance is monitored through quarterly reporting to the Board and its Audit Sub-Committee, providing oversight of progress against key measures and emerging areas of risk. Performance against the Scottish Social Housing Charter outcomes and other corporate measures is reported in line with regulatory requirements and is benchmarked against other Link Group partners and comparable registered social landlords.

Delivery against the Business Plan is monitored by the Leadership Team, with regular reports provided to the Board. Performance management is embedded at team and individual level through regular reviews and appraisal processes, supporting accountability and organisational learning.

Key Performance Indicators

KPI	Achieved 2024/2025	Target 2025/2026	Achieved 2025/2026	SHR 2024-25 National Average
Average length of time taken to re-let properties in the last year (days)	17.86	15.00	19.00	60.60
% rent lost through properties being empty	0.26	0.40	0.25	1.30
Gross rent arrears (all tenants) as at 31 March each year as a % of rent due for reporting year	0.96	4.00	1.11	6.20
Average length of time taken to complete emergency repairs (hours)	2.49	4.00	2.90	3.90
Average length of time taken to complete non-emergency repairs (days)	6.83	7.00	6.10	9.10
% of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service	86.51	92.00	92.90	86.70
Total number of complaints Stage 1 & 2 breakdown	Stg1-94 Stg2- 8	N/A	Stge1 - 50 Stg2 - 10	N/A
% complaints responded Stg 1 & 2	Stg1- 98.94 Stg2- 100	95.0	Stge1 - 98% Stge2 - 90%	Stg1 97.1 Stg 2 90.8
Average working days to respond to complaint Stg1 & 2	Stg 1-3.09 Stg2-8.38	Stg 1-5.0 Stg2-20.0	Stg 1- 3.5 Stg 2 -12.3	Stg 1 5.4 Stg2 21.3
Number of evictions	0	<3	2	N/A
Number of abandonments	2	<3	1	N/A
How many times in the reporting year did you not meet your statutory obligation to complete a gas safety check within 12 months of a gas appliance being fitted or last checked	0	0	0	N/A
Percentage of water management checks completed by scheduled date	100.00	100.00	100.00	N/A
% of stock meeting the Scottish Housing Quality Standard (SHQS)	100.00	100.00	100.00	87.20
% stock achieving smoke and heat compliance	100	100.00	100.00	N/A
% properties achieving EICR compliance	99.75	100.00	100.00	N/A
Average length of time taken in days to resolves cases of damp and/or mould	N/A	N/A	32.76	N/A
Percentage of cases of damp and/or mould resolved during that were reopened	N/A	N/A	2.63	N/A
Number of open cases of damp and/or mould	N/A	N/A	4.00	N/A

Housing performance remained strong throughout 2025/26, with the majority of key performance indicators meeting or exceeding targets and continuing to perform significantly better than Scottish sector averages. Void management remained highly effective, with average re-let times of 19 days and rent loss due to empty properties at just 0.25%, both substantially outperforming national benchmarks. Rent arrears remained low at 1.11% of rent due, reflecting the effectiveness of early intervention and tenancy sustainment activity.

Repairs performance was also robust, with emergency repairs completed in an average of 2.9 hours and non-emergency repairs completed in 6.1 days, both exceeding target. Tenant satisfaction with the repairs service increased to 92.9%, demonstrating continued focus on service quality and customer experience. Complaint handling performance remained strong, with high compliance against response timescales and a reduction in Stage 1 complaints compared to the previous year.

The Association maintained full compliance across all key health and safety measures, including gas safety, water management, EICR, smoke and heat detection standards, and Scottish Housing Quality Standard requirements. Overall, the results demonstrate effective operational performance, strong governance, and continued delivery of high-quality housing services for tenants.

Employee Development, Involvement and Health & Safety

Horizon recognises the importance of employee involvement and effective workforce management in supporting delivery of its services. Arrangements are in place to facilitate staff engagement and consultation on key organisational matters, including changes to policies and employment practices.

The Board has oversight of health and safety arrangements and receives regular reports on incidents, accidents and compliance, together with an annual Health and Safety report. Health and Safety is subject to periodic internal and external audit, with actions and recommendations reviewed by the Audit Sub-Committee and reported to the Board.

The Board is satisfied that appropriate governance and assurance arrangements are in place to manage workforce and Health and Safety risks.

Rental Income

Horizon operates within an approved rent policy which takes account of property characteristics and affordability considerations. Rent levels are reviewed by the Board and are subject to tenant consultation in line with regulatory requirements.

For 2025/26, rents increased by 4.9% (2024/25: 6.7%), following tenant consultation. The Board receives assurance that rent levels remain affordable for tenants, supported by periodic affordability assessments.

