Linstone Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2026

Registered Social Landlord No. HEP299

FCA Reference No. 2524R(S)

Scottish Charity No. SC027454

LINSTONE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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LINSTONE HOUSING ASSOCIATION LIMITED

BOARD, EXECUTIVE AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2026

BOARD

Nan McBride	Chairperson
David Kelly	Vice-Chairperson
Jamie Irvine	
Connor Cunningham	
Isaac Nwokeabia	
Chi Yam Kam	
Jim Gourlay	
Amanda Kyle	Elected at AGM 16 September 2025
Cllr Marie McGurk	From Board Meeting 24 February 2026
Kirsty Sweenie	Resigned 7 April 2026
Elizabeth Scott	Resigned 7 April 2026
Elizabeth Roscoe	Resigned AGM 16 September 2025
Councillor Andy Steel	Resigned AGM 16 September 2025
Ilene Campbell	Resigned 8 April 2025

EXECUTIVE OFFICERS

Angela Taylor	Chief Executive Officer
Jan Brennan	Director of Housing Services
Kennedy Chilambe (Secretary)	Director Fin & Corporate Services
Marc Garland	Director Assets & Property Services – Started – July 2025

REGISTERED OFFICE
17 Bridge Street
Linwood
Renfrewshire
PA3 3DB

EXTERNAL AUDITORS
TC Group
Business Advisors and Accountants
180 St Vincent Street
Glasgow
G2 5SG

INTERNAL AUDITORS
Quinn Internal Audit
GF 4 Grosvenor Gardens
EH12 5JU
Edinburgh

BANKERS
Bank of Scotland Corporate Specialist
Banking
2nd Floor Pentland House
8 Lochside Avenue
Edinburgh Park
EH3 8EH

SOLICITORS
Addleshaw Goddard
3 Sovereign Square
Sovereign Street
Leeds
LS1 4ER

LINSTONE HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2026

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

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No. 2524R(S)), the Scottish Housing Regulator as a registered social landlord (No. HEP299) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC027454.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

Our Finances

Linstone continues to demonstrate underlying financial strength, supported by a substantial rental income base, strong reserves, opportunities for future development, and low levels of debt. The Board of Management has long recognised the importance of strengthening the Association's financial resilience, ensuring that Linstone is well placed to continue delivering high-quality services to tenants and owners, invest in its housing stock to maintain compliance with the Scottish Housing Quality Standard (SHQS), and remain flexible in responding to future economic and operational challenges.

During 2025/26, our approach combined robust budgetary oversight with realistic rent increases that better align with the Association's medium-term financial projections. As a result, the Association ended the year with a strong financial position and a healthy balance sheet

The Association reported total comprehensive income of £1.04m (2024/25: £261,000), a depreciated fixed asset base of £23m, and bank balances of £4.3m at year end.

Linstone maintains both 5-year and 30-year financial plans, incorporating the latest stock condition survey information and investment requirements. These plans demonstrate that the Association remains financially robust, operating as a going concern with sufficient capacity to absorb adverse impacts through a range of available mitigations and financial safeguards. Regular stress testing and scenario planning supports our financial decision-making and long-term sustainability.

Our Communities

Linstone Housing Association continues to play a vital role as an anchor organisation within the communities we serve. Our core values of being Inclusive, Customer Focused, Respectful and Sustainable underpin everything we do, guiding both our strategic ambitions and day-to-day operations.

Review of Business and Future Developments (Cont.)

Linstone exists to provide relief to those in need due to age, ill-health, disability, financial hardship or other disadvantage through the delivery of valuable housing and support services. Our long-term vision is to remain a successful, thriving and sustainable housing association, providing excellent homes and services while making a positive difference to our communities.

One of the key services we provide is our in-house Welfare Support Service. This service supports households at various stages of their tenancy, with particular focus on those affected by the ongoing cost-of-living challenges. The team provides expert advice and practical assistance across a range of areas, including welfare benefits, income maximisation, disability-related benefits and applications. Where more specialist support is required, such as advocacy or appeals, customers are signposted to appropriate external agencies.

Tenancy sustainment and estate management also remain priorities for our Housing Management Team. During the year, financial void loss reduced from £204,000 in 2024/25 to £128,000 in 2025/26, reflecting our commitment to minimising void periods and ensuring homes are made available for letting as quickly as possible. We are also pleased that all properties previously classified as hard to let that remained vacant since the pandemic have now been returned to the general letting pool.

Our Assets

Investing in the long-term quality of our homes remains a key priority for the Linstone Board. Throughout 2025/26, we continued our Stock Condition Survey programme, with 81% of homes now surveyed. This information provides a robust evidence base for future investment planning, helping to ensure homes continue to meet SHQS requirements, statutory compliance obligations and evolving energy efficiency standards.

