AYRSHIRE HOUSING

Report and Financial Statements

For the year ended 31 March 2026

Registered Social Landlord No. 304

Company Registration No.SC185652

Scottish Charity No. SC027906

AYRSHIRE HOUSING

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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AYRSHIRE HOUSING

BOARD OF TRUSTEES, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2026

Board of Trustees

G Dawson	Chairperson
A Bryan	
G Collins	Resigned 10 September 2025
A Craig	Resigned 10 September 2025
S Leslie	
M Tindal-Wiles	
R Middleton	
J McCulloch	Resigned 29 January 2026
L Marquis	
S Holland	Resigned 10 September 2025
C Sears	Resigned 10 September 2025
J Huggins	Appointed 10 September 2025, Resigned 7 January 2026
K Aitken	Appointed 10 September 2025
B Kerr	Appointed 10 September 2025
R Reid	Appointed 10 September 2025
R Toner	Appointed 10 September 2025

Executive Management

L Junner	Chief Executive
C Donald	Director of Corporate Services
J McCann	Director of Housing and Communities, Resigned 23 September 2025
E Robertson	Director of Finance
S Cunningham	Director of Assets and Compliance
A Lamont	Director of Housing and Communities, Appointed 6 October 2025

Registered Office
119 Main Street
Ayr
KA8 8BX

External Auditors
TC Group
Business Advisors and Accountants
180 St Vincent Street
Glasgow
G2 5SG

Bankers
The Royal Bank of Scotland plc
Corporate Banking
139 St Vincent Street
Glasgow
G2 5FJ

Solicitors
Addleshaw Goddard
19 Canning Street
Edinburgh
EH3 8EU

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2026

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

Legal Status

Ayrshire Housing is a company limited by guarantee and is governed by its Memorandum and Articles of Association. Accordingly, the Company has no share capital. The company is registered with the Scottish Housing Regulator as a registered social landlord (No. 304) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SCO27906.

Principal Activities

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

Review of Business and Future Developments

Background

The Trustees of Ayrshire Housing are pleased to present their review together with the audited financial statements for Ayrshire Housing for the year ended 31 March 2026.

Activities

The Ayrshire Housing Group consists of Ayrshire Housing (parent), a registered social landlord with charitable status, and Ayrshire Homestake Limited, our one subsidiary company which has been dormant since 2008.

The Group Head Office is in Ayr and Ayrshire Housing has properties throughout Ayrshire. Ayrshire Housing is now one of Ayrshire's leading housing associations with a stock of over 1,700 houses thanks to an active acquisition and development programme predominantly but not exclusively in South Ayrshire.

Introduction

Ayrshire Housing is a community owned charity, and our strategic direction is controlled by our Management Board, made up of volunteer customer and community members. As a social landlord with more than 1,700 affordable rented homes across Ayrshire we play an important role in meeting local housing need while supporting the wellbeing of our customers and communities.

Despite a challenging economic environment, with ongoing pressure on household incomes, construction costs and public funding, we have remained financially resilient and focused on delivering value for money for customers.

Alongside the ongoing management of our existing homes, the year saw continued progress on key development and investment projects. Work commenced on the Green Street development in Ayr, which will deliver much-needed new affordable homes and forms part of our medium-term growth strategy.

During the year we also completed Net Zero projects in Crosshill and Barr, supported by Scottish Government funding. These projects successfully tested low-carbon retrofit approaches in existing homes, improving energy efficiency and customer comfort, and have helped to inform our wider asset management and sustainability plans.

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2026

Review of Business and Future Developments (Contd.)

The year ended 31 March 2026 was the first year of delivery of our 2025–2030 Business Plan and has been characterised by strong operational performance, high levels of customer satisfaction and continued investment in our homes and communities.

Our Values

Our HOME values continue to guide how we work as an organisation. Developed by colleagues, these values shape our behaviours, decision-making and approach to customer service across Ayrshire Housing:

empat**H**y - *We understand and respond to the needs of our customers and colleagues, fostering a supportive and compassionate environment.*

inn**O**vate - *We embrace creativity and change, continuously seeking better solutions to ways of working, allowing us to drive long-term success.*

co**M**mit - *We take ownership and accountability, following through on what we say we'll do to provide a high-quality service.*

b**E**long - *We value everyone in our community, promoting an inclusive environment, encouraging collaboration and diversity.*

Our Vision for Ayrshire Housing

Delivering an excellent outcome for our customers is at the heart of what we do at Ayrshire Housing. To do this we aim to have:

- An **empowered** and **professional** staff team delivering **excellent customer service**.
- Up to date **affordable homes** which are **warm, safe** and **well maintained**.
- **Dynamic** and **efficient** customer service, tailored to the needs of customers.
- **Inclusive** and **vibrant communities** with Ayrshire Housing as a **community anchor**.