Employees with disabilities

Horizon is committed to equality of opportunity and complies with its statutory obligations in relation to the employment of disabled people. Applications from disabled candidates are given full and fair consideration based on their aptitudes and abilities. Where an employee becomes disabled, Horizon seeks to make reasonable adjustments to support continued employment.

Horizon’s policies provide for equal access to training, development and promotion opportunities for all employees.

Sustainability

Horizon recognises the importance of sustainability in supporting the long-term viability of its homes, services and financial position. Horizon’s approach to sustainability is set out within the Link Group-wide Sustainability Strategy, which provides the framework through which sustainability considerations are embedded into planning and decision-making.

The strategy supports Horizon’s strategic objectives, including the provision of quality and affordable homes, the delivery of accessible housing, the promotion of independent living for disabled and older people, and the response to the climate emergency.

Future Plans – Key Priorities

Horizon’s future plans are focused on delivering its strategic ambitions while maintaining financial sustainability and meeting the needs of tenants and communities. Key priorities include the provision of quality and affordable homes, the continued delivery of accessible and inclusive housing, and working collaboratively with Link Group partners and other organisations to support independent living for older and disabled people.

Looking ahead, Horizon will continue to embed value for money, efficiency and sustainability into its activities, including responding to climate and environmental challenges. These priorities are reflected in Horizon’s Business Plan and are supported by long-term financial planning and risk management arrangements.

HORIZON HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

Results for the year
The results for the year are set out on page 16.

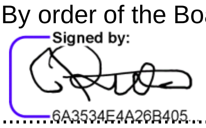
Board Members
The Board Members who held office during the year and up to the date of signature of the financial statements were as follows:

R McDougall	(Resigned May 2025)
J Pritchard	
C Baird	(Resigned September 2025)
F Wood	
R Docking	
I Harrington	
D Theakstone	
R Statt	
M Kane	
L Bain	
A Calusa	(Resigned November 2025)
O Lindsay	(Resigned September 2025)
E McCaffery	
E Kotrys	
J Turner	(Appointed May 2025)

Auditor
In accordance with section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the Board of Management



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J Pritchard
Director

Date: 21 August 2026

HORIZON HOUSING ASSOCIATION

BOARD OF MANAGEMENT STATEMENT ON INTERNAL FINANCIAL CONTROLS

FOR THE YEAR ENDED 31 MARCH 2026

The Board of Management ("The Board") acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Association or for publication.
- the proper authorisation and recording of transactions.
- the maintenance of proper accounting records.
- 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. Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets.
- experienced and suitably qualified staff take responsibility for important business functions.
- annual appraisal procedures have been established to maintain standards of performance.
- forecasts and budgets are prepared regularly which allow the Board and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management financial statements are prepared promptly, providing relevant, reliable, and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures from the Board members.
- the Board reviews reports from the Chief Executive, staff and from the internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a regular review of the major risks facing the Association.
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Board has continued to review the system of internal financial control in the Association during the year ended 31 March 2026. No weaknesses were found in the internal financial controls which could result in material losses, contingencies, or uncertainties which require disclosure in the financial statements, or in the external auditor's report on the financial statements.

By order of the Board of Management

Signed by:

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J Pritchard

Chairperson

Date: 21 August 2026

HORIZON HOUSING ASSOCIATION

STATEMENT OF BOARD'S RESPONSIBILITIES UNDER THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014 FOR A REGISTERED SOCIAL LANDLORD

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

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

HORIZON HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HORIZON HOUSING ASSOCIATION

Opinion

We have audited the financial statements of Larkfield Housing Association (the 'Association') for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including 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 Association's affairs as at 31 March 2026 and of its income and expenditure 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 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 Committee'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 about the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Committee with respect of going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Committee 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 Association in accordance with section 75; or
- a satisfactory system of control over transactions has not been maintained by the Association 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 Committee

As explained more fully in the Committee of Management's responsibilities statement set out on page 10, the Committee 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 Committee 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 Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee either intends to liquidate the Association 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 audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Association operates in and how the Association is 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, the Housing (Scotland) Act 2010, the Housing SORP 2018 and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019. 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, 2014 and 2025, the Co-operative and Community Benefit Societies Act 2014, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Scottish Housing Regulator's regulatory framework and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the Association is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities, including a search on publicly available registers for any indications of breaches.