During the year, we invested more than £1.4 million in improving tenants' homes, including the replacement of roofs, boilers, kitchens, bathrooms, windows and doors.

In 2026/27, we will continue the Stock Condition Survey programme with the aim of surveying as many as possible of the remaining 19% of properties where access can be gained. The survey results will continue to inform the Association's financial and business planning processes, enabling investment to be targeted where it is needed most.

Looking ahead, we expect to invest approximately £7.5 million over the next five years, continuing our fabric-first approach to delivering well-maintained, compliant and sustainable homes for our tenants.

Our People

The 2025/26 financial year saw some changes within the Leadership Team. We were delighted to welcome Marc Garland as Director of Assets and Property Services in July 2025. We also welcomed three additional members of staff during the year.

Staff turnover reduced significantly to 15.32%, compared with 29.9% in the previous year, demonstrating improved stability. Staff costs amounted to £2.5 million during the year (2024/25: £2.4 million).

Review of Business and Future Developments (Cont.)

Our staff work across a range of service areas, including Housing, Maintenance, Property Management, Income, Finance and Corporate Services. The Board remains committed to investing in staff development, ensuring colleagues have the skills, knowledge and confidence required to continue delivering excellent customer service.

Flexible working arrangements remain available to most employees, enabling an effective balance between office-based and home-based working while maintaining high levels of customer service. The office remains open to the public four days per week, and office-based staff can work up to two days from home, including Fridays when the office is closed to the public.

Our Future

Through the Leadership Team, the Linstone Board is developing a new five-year Business Plan, which will be launched in 2026. The plan will set out the Association's strategic objectives across key areas, including governance, financial management, people and culture, mixed-tenure housing and factoring services.

We also look forward to progressing the proposed development of new homes on the Association-owned Stirling Drive site. During the coming year, we will continue to engage with key stakeholders, including the Scottish Government, Renfrewshire Council, private funders and other partners, as we work towards bringing the development to site.

Subject to securing sufficient funding and ensuring financial viability, we see this development as an important opportunity in the short to medium term. In the longer term, these additional homes would make a valuable contribution towards addressing local housing need.

We are pleased to have maintained our Compliant status with the Scottish Housing Regulator. The Board and Leadership Team will continue to work collaboratively to strengthen governance arrangements, maintain effective internal controls and ensure continued compliance with regulatory standards in the years ahead

Board and Executive Officers

The members of the Board and the Executive officers are listed on page 1.

Each member of the Board holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association’s share capital and, although not having the legal status of directors, they act as executives within the authority delegated by the Board.

The members of the Board are also trustees of the charity. Members of the Board are appointed by the members at the Association’s Annual General Meeting.

REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2026

Statement of Board's Responsibilities
The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those financial statements the Board 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;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on internal financial control.

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 them 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 2024. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Going Concern
Based on its budgetary and forecasting processes the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement on Internal Financial Control
The Board acknowledges its ultimate responsibility for ensuring that the Association 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 Association, or for publication;
- 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 of the Association'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 Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;

REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2026

Statement on Internal Financial Control (Cont.)

- forecasts and budgets are prepared which allow the management team and the Board to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports 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 Board 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 Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Board has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2026. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations
During the year the Association made charitable donations of £65 (2025 - £50).

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 to appoint the Auditors, will be proposed at the Annual General Meeting.

By order of the Board

[redacted]

Kennedy Chilambe
Secretary to the Board

27/8/2026

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

In addition to our audit of the financial statements, we have reviewed your statement on pages 5 to 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice 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. 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 of Internal Financial Control on pages 5 to 6 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

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

[redacted]

TC GROUP
Business Advisors and Accountants
Statutory Auditors
Glasgow

28/8/2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINSTONE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026

Opinion

We have audited the financial statements of Linstone Housing Association Limited (the 'Association') for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of the surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board 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 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 responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other Information

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINSTONE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026 (continued)

Other Information (Contd.)
In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 require us to report to you if, in our opinion:

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of the Board
As explained more fully in the statement of Board's responsibilities as set out on page 5, the Board is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of the 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 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 Board either intend 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINSTONE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026 (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we gained an understanding of the legal and regulatory framework applicable to the Association through discussions with the Board and other management, and from our wider knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing the Association's Assurance Statement and associated supporting information; and
- reviewing correspondence with the Scottish Housing Regulator. HMRC and the Association's legal advisors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LINSTONE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026 (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud (Contd.)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

[redacted]