Customers and Community

Ayrshire Housing remains firmly rooted in the communities we serve. Our governance model is based on customer and community membership, ensuring that local voices continue to shape decision-making and priorities.

We see our role as more than a housing provider. By working in partnership with customers, local authorities and community organisations, we seek to support resilient communities and create positive social impact alongside the delivery of housing services.

Understanding our customers' views is central to how we shape services and priorities. During the year, we completed an independent Tenant Satisfaction Survey (TSS), providing a robust and up-to-date assessment of customer views on our services, communication and neighbourhood management.

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2026

Review of Business and Future Developments (Contd.)

The results demonstrate a strong level of customer satisfaction and positive performance across a number of key indicators.

The survey provides an important benchmark for measuring performance and identifying areas for improvement. The findings have been considered in detail by the Board alongside other performance information and are being used to inform service planning and future priorities. A summary of the survey findings, including comparison with the previous survey, is set out below.

INDICATOR	TSS 2022	TSS 2025	IMPROVED PERFORMANCE
Overall service satisfaction	83%	**91%**	
Keeping customers informed	88%	**99%**	
Opportunities to participate	82%	**99%**	
Repairs satisfaction (last repairs)	80%	**88%**	

Business Plan Delivery 2025-2030

We have reached the end of the first year of our 2025-2030 Business Plan. During year one we have achieved measurable progress against our strategic objectives, with performance being monitored throughout the year via regular reporting to our board and Finance, Audit & Risk Committee.

The 8 objectives in our Business Plan are centred around our 4 strategic priorities: PEOPLE, PROPERTIES, PLACES and PROCESSES. During the 2025/26 financial year achievements in line with these priorities are as follows:

PEOPLE

We have continued to invest in our workforce and customer experience. This has supported improved service delivery, evidenced by the results of the independent Tenant Satisfaction Survey, which showed strong improvements in overall satisfaction, communication and customer participation. These outcomes reflect the impact of enhanced engagement approaches, improved digital access to services and a continued focus on delivering excellent customer service.

PROPERTIES

During the year we have continued to invest in the quality and sustainability of our homes. Stock condition information has been strengthened through ongoing survey work, informing a fully funded Asset Management Plan, while investment activity has included the delivery of a Net Zero retrofit project supported by the Scottish Government, improving energy efficiency and customer comfort.

During the year we progressed our objective to build new homes with work commencing on 32 new homes at Green Street, Ayr. This supports our medium-term growth ambitions and contributes to meeting local housing needs across Ayrshire.

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2026

Review of Business and Future Developments (Contd.)

PLACES

Following the recruitment of a Community Engagement Manager early in the year we have been able to strengthen our role within the local communities in which we operate. As well as offering targeted financial wellbeing support and energy advice we have enhanced links with community partners and financially supported a number of community initiatives.

PROCESSES

We have continued to invest in systems including compliance software and a new portal and app for customers, due to launch July 2026. Improvements to digital services, customer communication and performance reporting have enhanced operational efficiency and provided better insight to support decision-making.

We have also made clear progress against Financial Sustainability and Governance objectives. Throughout the year, the Board has maintained a strong focus on financial resilience, supported by robust budgeting, reforecasting and sensitivity analysis of long-term financial projections. This has confirmed that we remain financially sustainable under a range of downside scenarios, while continuing to meet lender covenants and operate within the approved treasury framework.

Overall, performance in the year demonstrates clear and measurable delivery against our strategic objectives, with strong outcomes in customer satisfaction, asset investment, community impact, financial resilience and governance providing a solid foundation for the remainder of the Business Plan period.