The 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 judgements 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 Association'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 Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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
2 Semple Street
Edinburgh
EH3 8BL

Date: 27/08/26

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

HORIZON HOUSING ASSOCIATION

REPORT BY THE AUDITORS TO THE MEMBERS OF HORIZON HOUSING ASSOCIATION ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on page 10 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements of corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Management Committee and Officers of the Association and examination of relevant documents. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 10 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

RSM UK Audit LLP

RSM UK Audit LLP

Date 27/08/26

Chartered Accountants
Statutory Auditor

Third Floor
2 Semple Street
Edinburgh
EH3 8BL

HORIZON HOUSING ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £'000	2025 £'000
Income	**3**	6,522	6,020
Operating expenditure	**3**	(5,382)	(4,896)
Operating surplus		1,140	1,124
Interest receivable and similar income		67	37
Interest payable and similar expenses		(328)	(324)
Gain on sale of assets		-	6
Surplus before taxation		879	843
Tax on surplus		-	-
Surplus for the financial year		879	843
Other comprehensive income			
Actuarial gain on defined benefit pension schemes		261	35
Total comprehensive income for the year		1,140	878

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

The notes on pages 21 to 44 form part of these financial statements.

HORIZON HOUSING ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Fixed assets					
Housing properties	**8**		42,986		43,121
Other fixed assets	**9**		441		442
			43,427		43,563
Current assets					
Stock	**10**	4		4	
Debtors	**11**	1,487		1,331	
Cash at bank and in hand		1,627		1,032	
		3,118		2,367	
Creditors: amounts falling due within one year	**12**	(9,158)		(1,383)	
Net current (liabilities)/assets			(6,040)		984
Total assets less current liabilities			37,387		44,547
Creditors: amounts falling due after more than one year					
Loans and overdrafts	**13**	-		7,400	
Government grants	**14**	26,999		27,674	
			(26,999)		(35,074)
Provisions for liabilities					
Defined benefit pension liability	**15**	436		661	
			(436)		(661)
Net assets			9,952		8,812
Capital and reserves					
Share capital	**16**		-		-
Revenue reserve including pension reserve	**17**		9,952		8,812
			9,952		8,812

The notes on pages 21 to 44 form part of these financial statements.

HORIZON HOUSING ASSOCIATION

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2026

The financial statements were approved by the Board of Management and authorised for issue on 20 August 2026 and are signed on its behalf by:

Signed by:
6A3534E4A26B405...
J Pritchard
Director

Signed by:
45BF9467536A429...
I Harrington
Director

Signed by:
Michael Driscoll
A48CBA29CA9A414...
M Driscoll
Secretary

HORIZON HOUSING ASSOCIATION

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2026

	Income and expenditure £'000
Balance at 1 April 2024	7,934
Year ended 31 March 2025:	
Surplus	843
Other comprehensive income:	
Actuarial gain/(loss) on defined benefit plans	35
Total comprehensive income	878
Balance at 31 March 2025	8,812
Year ended 31 March 2026:	
Surplus	879
Other comprehensive income:	
Actuarial gain/(loss) on defined benefit plans	261
Total comprehensive income	1,140
Balance at 31 March 2026	9,952

The notes on pages 21 to 44 form part of these financial statements.

HORIZON HOUSING ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

		2026		2025	
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Net cash flows from operating activities					
Cash generated from operations	**23**		2,008		1,255
Investing activities					
Purchase of component replacements and enhancements		(1,197)		(936)	
Proceeds from disposal of tangible fixed assets		59		14	
Interest received		67		37	
Net cash used in investing activities			(1,071)		(885)
Financing activities					
Repayment of bank loans		(50)		-	
Bank charges and Interest paid on loans		(292)		(292)	
Net cash used in financing activities			(342)		(292)
Net increase in cash and cash equivalents			595		78
Cash and cash equivalents at beginning of year			1,032		954
Cash and cash equivalents at end of year			1,627		1,032

The notes on pages 21 to 44 form part of these financial statements.

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies

Company information

Horizon is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is a housing association registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010. Horizon is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102. Horizon's registered office is noted on page 1 and a description of the principal activities is noted on page 2 of the Report of the Board of Management.

1.1 Accounting convention

These financial statements are prepared in accordance with applicable accounting standards and statements of recommended practice and comply with the requirements of the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018 (SORP 2018) and Financial Reporting Standard 102 (FRS 102).

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis which the Board of Management consider to be appropriate for the following reasons.

The Board of Management have reviewed and approved cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, to meet its liabilities as they fall due for that period.

Horizon has a healthy cash position and thus the Board of Management is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. The Board of Management have reviewed the company's budgets for 2025/26 and the medium-term financial position as detailed in the 5-year and 30-year business plan, taking account of plausible downsides.

Consequently, the Board of Management are confident that Horizon will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

1.3 Income

Income is recognised in the year to which it relates. Income, which is stated net of value added tax, represents income receivable from lettings and property management, revenue grants, contract income for care and repairs services and other income.

1.4 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. Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion. No depreciation is charged in the year of capitalisation/acquisition of all Housing assets and a full year's depreciation in the year of disposal.