TC GROUP
Business Advisors and Accountants
Statutory Auditors
Glasgow

28/8/2026

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes		2026		2025
		£	£	£	£
Revenue	2		9,136,898		*8,522,937*
Operating costs	2		8,067,779		*8,132,306*
OPERATING SURPLUS			1,069,119		390,631
Interest receivable and other income		68,195		*92,060*	
Interest payable and similar charges	7	(274,575)		*(335,994)*	
Other Finance income/(charges)	10	(49,000)		*(46,000)*	
			(255,380)		*(289,934)*
Surplus on ordinary activities before taxation	8		813,739		*100,697*
SURPLUS FOR THE YEAR			**813,739**		***100,697***
Other comprehensive income					
Actuarial gains/(losses) on defined benefit pension plan	18		223,000		*161,000*
TOTAL COMPREHENSIVE INCOME			**1,036,739**		***261,697***

The results relate wholly to continuing activities.
The notes on pages 16 to 36 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes		2026		2025
		£	£	£	£
NON-CURRENT ASSETS					
Housing properties - depreciated cost	11		22,661,845		22,223,672
Other tangible assets	11		379,071		270,551
			23,040,916		22,494,223
CURRENT ASSETS					
Receivables	12	496,237		402,429	
Investments	13	1,313,326		1,273,852	
Cash and cash equivalents	14	3,061,507		2,983,185	
		4,871,070		4,659,466	
CREDITORS: Amounts falling due within one year	15	(2,443,489)		(1,856,399)	
NET CURRENT ASSETS			2,427,581		2,803,067
TOTAL ASSETS LESS CURRENT LIABILITIES			25,468,497		25,297,290
CREDITORS: Amounts falling due after more than one year	16		(4,228,556)		(4,962,752)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	18	(664,000)		(838,000)	
			(664,000)		(838,000)
DEFERRED INCOME					
Social housing grants	19	(4,715,739)		(4,673,068)	
			(4,715,739)		(4,673,068)
NET ASSETS			**15,860,202**		**14,823,470**
EQUITY					
Share capital	20		80		87
Revenue reserves			16,524,122		15,661,383
Pension reserves			(664,000)		(838,000)
			15,860,202		**14,823,470**

The financial statements including the Statement of Comprehensive Income and Statement of Financial Position were approved by the Board and authorised for issue and signed on their behalf on 27/8/2026

[redacted]
Amanda Kyle
Board Member

[redacted]
Jamie Irvine
Board Member

[redacted]
Kennedy Chilambe
Secretary

The notes on pages 16 to 36 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Notes	£	2026 £	£	2025 £
Surplus for the Year			813,739		*100,697*
Adjustments for non-cash items:					
Depreciation of tangible fixed assets	11	1,178,900		*1,081,303*	
Amortisation of capital grants	19	(121,194)		*(132,662)*	
Non-cash adjustments to pension provisions		49,000		*46,000*	
Share capital written off	20	(10)		*(9)*	
			1,106,696		*994,632*
Interest receivable			(68,195)		*(92,060)*
Interest payable	7		274,575		*335,994*
Operating cash flows before movements in working capital			2,126,815		*1,339,263*
Change in debtors		(93,808)		*1,195,986*	
Change in creditors		528,298		*(428,376)*	
			434,490		*767,610*
Net cash inflow from operating activities			2,561,305		2,106,873
Investing Activities					
Acquisition and construction of properties		(1,566,954)		*(703,018)*	
Purchase of other fixed assets		(158,639)		-	
Social housing grant received		163,865		-	
Changes on short term deposits with banks		(39,474)		*1,347,470*	
Net cash (outflow) / inflow from investing activities			(1,601,202)		644,452
Financing Activities					
Interest received on cash and cash equivalents		68,195		*92,060*	
Interest paid on loans		(274,575)		*(335,994)*	
Loan principal repayments		(675,404)		*(631,185)*	
Share capital issued	20	3		*1*	
Net cash outflow from financing activities			(881,781)		*(875,118)*
Increase in cash	21		78,322		*1,876,207*
Opening cash & cash equivalents			2,983,185		*1,106,978*
Closing cash & cash equivalents			**3,061,507**		***2,983,185***
Cash and cash equivalents as at 31 March					
Cash	21		3,061,507		*2,983,185*
			3,061,507		***2,983,185***

LINSTONE HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2026

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 31 March 2024	*95*	*(953,000)*	*15,514,686*	*14,561,781*
Issue of Shares	*1*	-	-	*1*
Cancellation of Shares	*(9)*	-	-	*(9)*
Other comprehensive income	-	*161,000*	-	*161,000*
Revaluation in year	-	-	-	-
Other movements	-	*(46,000)*	*46,000*	-
Surplus for the year	-	-	*100,697*	*100,697*
Balance as at 31 March 2025	***87***	***(838,000)***	***15,661,383***	***14,823,470***
Balance as at 1 April 2025	87	(838,000)	15,661,383	14,823,470
Issue of Shares	3	-	-	3
Cancellation of Shares	(10)	-	-	(10)
Other comprehensive income	-	223,000	-	223,000
Revaluation in year	-	-	-	-
Other movements	-	(49,000)	49,000	-
Surplus for the year	-	-	813,739	813,739
Balance as at 31 March 2026	**80**	**(664,000)**	**16,524,122**	**15,860,202**

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2024, Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010. A summary of the principal accounting policies is set out below. All amounts are recorded in pounds sterling.