Performance Reporting

Our customers are members of Ayrshire Housing. Each year, we report on what we have achieved and on our ongoing plans via our Annual Performance Report. We report annually to the Scottish Housing Regulator in the form of the Annual Return on the Charter and the Annual Assurance Statement which demonstrates how we are meeting regulatory requirements. From a financial sustainability perspective, we report annually with our Five-Year Finance Plan and Loan Portfolio Return. In turn the Scottish Housing Regulator publishes their engagement plan with us which describes how they will work with us over the coming year.

Much of this information can be found on our website alongside other documents which may be useful to customers and partners.

How We Manage Risk

The Board recognises that effective risk management is integral to delivering our objectives and maintaining long-term viability. Risk management arrangements have been strengthened during the year, with an updated Strategic Risk Register, enhanced reporting to the Board and FAR Committee, and closer integration between risk, performance and financial planning. Risk considerations are embedded within business planning, financial forecasting, stress testing and performance management arrangements, ensuring that emerging risks are identified early and appropriate mitigating actions are in place.

Strategic areas of risk and related controls are inclusive of:

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2026

Review of Business and Future Developments (Contd.)

The inability to sustain planned levels of rental income

The ongoing cost of living pressures facing our customers continue to present a risk to rental income and collection levels. There is also an increasing risk of regulatory or political intervention in rent setting, particularly in the context of wider economic uncertainty and upcoming elections.

Our controls include:

- budgets based on prudent assumptions for rent increases and collection levels;
- enhanced arrears and void performance monitoring, reported regularly to the Board;
- targeted investment in financial inclusion and money advice services;
- ongoing customer engagement to inform rent setting and affordability considerations.

A failure to maintain our stock to the required standards

There is a risk that insufficient investment planning or non-compliance with health and safety requirements could result in failure to meet statutory standards or increasing customer expectations, particularly in the context of tightening regulatory requirements and sustainability targets.

Our controls include:

- a comprehensive and regularly reviewed Asset Management Plan informed by up-to-date stock condition data;
- integration of compliance, health and safety and asset data to improve oversight and assurance;
- regular reporting to the Board and FAR Committee on compliance and health and safety performance;
- a comprehensive Health & Safety framework supported by internal audit, staff training and external assurance.

Failure to maintain and enhance current high levels of service delivery and satisfaction

Failure to sustain service standards could lead to declining customer satisfaction, reputational risk and potential regulatory intervention.

Our controls include:

- clearly defined performance indicators supported by improved performance reporting and scrutiny by the Board;
- independent customer feedback mechanisms, including regular surveys and continuous engagement;
- investment in customer service, digital access and service improvement initiatives;
- participation in benchmarking and sector comparison activity;
- ongoing staff training and development to support service delivery.

Poor budgetary and cost control

There is a risk that ineffective financial control, cost pressures or poor decision-making could impact on long-term financial sustainability.

Our controls include:

- robust budgeting, reforecasting and long-term financial planning aligned to the Business Plan;

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2026

Review of Business and Future Developments (Contd.)

- regular financial monitoring and reporting to the Board and FAR Committee;
- enhanced stress testing and sensitivity analysis to assess financial resilience;
- active treasury management, including monitoring of covenant compliance and liquidity;
- clear project governance and approval processes for major investments.

Overall risk management approach

In addition to the strategic risks, we maintain an updated register of operational risks which are actively managed across the organisation. The Board receives regular reporting on both strategic and operational risks, including changes in risk profile and the effectiveness of controls. This enhanced approach provides greater assurance that risks are being managed proactively and supports informed decision-making.

Performance in the year ended 31 March 2026

Turnover

Turnover was £10.3m (2025: £13.5m) including £nil (2025: £3.9m) of grants released from deferred income).

Income from rents and service charges totalled £10.0m (2025: £9.6m), reflecting the ongoing impact of the rent harmonisation programme, an inflationary rent increase and the full-year effect of additional rental income from a new development. We have demonstrated continued growth in our core income base while maintaining an affordable rent structure.

Operating Costs

Operating costs were £7.6m (2025: £7.4m), reflecting continued investment in housing stock, services and organisational capacity.

Cost increases were driven primarily by repairs and maintenance expenditure, reflecting both responsive repairs activity and repairs on void properties to bring them back into a lettable state. Employee costs also increased due to planned investment in staffing to support service delivery.

We continued to invest in community engagement and customer support initiatives, including financial wellbeing and energy advice services, alongside increased costs in areas such as insurance and professional services. Increases in expenditure are in line with strategic priorities and support improved outcomes for customers.