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

1 Accounting policies **(Continued)**

The properties are stated at historical cost less accumulated depreciation. Each property has been split between its major component parts which are depreciated on a straight-line basis over their expected economic useful life. The following major components and useful lives have been identified by Horizon:

Land	not depreciated
Structure	65 years
Smoke Detectors	10 years
Kitchen	15 years
Windows	30 years
Bathrooms	30 years
Rewiring	40 years
Doors	30 years
Boilers	15 years
Pipework	40 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to surplus or deficit.

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

(i) Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life is replaced or restored, or material reduction in future maintenance costs; or

(ii) Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

Works to existing properties which fail to meet the above criteria are charged to the Statement of Comprehensive Income.

Other fixed assets

A full year's depreciation is charged in the year of capitalisation/acquisition of other fixed assets and no depreciation charged in the year of disposal. The following depreciation rates have been applied:

Heritable office property	60 years straight line
Furniture and equipment	8 years straight line
Computer equipment	3 years straight line
Motor vehicles	25% reducing balance

1.5 Impairment 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, Horizon estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Statement of Comprehensive Income.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value, after making allowances for obsolete and slow-moving items.

1 Accounting policies **(Continued)**

1.7 Cash and cash equivalents

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

1.8 Financial instruments

Horizon 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 Horizon 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

Basic financial assets

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, 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.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Basic financial liabilities

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

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

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 liabilities

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

1 Accounting policies **(Continued)**

1.9 Taxation

Corporation Tax

Horizon Housing Association Limited is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2012 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is actually exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Value added tax

Horizon is part of the Link Group Limited VAT group and therefore registered for VAT. However, a large proportion of the income, namely rents, is exempt for VAT purposes and therefore gives rise to a partial exemption calculation. Expenditure as a result is shown inclusive of VAT.

1.10 Provisions

Bad and doubtful debts Provision

Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable. Debts are classed as uncollectable after an assessment of the legislative options available to recover and consideration of specific circumstances.

Other provisions

Horizon recognises provisions when: there is a present legal or constructive obligation as a result of past events; it is probable that an outflow of resource will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring income and expenditure in the period in which they arise.

1 Accounting policies **(Continued)**

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in surplus or deficit as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to income and expenditure in subsequent periods.

The net defined benefit pension asset or liability in the balance sheet comprises the total of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Pensions

Horizon participated in The Pensions Trust Scottish Housing Association Pension Scheme (SHAPS) Defined Benefit pension scheme. Horizon closed its scheme, with members transferring to the SHAPS Defined Contribution Scheme in September 2013. Contributions to the defined contribution scheme are charged to the SOCI to spread the cost of pensions over the employee's working lives with Horizon.

Retirement benefits to employees are funded by contributions from all participating employers and employees in the Scheme. In respect of the defined benefit element of the scheme, payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating associations taken as a whole. In accordance with FRS 102, the Association's share of the scheme assets and liabilities has been separately identified and included in Horizon's statement of financial position (SOFP) and measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. Horizon's share of the deficit is recognised in full, and the movement is split between operating costs, finance items and in the statement of comprehensive income (SOCI) as actuarial gain or loss on pension schemes.

1.13 Leases

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the SOFP and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the income and expenditure account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to the SOCI on a straight-line basis over the lease term.

1 Accounting policies **(Continued)**

1.14 Government grants

Social Housing Grants and Other Capital Grants are accounted for using the accrual method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised as income on a systematic basis over the expected useful life of the property and assets to which it relates. No grant is released in the first year of addition, a full year is released in the year of disposal.

Social Housing Grant received in respect of revenue expenditure are credited to the Income and Expenditure Account in the same period as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

Non-government grants are accounted for using the performance method, as outlined in Section 24 of Financial Reporting Standard 102 and the SORP 2018. Non-government grants are recognised as income when the performance conditions have been met.

1.15 Shared ownership transactions

First tranche sales of shared ownership properties are treated as sales of current assets, with proceeds being credited to turnover and costs to cost of sales in the SOCI. Sales taking place after the initial purchase are accounted for as a disposal of fixed assets.

2 Judgements and key sources of estimation uncertainty

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

Key sources of estimation uncertainty

The Board have identified the following as key areas where judgement and estimation have been used:

Pension scheme liability

The SHAPS pension scheme provision is valued in these financial statements by an independent actuary. The assumptions used are reviewed by the Board of Management and considered appropriate. Assumptions include estimates of mortality, salary inflation, inflation, and discount rates. There are also judgements in respect of the allocation of assets and liabilities in SHAPS as a multi-employer pension scheme.

Housing properties

Horizon’s property assets are judged by management to be social housing and are accounted for at cost less depreciation and impairments (see Note 8).