Going concern

On the basis that the Board of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

Revenue

Revenue comprises rental and service charge income receivable in the period, income from shared ownership first tranche sales, sales of properties built for sale, other services provided, revenue grants receivable and government grants released to income in the period.

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

The Association participated in the Strathclyde Pension Fund a multi-employer defined benefit scheme, until 28 March 2024. Retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments were made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association exited the Scheme in March 2024. Further details are provided in Note 18.

The Association previously participated in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme. The Assocaition still has liability in respect of this scheme. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

Component	Useful Economic Life
Land	Not depreciated
Structure	Over 50 years
Kitchens	Over 15 years
Bathrooms	Over 25 years
Central Heating	Over 20 years
Windows & Doors	Over 35 years
Door Entry System	Over 16 years
Lifts	Over 40 years
Boilers	Over 20 years
Exterior Rendering and Wall Insulation	Over 30 years
Electrical Wiring	Over 30 years
Roofs	Over 50 years

Depreciation and Impairment of Other Tangible Assets

Non-current assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected economic useful lives of the assets at the following annual rates:

Asset Category	Depreciation Rate
Leasehold Office Improvements	Over 15 years
Computer Equipment	Over 5 years
Furniture and Office Equipment	Over 10 years
Office Premises	Over 20 years

The carrying values of non-current assets are reviewed for impairment at the end of each reporting period.

Social Housing Grants and Other Capital 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 in income on a systematic basis over the expected useful life of the property and assets to which they relate.

Social housing grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

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.

Sales Of Housing Properties

First tranche shared ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the statement of recommended practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the statement of comprehensive income.

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Taxation

The Association is a Scottish Charity and is not liable to taxation on its charitable activities.

Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives or the term of the lease whichever is shorter.

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property, a material reduction in future maintenance costs, or a significant extension of the life of the property.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to ongoing development activities are capitalised.

Borrowing Costs

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme. All other borrowing costs are expensed to the statement of comprehensive income using the effective interest rate method.

Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a non-current asset. Surpluses made on the disposal of first tranche sales are taken to the Statement of Comprehensive Income.

Property developments that are intended for resale are included in current assets until disposal.

Housing Property Managed By Agents

Where a third party manages the Association's housing property the accounting treatment reflects the substance of the transactions. The property is only excluded if the rights and obligations associated with the scheme has been transferred to the third party.

VAT

The Association is VAT registered but the substantial proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

Financial Instruments - Basic

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

The Association's debt instruments are measured at amortised cost using the effective interest rate method.

Cash and Liquid Resources

Cash comprises cash at bank and in hand, deposits repayable on demand less overdrafts. Liquid resources are current asset investments that can't be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

Impairment

The Association assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.

Where the carrying value of non-current assets is less that their recoverable amounts the shortfall is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service potential.

Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the Association to exercise judgement in applying the it's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below.

Key Judgements

a) Categorisation of Housing Properties

In the judgement of the Board the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

b) Identification of cash generating units

The Board considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

c) Financial instrument break clauses

The Board has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In their judgement these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

d) Pension Liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method. In respect of defined benefit pension schemes, the Association is unable to incorporate a pension asset unless they have received written confirmation from the pension scheme confirming that the asset will be repaid or future contributions will be reduced. Judgements relating to the benefits issue are included in Note 18.

The Association also participated in the Strathclyde Pension Fund, a multi-employer defined benefit scheme, until exiting the Scheme in March 2024 following the retirement of the Association's one remaining active employee. The basis of these estimates are based on the actuarial assumptions of a qualified actuary, which have been reviewed and are considered reasonable and appropriate.