Interest Payable

Interest payable was £1.10m (2025: £1.27m).

This reflects the repayment profile of existing debt. Interest costs remain in line with expectations set out in treasury forecasts.

Operating Surplus for the Year

Operating surplus on ordinary activities for the year was £2.7m (2025: £6.1m).

Review of Business and Future Developments (Contd.)

The main driver of the decrease since prior year was the £3.9m of grant income released in the prior year. Outwith the impact of the grant income release, rental income has continued to increase, this has been balanced against higher expenditure on repairs, community investment and organisational capacity. The level of surplus achieved remains consistent with long-term financial planning, supporting both reinvestment in homes and financial resilience.

Reserves

Revenue reserves at 31 March 2026 were £31.1m (2025: £29.5m). An increase of 5.4% in the year.

These reserves provide a strong foundation to manage risks and support delivery of the Business Plan.

The revaluation reserve represents the cumulative impact of property valuations versus historic cost and stood at £48.2m at 31 March 2026 (2025: £47.4m).

Cash flow

Cash balances at 31 March 2026 were £4.4m (2025: £7.1m).

£5.2m (2025: £4.0m) was generated from operating activities during the year.

We continued to meet loan repayment obligations, including capital repayments of £3.3m (2025: £1.1m) and interest payments of £859k (2025: £971k). Included within capital repayments was a £2.2m repayment of bond finance, reflecting the planned maturity and repayment profile of this funding.

Cash outflows also reflect continued investment in development and existing stock, with expenditure of £7.1m (2025: £5.6m) on development and improvements, partially offset by the receipt of government grant funding of £3.3m (£2.3m).

Capital Structure and Treasury Policy

Borrowings at the year-end were £26.9m, down from £29.9m. This debt is drawn from a combination of bank and building society lending together with funding through the Scottish Government's Bond finance scheme.

The Board recognises that our level of debt requires active treasury management and oversight. During the year, treasury activity has been subject to scrutiny through regular reporting to the Board and FAR Committee, including updates on cash flow, covenant compliance and treasury risk. The treasury function operates within a framework of clearly defined Board-approved policies, procedures and delegated authorities. We continue to borrow on a conventional basis, with loans typically repayable over 25 to 30 years and secured against the housing stock; while bonds are typically over 10 years with a bullet repayment at the end of the term.

Our financial position remains strong. We complied with all lender covenants during the year and, based on updated financial projections and sensitivity analysis, expect to continue to do so. Treasury management has remained a key area of focus, with regular reforecasting, stress testing and scenario analysis undertaken to assess resilience to changes in income, expenditure and interest rates. This has supported informed decision-making and ensured that appropriate mitigating actions are identified where required.

Review of Business and Future Developments (Contd.)

Alongside the treasury policy, we maintain a treasury strategy which is reviewed and updated annually. During the year, this has been supported by the preparation and review of long-term financial projections, ensuring alignment with the 2025–2030 Business Plan; confirming the ongoing financial sustainability.

Future Developments

We have completed the first year of our 2025–2030 Business Plan. The focus for the next phase of the plan is on delivering against agreed priorities while maintaining financial resilience and responding to an increasingly challenging operating environment. Delivery will continue to be supported through detailed annual delivery plans, allowing progress to be monitored and reported to the Board and FAR Committee on a regular basis.

PEOPLE

People remain at the heart of everything we do, whether delivering services or receiving them. The Association will continue to invest in its workforce to support a high-performing, customer-focused organisation, including progression towards Investors in People and continued focus on customer service excellence.

During 2026/27, a key priority will be embedding the Community Engagement Strategy, strengthening how we engage with customers and ensuring that feedback is systematically used to shape services. Alongside this, the introduction of the Living Well Fund will support targeted initiatives aimed at improving customer wellbeing, sustaining tenancies and responding to ongoing cost of living pressures.

PROPERTIES

Maintaining and improving the quality of our existing homes will remain a key priority, supported by ongoing investment programmes and informed by improved stock condition data and long-term asset planning. This will ensure that our homes continue to meet regulatory requirements and customer expectations, including energy efficiency standards.

Our development programme will continue to support the delivery of new homes in line with our Business Plan and South Ayrshire's Strategic Housing Investment Plan (SHIP). Our development at Green Street, Ayr is due for completion towards the end of 2026; increasing the supply of high-quality, affordable housing in Ayr.