Components and depreciation

Estimation has been applied in apportioning the cost of housing properties between constituent components and in determining the depreciation rates which have been deemed to be appropriate for the class of asset or asset component.

Receivables

Debtor recoverability is considered throughout the year and appropriate provisions set aside in the financial statements where required.

2 Judgements and key sources of estimation uncertainty (Continued)

Apportionment of management expenses

Direct employee administration and operating costs have been apportioned to the SOCI on the basis that they are directly engaged in each of the operations dealt with in those accounts.

Apportionment of costs between housing types

Indirect employee administration and operating costs have been apportioned to the housing types of General Needs Housing, Supported Housing and Shared Ownership based on a percentage of the number of units managed.

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

3 Particulars of turnover, operating costs and operating surplus/(deficit)

	2026 Turnover	2026 Operating costs	2026 Operating surplus/ (deficit)	2025 Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000
Affordable letting activities (note 3a)	6,501	(5,315)	1,186	1,168
Other activities (note 3b)	23	(69)	(46)	(44)
Total 2026	6,524	(5,384)	1,140	1,124
Total 2025	6,020	(4,896)	1,124	

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

3(a) Particulars of turnover, operating costs and operating surplus/(deficit) from affordable letting activities

	General Needs housing £'000	Supported housing £'000	Shared ownership £'000	2026 Total £'000	2025 Total £'000
Revenue from rent and service charges					
Rent receivable net of service charges	5,375	101	77	5,553	5,203
Service Charges receivable	3	-	30	33	30
Gross income from rent and service charges	5,378	101	107	5,586	5,233
Less voids	(80)	-	-	(80)	(28)
Net income from rents and service charges	5,298	101	107	5,506	5,205
Revenue grants					
Grants released from deferred income	644	21	10	675	675
Revenue grants from Scottish Ministers	191	-	-	191	72
Other revenue grants	67	-	-	67	-
Other operating income	48	-	14	62	45
Total turnover from affordable letting activities	6,248	122	131	6,501	5,997

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

3 Particulars of turnover, operating costs and operating surplus/(deficit) **(Continued)**

Particulars of turnover, operating costs and operating surplus/(deficit) from affordable letting activities

	General Needs housing £'000	Supported housing £'000	Shared ownership £'000	2026 Total £'000	2025 Total £'000
Expenditure					
Management and maintenance administration costs	(1,982)	(97)	(96)	(2,175)	(2,015)
Service costs	(310)	(8)	-	(318)	(303)
Planned and cyclical maintenance including major repair costs	(768)	(3)	-	(771)	(408)
Reactive maintenance costs	(733)	(33)	(1)	(767)	(765)
Bad debts – rents and service charges	4	-	-	4	(16)
Depreciation of affordable let properties	(1,176)	(35)	(18)	(1,229)	(1,226)
Loss on disposal of components	(59)	-	-	(59)	(96)
Operating costs for affordable letting activities	(5,024)	(176)	(115)	(5,315)	(4,829)
Operating surplus / (deficit) for affordable letting activities 2026	1,224	(54)	16	1,186	1,168
Operating surplus / (deficit) for affordable letting activities 2025	1,218	(57)	7	1,168	

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £nil (2025: £nil). The cost of property components capitalised in the year was £1,153k (2025: £935k).

3 Particulars of turnover, operating costs and operating surplus/(deficit) **(Continued)**

3(b) Particulars of turnover, operating costs and operating surplus/(deficit) from other activities

	Grants From Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover 2026	Other operating Costs 2026 £'000	Operating Surplus/ (Deficit) 2026 £'000	Operating Surplus/ (Deficit) 2025 £'000
Factoring	-	-	-	23	23	(69)	(46)	(44)
Total from other activities in the year	-	-	-	23	23	(69)	(46)	(44)
Total from other activities in the prior year	-	-	-	23	23	(67)	(44)	

Horizon did not receive any income or incur any expenditure in respect of Care activities and did not receive any Grants from Scottish Ministers or income for care activities from statutory sources (2025: £nil).

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

4 Auditor's remuneration

	2026	2025
Fees payable to the company's auditor and associates:	£'000	£'000
For audit services		
Audit of the financial statements of the company	15	19

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2026 Number	2025 Number
Average full time equivalent number of employees during the year was	25	26
Average total number of employees during the year was	27	29

Their aggregate remuneration comprised:

	2026 £'000	2025 £'000
Wages and salaries	1,142	1,137
Social security costs	151	116
Pension costs	101	96
	1,394	1,349
Temporary staff costs	47	30
Redundancy payments made or committed	-	1

6 Key Management Personnel

Emoluments payable to the Chief Executive

	2026 £'000	2025 £'000
Remuneration for qualifying services	84	70
Company pension contributions to defined contribution schemes	7	6
	91	76

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

6 Key Management Personnel (Continued)

	2026 £'000	2025 £'000
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-
£80,000 - £89,999	-	-
£90,000 - £99,999	1	-
	2	1

No member of the Board of Management received any emoluments in respect of their services to the Association. The total emoluments for key management personnel regardless of their salary for the year was £296k (2025: £262k) which is higher than the prior year, due to being fully staffed throughout the year. Total pension costs were £33k (2025: £23k).