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place and court action.

b) Life Cycle of Components

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

c) Useful life of properties, plant and equipment

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.

d) Costs of shared ownership

The Association allocates costs to shared ownership properties on an percentage basis split across the number of properties the Association owns.

d) Defined pension liability

In determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Notes	2026 Turnover £	2026 Operating costs £	2026 Operating surplus / (deficit) £	2025 Turnover £	2025 Operating costs £	2025 Operating surplus / (deficit) £
Affordable letting activities	3	8,586,127	7,365,915	1,220,212	*8,145,461*	*7,717,704*	*427,757*
Other Activities	4	550,771	701,864	(151,093)	*377,476*	*414,602*	*(37,126)*
Total		**9,136,898**	**8,067,779**	**1,069,119**	***8,522,937***	***8,132,306***	***390,631***

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM

	General Needs Housing £	Supported Housing £	2026 Total £	2025 Total £
Revenue from Lettings				
Rent receivable net of service charges	7,734,428	424,251	8,158,679	*7,833,041*
Service charges receivable	65,187	226,280	291,467	*280,363*
Gross income from rent and service charges	7,799,615	650,531	8,450,146	*8,113,404*
Less: Rent losses from voids	121,049	7,196	128,245	*204,693*
Income from rents and service charges	7,678,566	643,335	8,321,901	*7,908,711*
Grants released from deferred income	121,194	-	121,194	*156,797*
Revenue grants from Scottish Ministers	143,032	-	143,032	*40,369*
Other revenue grants	-	-	-	*39,584*
Total turnover from affordable letting activities	7,942,792	643,335	8,586,127	*8,145,461*
Expenditure on affordable letting activities				
Management and maintenance administration costs	2,972,705	72,428	3,045,133	*3,609,088*
Service costs	75,004	225,013	300,017	*348,933*
Planned and cyclical maintenance, including major repairs	1,105,676	63,721	1,169,397	*716,455*
Reactive maintenance costs	1,575,934	82,944	1,658,878	*1,897,953*
Bad Debts - rents and service charges	54,529	-	54,529	*47,659*
Depreciation of affordable let properties	1,081,063	56,898	1,137,961	*1,097,616*
Operating costs of affordable letting activities	6,864,911	501,004	7,365,915	*7,717,704*
Operating surplus / (deficit) on affordable letting activities	**1,077,881**	**142,331**	**1,220,212**	***427,757***
2025	*271,798*	*155,959*		

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2026	Operating surplus / (deficit) 2025
	£	£	£	£	£	£	£	£	£
Wider role activities	-	-	-	1,214	1,214	-	11,017	(9,803)	*(5,879)*
Care and repair	-	-	27,750	104,443	132,193	-	188,624	(56,431)	-
Factoring	-	19,584	-	397,780	417,364	-	502,223	(84,859)	*(31,247)*
Total From Other Activities	**-**	**19,584**	**27,750**	**503,437**	**550,771**	**-**	**701,864**	**(151,093)**	*(37,126)*
2025	-	*120,384*	-	*257,092*	*377,476*	*16,645*	*397,957*	*(37,126)*	

5. OFFICERS' EMOLUMENTS

	2026	2025
	£	£
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	314,638	*240,001*
Pension contributions made on behalf on Officers with emoluments greater than £60,000	46,568	*25,265*
Emoluments payable to Chief Executive Officer (excluding pension contributions)	96,793	*93,069*
Pension contributions paid on behalf of the Chief Executive Office	9,679	*9,307*
Total emoluments payable to the Chief Executive Officer*	106,472	*102,376*
Total emoluments paid to key management personnel	419,252	*306,797*

The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	-	*-*
£70,001 to £80,000	1	*-*
£80,001 to £90,000	1	*2*
£90,001 to £100,000	1	*-*
£100,001 - £110,000	1	*1*

6. EMPLOYEE INFORMATION

	2026 No.	2025 No.
Average monthly number of full time equivalent persons employed during the year	47	*50*
Average total number of employees employed during the year	50	*55*
Staff costs were:	£	£
Wages and salaries	1,993,332	*1,986,667*
National insurance costs	251,443	*204,225*
Pension costs	193,951	*183,805*
	2,512,164	*2,374,697*

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2026	2025
	£	£
On bank loans and overdrafts	274,575	*335,994*
	274,575	*335,994*

8. SURPLUS FOR THE YEAR

	2026	2025
Surplus For The Year is stated after charging/(crediting):	£	£
Depreciation - non-current assets	1,066,036	*1,114,658*
Auditors' remuneration - audit services	15,072	*15,804*
Operating lease rentals - other	76,370	*26,885*