During the year, the Association secured new loan facilities to support both refinancing requirements and future investment in development. These arrangements strengthen our funding position and provide greater flexibility in delivering our medium-term objectives while maintaining a prudent approach to treasury management.

PLACES

We will continue to strengthen our role within our communities by building on recent investment in community engagement and support services. The implementation of the Community Engagement Strategy will support a more structured and locally responsive approach, ensuring that customers and communities have greater opportunity to influence services and priorities.

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2026

Review of Business and Future Developments (Contd.)

The Living Well Fund will also support this objective by enabling targeted support and partnership activity, helping to maximise the social impact of our work and deliver positive outcomes for customers and communities.

PROCESSES

Investment in systems, data and ways of working will continue to be a priority to support efficient and responsive service delivery. We will build on progress made to improve the quality of our asset data through a further round of stock condition surveys and data cleansing, ensuring that investment decisions remain evidence-based and aligned to long-term planning.

During 2026/27, a key development will be the implementation of PanConnect as our new customer portal. This will introduce, for the first time, a dedicated Ayrshire Housing mobile app, providing customers with a more accessible and flexible way to engage with us. The app will allow customers to report repairs, manage their accounts and access services more easily, supporting our objective of improving customer experience and communication.

In addition, we will transition to a new payment platform, Access PaySuite, which will expand the range of payment options available to customers and make it easier to manage rent payments. This will improve accessibility and convenience for customers, supporting income collection and enhancing the overall customer journey.

More broadly, we will continue to strengthen internal systems, reporting and processes to support effective decision-making and provide assurance to the Board. This includes ongoing investment in performance reporting, data quality and the use of technology to improve efficiency. In line with our approach to innovation, we will continue to explore opportunities to make better use of emerging technologies to streamline processes and enhance customer access to services.

Board of Trustees and Executive Officers

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

The Executive Officers hold no interest in the association's assets and, although not having the legal status of directors, they act as executives within the authority delegated by the Board of Trustees.

The members of the Board of Trustees are also trustees of the charity. Members of the Board of Trustees are appointed by the members at the association's Annual General Meeting.

Statement of Board of Trustees' Responsibilities
The Companies Act 2006 requires the Board of Trustees 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 of Trustees 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;

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2026

Review of Business and Future Developments (Contd.)

- 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 of Trustees 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 Companies Act 2006, 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 of Trustees 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 of Trustees 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 of Trustees' 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;
- forecasts and budgets are prepared which allow the management team and the Board of Trustees 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 of Trustees;

REPORT OF THE BOARD OF TRUSTEES FOR THE YEAR ENDED 31 MARCH 2026

Review of Business and Future Developments (Contd.)

- the Board of Trustees 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 of Trustees has reviewed the effectiveness of the system of internal financial control in existence in the association for the year ended 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.

Disclosure of Information to the Auditor
The members of the Board of Trustees 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 reappoint the Auditors, TC Group, Business Advisors & Accountants, will be proposed at the Annual General Meeting.

By order of the Board of Trustees

[redacted]

C Donald
Secretary
9 September 2026

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

In addition to our audit of the financial statements, we have reviewed your statement on pages 11 and 12 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 11 and 12 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 of Trustees and Officers of the Company and examination of relevant documents, we have satisfied ourselves that the Board of Trustees'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]

KEVIN G BOOTH (SENIOR STATUTORY AUDITOR)
TC GROUP
Business Advisors and Accountants
Statutory Auditors
GLASGOW
9 September 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AYRSHIRE HOUSING FOR THE YEAR ENDED 31 MARCH 2026

Opinion
We have audited the financial statements of Ayrshire Housing (the 'Company') 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 Company'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 Companies Act 2006, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

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 Company 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 of Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information
The Board of Trustees 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 AYRSHIRE HOUSING 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 Companies Act 2006 require us to report to you if, in our opinion:

- proper books of account have not been kept by the Company in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Company 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 Company; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Trustees
As explained more fully in the statement of Board of Trustees' responsibilities as set out on pages 10 and 11, the Board of Trustees 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 of Trustees 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 of Trustees is responsible for assessing the Company's ability to continue as a going concern , disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Trustees either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

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 AYRSHIRE HOUSING 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 Company through discussions with 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 Company, including the Companies Act 2006, 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 Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management 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 Company's Assurance Statement and associated supporting information; and
- reviewing correspondence with the Scottish Housing Regulator.