The key management personnel are ordinary members of Horizon's pension scheme described below in note 15. No enhanced or special terms apply to their memberships, and they have no other pension arrangements to which Horizon contributes.

	2026 £'000	2025 £'000
Total expenses reimbursed insofar as not chargeable to UK Income Tax		
Full time Directors	2	-
Board of Management	3	-

7 Housing units

	2026	2025
General needs*	798	798
Shared ownership	28	28
Shared bedspaces	44	44
Total Units	870	870

* Included in general needs are two units which are currently in use as leased offices, two units leased to Woman's Aid and two units leased to local authority Councils as temporary accommodation. In addition, there are four non-self-contained leased out properties included in the shared bedspaces figures above.

Horizon also manages 20 units on behalf of Link Group Limited (2025: 20 previously Link Housing Association who transferred engagements to Link Group Limited during the year), for which Link Group Limited pay a management fee and 24 units on behalf of the Richmond Fellowship (2025: 23 units).

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

8 Non-current assets - Housing properties

	Housing properties held for lettings	Shared ownership housing properties	Total
	£'000	£'000	£'000
Cost			
At 1 April 2025	67,611	1,538	69,149
Additions	1,153	-	1,153
Disposals	(412)	-	(412)
At 31 March 2026	68,352	1,538	69,890
Depreciation and impairment			
At 1 April 2025	25,657	371	26,028
Depreciation charged in the year	1,211	18	1,229
Eliminated in respect of disposals	(353)	-	(353)
At 31 March 2026	26,515	389	26,904
Carrying amount			
At 31 March 2026	41,837	1,149	42,986
At 31 March 2025	41,954	1,167	43,121

Land values included in the cost above are £4,787k (2025: £4,787k) for Properties held for Letting and £308k (2025: £308k) for Shared Ownership properties.

Development administration costs capitalised amounted to £nil (2025: £nil) for which Housing Association Grants amounting to £nil (2025: £nil) were received in the year.

Works expenditure on housing properties capitalised in the year was £1,153k (2025: £935k), expensed was £771k (2025: £409k). In respect of the capitalised works, £927k (2025: £875k) was in relation to replacements, £227k (2025: £60k) was in relation to enhancements.

All land and buildings are wholly owned by Horizon Housing Association Limited.

9 Non-current assets - Other

	Heritable office property £'000	Furniture and equipment £'000	Motor vehicles £'000	Total £'000
Cost				
At 1 April 2025	723	107	108	938
Additions	-	16	28	44
Disposals	-	(15)	(11)	(26)
At 31 March 2026	723	108	125	956
Depreciation and impairment				
At 1 April 2025	325	94	77	496
Depreciation charged in the year	21	9	15	45
Eliminated in respect of disposals	-	(15)	(11)	(26)
At 31 March 2026	346	88	81	515
Carrying amount				
At 31 March 2026	377	20	44	441
At 31 March 2025	398	13	31	442

10 Stock

	2026 £'000	2025 £'000
Raw materials and consumables	4	4

11 Trade and other receivables

Amounts falling due within one year:	2026 £'000	2025 £'000
Arrears of rent and service charges	142	261
Less: provision for bad and doubtful debts	(72)	(90)
Net rental debtors	70	171
Trade receivables	26	84
Prepayments and accrued income	69	8
Amounts owed by group undertakings	1,300	1,045
Other debtors	22	23
	1,487	1,331

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

12 Creditors: amounts falling due within one year

	Notes	2026 £'000	2025 £'000
Housing loans	**13**	-	50
Loans from group undertakings	**13**	7,400	-
Rent and service charges in advance		276	242
Trade creditors		175	67
Amounts owed to group undertakings		697	218
Other creditors		296	309
Accruals and deferred income		314	497
		9,158	1,383

13 Loans and overdrafts

	2026 £'000	2025 £'000
Loan advanced by Private Lender	-	50
Loans from group undertakings	7,400	7,400
	7,400	7,450
Payable within one year	7,400	50
Due in greater than one year	-	7,400

The loan advanced by Private Lender of £50k was repaid during the year. No interest was payable and it was repayable on demand.

The intra-group loan is an interest only loan at an interest rate of 3.85% fixed until Sept 2026. Post year end, Horizon has renewed the intra-group loan for a period of 10 years, until 2036 at a fixed interest rate of 5.42%.