9. CORPORATION TAX

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

10. OTHER FINANCE INCOME / (CHARGES)

	2026	2025
	£	£
Net interest on pension obligations	(49,000)	*(46,000)*

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties In course of Construction £	Housing Properties Held for Letting £	Total £
COST			
At 1 April 2025	1,247,134	39,224,122	40,471,256
Additions	157,390	1,409,564	1,566,954
Disposals	-	(519,027)	(519,027)
At 31 March 2026	1,404,524	40,114,659	41,519,183
DEPRECIATION			
At 1 April 2025	-	18,247,584	18,247,584
Charge for Year	-	1,015,917	1,015,917
Disposals	-	(406,163)	(406,163)
At 31 March 2026	-	18,857,338	18,857,338
NET BOOK VALUE			
At 31 March 2026	1,404,524	21,257,321	22,661,845
At 31 March 2025	1,247,134	*20,976,538*	*22,223,672*

	2026		**2025**	
Expenditure on Existing Properties	*Component replacement* £	*Improvement* £	*Component replacement* £	*Improvement* £
Amounts capitalised	1,409,564	-	*689,061*	-
Amounts charged to the statement of comprehensive income	-	2,828,277	-	*2,614,408*

All land and housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £157,390 (2025 - £nil).

The Association's lenders have standard securities over housing property with a carry value of £11,044,173 (2025 - £9,813,347).

The depreciation charge on housing properties as shown above differs from that per Note 3 due to accelerated depreciation on component replacements.

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Computer Equipment £	Total £
COST				
At 1 April 2025	501,020	94,833	145,188	741,041
Additions	-	7,777	150,862	158,639
At 31 March 2026	501,020	102,610	296,050	899,680
DEPRECIATION				
At 1 April 2025	275,561	69,783	125,146	470,490
Charge for year	25,051	3,893	21,175	50,119
At 31 March 2026	300,612	73,676	146,321	520,609
NET BOOK VALUE				
At 31 March 2026	200,408	28,934	149,729	379,071
At 31 March 2025	*225,459*	*25,050*	*20,042*	*270,551*

12. RECEIVABLES

	2026	2025
	£	£
Gross arrears of rent and service charges	230,384	*253,083*
Less: Provision for doubtful debts	(58,602)	*(63,290)*
Net arrears of rent and service charges	171,782	*189,793*
Social housing grant receivable	-	-
Other receivables	324,455	*212,636*
	496,237	*402,429*

13. CURRENT ASSET INVESTMENTS

	2026	2025
	£	£
Short term deposits	1,313,326	*1,273,852*
	1,313,326	*1,273,852*

14. CASH AND CASH EQUIVALENTS

	2026	2025
	£	£
Cash at bank and in hand	3,061,507	*2,983,185*
	3,061,507	*2,983,185*

15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026	2025
	£	£
Bank loans	729,500	*670,708*
Trade payables	859,652	*459,889*
Rent received in advance	292,224	*328,849*
Other payables	76,778	*199,980*
Accruals and deferred income	485,335	*196,973*
	2,443,489	*1,856,399*

16. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2026	2025
	£	£
Bank loans	4,228,556	*4,962,752*
	4,228,556	*4,962,752*

17. DEBT ANALYSIS - BORROWINGS

	2026	2025
	£	£
Bank Loans		
Amounts due within one year	729,500	*670,708*
Amounts due in one year or more but less than two years	772,500	*704,797*
Amounts due in two years or more but less than five years	3,456,056	*2,336,883*
Amounts due in more than five years	-	*1,921,072*
	4,958,056	*5,633,460*

The Association has a number of bank loans the principal terms of which are as follows:

Lender	***Number of Properties Secured***	***Effective Interest Rate***	***Maturity (Year)***	***Variable or Fixed***
Nationwide	Standard security over 1,024 properties	5.2%	2032	Fixed
Nationwide	Standard security over 1,024 properties	LIBOR + 0.5%	2032	Variable

18. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Linstone Housing Association Limited participates in the Scottish Housing Association 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 Association moved to a defined contribution scheme in 1 April 2022 but has a net liability for the past service deficit in the defined benefit scheme.

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 pensions schemes in the UK.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is reapportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

The last triennial valuation of the Scheme was performed as at 30 September 2024 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £689.8m. The valuation revealed a shortfall of assets compared with the value of liabilities of £79.5m (equivalent to a past service funding level of 90%). It is now expected a recovery plan will be in place to eliminate the past service deficit from 1 April 2026 to 31 March 2030 for the majority of employers, although certain employers may have different arrangements.

In 2019 the Pensions Trust, the administrator of the Scheme developed a method of determining the share of assets and liabilities for individual employers. This method was adopted by the Association in 2019 and resulted in an adjustment to the opening pension liability recognised in the statement of financial position of £(816,000).

Present values of defined benefit obligation, fair value of assets and defined benefit asset / (liability)

	2026	2025
	£	£
Fair value of plan assets	5,958,000	*6,175,000*
Present value of defined benefit obligation	6,622,000	*7,013,000*
Surplus / (deficit) in plan	(664,000)	*(838,000)*
Unrecognised surplus	-	-
Defined benefit asset / (liability) to be recognised	(664,000)	*(838,000)*

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2026 £	2025 £
Defined benefit obligation at the start of period	7,013,000	*7,832,000*
Current service cost	-	-
Expenses	13,000	*12,000*
Interest expense	405,000	*376,000*
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	(516,000)	*152,000*
Actuarial losses (gains) due to changes in demographic assumptions	60,000	-
Actuarial losses (gains) due to changes in financial assumptions	(135,000)	*(1,022,000)*
Benefits paid and expenses	(218,000)	*(337,000)*
Defined benefit obligation at the end of period	6,622,000	*7,013,000*

Reconciliation of opening and closing balances of the fair value of plan assets

	2026 £	2025 £
Fair value of plan assets at start of period	6,175,000	*6,879,000*
Interest income	356,000	*330,000*
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(368,000)	*(709,000)*
Contributions by the employer	13,000	*12,000*
Contributions by plan participants	-	-
Benefits paid and expenses	(218,000)	*(337,000)*
Fair value of plan assets at the end of period	5,958,000	*6,175,000*

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was (£12,000).

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2026 £	2025 £
Current service cost	-	-
Expenses	13,000	*12,000*
Net interest expense	49,000	*46,000*
Defined benefit costs recognised in statement of comprehensive income	62,000	*58,000*

Defined benefit costs recognised in the other comprehensive income

	2026 £	2025 £
Experience on plan assets (excluding amounts included in interest income) - gain / (loss)	(368,000)	*(709,000)*
Experience gains and losses arising on plan liabilities - gain / (loss)	516,000	*(152,000)*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain / (loss)	(60,000)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	135,000	*1,022,000*
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	223,000	*161,000*
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	-	-
Total amount recognised in other comprehensive income - gain / (loss)	223,000	*161,000*

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2026	2025	2024
	£	£	£
Absolute Return	-	-	*309,000*
Alternative Risk Premia	-	-	*248,000*
Corporate Bond Fund	-	-	-
Credit Relative Value	-	-	*242,000*
Distressed Opportunities	-	-	*253,000*
Emerging Markets Debt	-	-	*121,000*
Global Equity	787,000	*715,000*	*791,000*
Infrastructure	-	*1,000*	*659,000*
Insurance-Linked Securities	11,000	*24,000*	*43,000*
Liability Driven Investment	1,644,000	*1,739,000*	*2,488,000*
Long Lease Property	-	*2,000*	*51,000*
Net Current Assets	89,000	*8,000*	*8,000*
Private Debt	-	-	*277,000*
Private Equity	13,000	*5,000*	*5,000*
Property	311,000	*306,000*	*291,000*
Risk Sharing	-	-	*413,000*
Secured Income	81,000	*143,000*	*230,000*
Opportunistic Illiquid Credit	-	-	*274,000*
High Yield	-	-	*1,000*
Cash	2,000	*33,000*	*178,000*
Currency Hedging	-	*10,000*	*(3,000)*
Liquid Alternatives	1,139,000	*1,137,000*	-
Real Assets	591,000	*737,000*	-
Private Credit	768,000	*770,000*	-
Credit	272,000	*263,000*	-
Investment Grade Credit	250,000	*282,000*	-
Total assets	5,958,000	*6,175,000*	*6,879,000*

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

Key Assumptions

	2026	2025	2024
Discount Rate	6.1%	*5.9%*	*4.9%*
Inflation (RPI)	3.3%	*3.1%*	*3.1%*
Inflation (CPI)	3.0%	*2.8%*	*2.8%*
Salary Growth	4.0%	*3.8%*	*3.8%*
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	*75% of maximum allowance*	*75% of maximum allowance*

The mortality assumptions adopted at 31 March 2026 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2026	20.70
Female retiring in 2026	22.90
Male retiring in 2046	21.90
Female retiring in 2046	24.40

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme

Exit from Strathclyde Pension Scheme March 2024

The Association withdrew from the Strathclyde Pension Scheme, with the effective 'Exit Date' being 28th March 2024.

An Exit Credit Agreement details the amount of the exit credit (details below) payable to the Association by the administering authority to meet the excess of assets in the fund relating to Linstone Housing Association over the respective liabilities.

In accordance with the termination of admission agreement, no further payments are due to or from the Association in respect of any liabiities in the fund relating to the benefits payable in respect of any current or former employees of the Association.

The exit credit was calculated by reference to the funding position at 28 March 2024 on a 'cessation basis'. This differing from the continuing basis which had been applied in previous years.