14 Government grants

	2026 £'000	2025 £'000
Social housing grants		
At 1 April 2025	27,674	28,349
Amortised in the year	(675)	(675)
At 31 March 2026	26,999	27,674

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

14 Government grants (Continued)

The social housing grants are only repayable when the properties are sold. The balance is expected to be released to the Statement of Comprehensive Income as follows:

	2026	2025
Amount due to be released within one year	675	675
Amount due to be released in years 2-5	2,700	2,024
Amount due to be released after year 5	23,624	24,975
	26,999	27,674

15 Retirement benefit schemes

Defined contribution schemes	**2026 £'000**	**2025 £'000**
Charge to profit or loss in respect of defined contribution schemes	95	90

Horizon Housing Association Limited offers all staff membership to the SHAPS Defined Contribution scheme, with employer contribution rates of 6%, 9% or 12% of pensionable salaries for employees who joined the scheme before 1 December 2013, and of 5%, 6%, 8% or 9% of pensionable salaries for employees who joined the scheme after 1 December 2013.

As at 31 March 2028, there were 28 active members (2025: 27) of the Defined Contribution Scheme employed by Horizon Housing Association Limited.

Defined benefit schemes

Horizon Housing Association Limited 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.

15 Retirement benefit schemes **(Continued)**

Valuation

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.

A full actuarial valuation for the scheme was carried out at 30 September 2024. This actuarial valuation showed assets of £680m, liabilities of £759m and a deficit of £79m. As a result of the 2024 valuation, the Trustee has indicated that additional contributions to the Scheme for participating employers will be re-introduced from 1st April 2026 until 31st March 2030. Employers in total will pay £15.6m per year, increasing by 3% on 1st April each year.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

For the year ended 31 March 2026, sufficient information is available for the Association in respect of the Scheme to account for its obligation on a defined benefit basis. The most recent formal actuarial valuation was completed as at 30 September 2024 and rolled forward, allowing for the different financial assumptions required under FRS 102, to 31 March 2026 by a qualified independent actuary.

Funding policy

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.

Other information

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

	2026	**2025**
Key assumptions	**%**	**%**
Discount rate	6.08	5.5
Expected rate of increase of pensions in payment	4.03	3.1
Expected rate of salary increases	3.31	3.2
Inflation (CPI)	3.03	2.8
Allowance for cash commutation	75% of maximum allowance	75% of maximum allowance

Mortality assumptions	**2026**	**2025**
Assumed life expectations on retirement at age 65:	**Years**	**Years**
Retiring today		
- Males	20.7	20.2
- Females	22.9	22.7
Retiring in 20 years		
- Males	21.9	21.5
- Females	24.4	24.2

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

15 Retirement benefit schemes (Continued)

Amounts recognised in the Statement of Comprehensive Income *Costs/(income):*	**2026** **£'000**	**2025** **£'000**
Net interest on net defined benefit liability/(asset)	36	32
Other costs and income	7	7
Total costs	43	39

Amounts recognised in other comprehensive income *Costs/(income):*	**2026** **£'000**	**2025** **£'000**
Actual return on scheme assets	238	(223)
Less: calculated interest element	(191)	(186)
Return on scheme assets excluding interest income	47	(409)
Actuarial changes related to obligations	214	444
Total costs	261	35

The amounts included in the Statement of Financial Position arising from the Association's obligations in respect of defined benefit plans are as follows:

Liabilities/(assets):	**2026** **£'000**	**2025** **£'000**
Present value of defined benefit obligations	(4,058)	(4,217)
Fair value of plan assets	3,622	3,556
Deficit in scheme	(436)	(661)

Movements in the present value of defined benefit obligations	**2026** **£'000**
Liabilities at 1 April 2025	4,217
Benefits paid	(179)
Actuarial gains and losses	(214)
Interest cost	227
Other	7
At 31 March 2026	4,058

15 Retirement benefit schemes **(Continued)**

Movements in the fair value of plan assets	**2026** **£'000**
Fair value of assets at 1 April 2025	3,556
Interest income	191
Return on plan assets (excluding amounts included in net interest)	47
Benefits paid	(179)
Contributions by the employer	7
At 31 March 2026	3,622

The actual return on plan assets (including any changes in share of assets) over the period from 1 April 2025 to 31 March 2026 was £238,000 (2025 - £223,000).