Monetary amounts in £M	28-Mar-24
Assets	2.68
Liabilities	
- Active Members	0.34
- Deferred pensoners	0.68
- Pensioners	0.76
Total liabilities	1.78
Surplus / (deficit)	**0.9**
Funding level	151%

The Exit Credit of £900,000 was included within accrued income at 31st March 2024 and received by the Association in June 2024.

Due to the size/nature of the transaction this was reported as 'Exceptional' income in the 2023/24 financial statements.

19. DEFERRED INCOME

	Social Housing Grants £	Total £
Capital grants received		
At 1 April 2025	7,161,087	7,161,087
Additions in the year	163,865	163,865
Eliminated on disposal	-	-
At 31 March 2026	7,324,952	7,324,952
Amortisation		
At 1 April 2025	2,488,019	2,488,019
Amortisation in year	121,194	121,194
Eliminated on disposal	-	-
At 31 March 2026	2,609,213	2,609,213
Net book value		
At 31 March 2026	4,715,739	4,715,739
At 31 March 2025	*4,673,068*	*4,673,068*

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2026 £	2025 £
Amounts due within one year	121,194	*132,662*
Amounts due in more than one year	4,594,545	*4,540,406*
	4,715,739	*4,673,068*

20. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2026 £	2025 £
At 1 April	87	*95*
Issued in year	3	*1*
Cancelled in year	(10)	*(9)*
At 31 March	80	*87*

Each member of the Association 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 the Association. Each member has a right to vote at members' meetings.

21. CASH FLOWS

Reconciliation of net cash flow to movement in net debt		**2026**		**2025**
	£	**£**	**£**	**£**
Increase in cash	78,322		*1,876,207*	
Change in liquid resources	39,474		*(1,347,470)*	
Cashflow from change in net debt	675,404		*631,185*	
Movement in net debt during the year		793,200		*1,159,922*
Net debt at 1 April		(1,376,423)		*(2,536,345)*
Net debt at 31 March		*(583,223)*		*(1,376,423)*

Analysis of changes in net debt	***At 01 April 2024***	***Cashflows***	***Other Changes***	***At 31 March 2025***
	£	**£**	**£**	**£**
Cash and cash equivalents	*2,983,185*	78,322	-	*3,061,507*
	2,983,185	78,322	-	3,061,507
Liquid resources	*1,273,852*	39,474	-	1,313,326
Debt: Due within one year	*(670,708)*	675,404	(734,196)	(729,500)
Due after more than one year	*(4,962,752)*	-	734,196	(4,228,556)
Net debt	*(1,376,423)*	793,200	-	(583,223)

22. CAPITAL COMMITMENTS

	2026	**2025**
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	-	-

The above commitments will be financed by the Association's own resources.

23. COMMITMENTS UNDER OPERATING LEASES

	2026	**2025**
	£	**£**
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Expiring in the next year	15,730	*11,320*
Expiring later than one year and not later than five years	50,080	*22,296*
Expiring later than five years	10,560	15,984

24. DETAILS OF ASSOCIATION

The Association is a Registered Society registered with the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is 17 Bridge Street, Linwood, Renfrewshire, PA3 3DB.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Linwood.

25. BOARD MEMBER EMOLUMENTS

Board members received £nil (2025 - £nil) in the year by way of reimbursement of expenses. No remuneration is paid to Board members in respect of their duties to the Association.

26. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	**2026 No.**	**2025 No.**
General needs	*1,497*	*1,497*
Supported housing	*75*	*75*
	1,572	*1,572*

27. RELATED PARTY TRANSACTIONS

Members of the Board are related parties of the Association as defined by Financial Reporting

Any transactions between the Association and any entity with which a Board member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Board members (and their close family) were as follows:

	2026 £	**2025 £**
Rent received from tenants on the Board and their close family members	12,145	*10,570*

At the year end total rent arrears owed by the tenant members on the Board (and their close family) were £0 (2025 - £474).

At the year end total factoring arrears owed by owner occupiers on the Board (and their close family) were £0 (2025 - £nil).

Members of the Board who are tenants	2	*2*
Members of the Board who are local councillors	1	*1*
Members of the Board who are local authority employees	1	*1*

28. CONTINGENT LIABILITIES

Scottish Housing Association Pension Scheme

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

RAAC

Routine work to address a roof leak at Alford Place, Linwood, identified that a flat roof originally assessed as timber was in fact concrete and had suspected reinforced autoclaved aerated concrete (RAAC). Due to the risk of RAAC being susceptible to structural failure an independent structural engineer provided an initial investigative assessment to determine if RAAC was present. The initial report advised that a more invasive survey be carried out. We are awaiting this report which will detail the extent of the RAAC and the number of properties affected. No adjustments have been made in the financial statements to provide for potential future costs regarding this matter.