Fair value of plan assets	**2026** **£'000**	**2025** **£'000**
Global equity	478	412
Liquid alternatives	693	655
Insurance-Linked Securities	7	14
Property	189	176
Infrastructure	-	1
Private Equity	8	3
Real assets	359	424
Private Credit	467	443
Credit	165	151
Investment Grade Credit	152	163
Cash	1	19
Long Lease Property	-	1
Secured Income	49	82
Liability Driven investment	1,000	1,001
Currency Hedging	-	6
Net Current Assets	54	5
Total Assets	3,622	3,556

16 Members' Capital

	2026	2025
	£	£
Shares of £1 fully paid and issued as at 1 April	45	50
Shares issued during the year	11	3
Shares cancelled during year	(9)	(8)
At 31 March 2026	47	45

Each member of Horizon holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person’s share is cancelled, and the amount paid thereon becomes the property of Horizon. Each member has a right to vote at members’ meetings.

17 Revenue reserve

Includes all surplus and deficits, including those retained from previous periods. This reserve also includes any remeasurement of the defined benefit pension liability.

18 Contingent liabilities

The Board are aware that the Court of Appeal has upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained.

The Association has also been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability alongside the Court's judgement in respect of the Virgin Media case referred to above, following the hearing of the case in February 2025 (Verity Trustees vs. Wood).

The Pension Schemes Act 2026 was enacted into law on 29 April 2026 and provided that evidence can be provided of there being retrospective confirmation of historic amendments to scheme rules as being compliant with the statutory requirements, it is expected that these additional liabilities will not materialise. However; due to the ongoing considerations in respect of the Virgin Media case and the Verity Trustees Limited vs. Wood case, it is recognised that there could still potentially be an impact to the value of Scheme liabilities.

Until the outcome of the ongoing Court process is known (which is currently expected to be autumn 2026), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2026 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2026	2025
	£'000	£'000
Within one year	1	1
Between two and five years	12	4
In over five years	-	11
	13	16

During the year £2.6k (2025: £2.3k) was recognised as an expense in the statement of comprehensive income in respect of operating leases.

Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2026	2025
	£'000	£'000
Within one year	79	70

Of the 9 leased properties (2025: 10), Horizon received £79k in the year to 31 March 2026 (2025: £75k).

All leases are on a rolling renewal basis of 1 month, 6 month or annual periods. There are no options for purchase in the terms.

The terms of the leases are to maintain the property and gardens, not to assign or sub-let, no structural changes and major / emergency structural repairs are to be notified to Horizon.

20 Events after the reporting date

On 29 May 2026, the Board entered into a loan agreement with Link Group Limited for £7.4m. The loan is for 10 years, from September 2026 until September 2036 at a fixed interest rate of 5.42% per annum with a bullet capital repayment at the end date.

HORIZON HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2026

21 Related party transactions

Members of the Board of Management are related parties of Horizon as defined by Financial Reporting Standard 102.

The related party relationships of the members of the Board of Management are summarised as set out below.

Board members cannot use their position to their advantage and any transactions between Horizon and any entity with which a governing body member has a connection is made at arm’s length and is under normal commercial terms.

One Board member is a tenant of the association (2025: two tenants) and has a tenancy that is on Horizon’s normal tenancy terms, and they cannot use their position to their advantage.

Transactions with Board members (and their close family) were as follows: Rent received from the tenants on the Board was £7k (2025: £10k).

At the year-end there were no rent arrears (2025: nil) owed by the tenant member of the Board.

As a wholly owned subsidiary of Link Group Limited Horizon is exempt from the requirements of FRS 102 to disclose details of transactions with other members of the group headed by Link Group Limited.

22 Ultimate parent organisation

The company's parent undertaking at the SOFP date was Link Group Limited, a Cooperative and Community Benefit Society registered with the Financial Conduct Authority, registration no 1481R(S). Link Group Limited exercises dominant control through its ability to control the majority of the membership of the Board.

The company’s results are consolidated as part of the ultimate parent company’s accounts. These accounts can be obtained directly from Link Group Limited.

23 Cash generated from operations

	2026 £'000	2025 £'000
Surplus for the year after tax	879	843
Adjustments for:		
Decrease in pension liability items	32	32
Finance costs	296	292
Investment income	(67)	(37)
(Gain)/loss on disposal of tangible fixed assets	-	96
Depreciation and impairment of tangible fixed assets	1,274	1,262
Other gains and losses	-	(6)
Increase in deferred income	-	-
Increase in debtors	(156)	(791)
Increase in creditors	425	238
Decrease in deferred income	(675)	(674)
Cash generated from operations	2,008	1,255

24 Analysis of changes in net debt

	1 April 2025	Cash flows	31 March 2026
	£'000	£'000	£'000
Cash at bank and in hand	1,032	595	1,627
Borrowings excluding overdrafts	(7,450)	50	(7,400)
	(6,418)	645	(5,773)

25 Capital Commitments

Amounts contracted for but not provided in the financial statements amounted to £nil (2025: £nil)