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

[redacted]

KEVIN G BOOTH (SENIOR STATUTORY AUDITOR)
TC GROUP
Business Advisors and Accountants
Statutory Auditors
GLASGOW
9 September 2026

AYRSHIRE HOUSING

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026		2025	
		£	£	£	£
Revenue	2		10,314,217		*13,524,503*
Operating costs	2		7,583,474		*7,383,876*
OPERATING SURPLUS			2,730,743		6,140,627
(Loss)/gain on sale of housing stock	7	1,281		*(205,654)*	
Interest receivable and other income		162,637		*183,079*	
Interest payable and similar charges	8	(1,096,149)		*(1,271,220)*	
Movement in fair value of financial instruments					
Decrease in valuation of housing properties on initial measurement	12(a)	-		*(3,846,173)*	
Other Finance income/(charges)	11	(17,000)		*(22,000)*	
			(949,231)		*(5,161,968)*
Surplus on ordinary activities before taxation	9		1,781,512		*978,659*
SURPLUS FOR THE YEAR			**1,781,512**		***978,659***
Other comprehensive income					
Revaluation movements			823,883		*75,301*
Actuarial gains/(losses) on defined benefit pension plan	19		(10,000)		*59,000*
TOTAL COMPREHENSIVE INCOME			**2,595,395**		***1,112,960***

The results relate wholly to continuing activities.

The notes on pages 22 to 45 form an integral part of these financial statements.

AYRSHIRE HOUSING

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	2026		2025	
		£	£	£	£
NON-CURRENT ASSETS					
Housing properties - depreciated valuation	12		107,116,718		*100,621,601*
Other tangible assets	12		1,395,212		*1,365,992*
			108,511,930		*101,987,593*
CURRENT ASSETS					
Receivables	13	1,106,754		*464,118*	
Investments	14	1		*1*	
Cash and cash equivalents	15	4,370,121		*7,068,275*	
		5,476,876		*7,532,394*	
CREDITORS: Amounts falling due within one year	16	(4,055,325)		*(4,642,371)*	
NET CURRENT ASSETS			1,421,551		*2,890,023*
TOTAL ASSETS LESS CURRENT LIABILITIES			109,933,481		*104,877,616*
CREDITORS: Amounts falling due after more than one year	17		(25,682,903)		*(26,655,419)*
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	19	(238,000)		*(373,000)*	
			(238,000)		*(373,000)*
DEFERRED INCOME					
Social housing grants	20	(4,943,613)		*(1,375,627)*	
			(4,943,613)		*(1,375,627)*
NET ASSETS			**79,068,965**		***76,473,570***
EQUITY					
Revenue reserves			31,119,586		*29,483,074*
Revaluation reserve			48,187,379		*47,363,496*
Pension reserves			(238,000)		*(373,000)*
			79,068,965		***76,473,570***

The financial statements were approved by the Board of Trustees and authorised for issues and signed on their behalf on 9 September 2026.

[redacted] Georgina Dawson
Chairperson

[redacted] Amanda Bryan [redacted]
Vice-Chair

[redacted] Caroline Donald
Secretary

The notes on pages 22 to 45 form an integral part of these financial statements.

AYRSHIRE HOUSING

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Notes	£	2026 £	£	2025 £
Surplus for the Year			1,781,512		*978,659*
Adjustments for non-cash items:					
Depreciation of tangible fixed assets	12	1,538,511		*1,511,584*	
Release of Capital grants	20	-		*(3,850,168)*	
Impairment of Assets		-		*653,092*	
Gain/(loss) on disposal of tangible fixed assets		(1,281)		*206,406*	
Movement in fair value adjustment	12(a)	-		*3,846,173*	
Non-cash adjustments to pension provisions		(145,000)		*(43,000)*	
			1,392,230		*2,324,087*
Interest receivable			(162,637)		*(183,079)*
Interest payable	8		1,096,149		*1,271,220*
Operating cash flows before movements in working capital			4,107,254		*4,390,887*
Change in debtors		(399,283)		*24,984*	
Change in creditors		1,458,702		*(373,895)*	
			1,059,419		*(348,911)*
Net cash inflow from operating activities			5,166,673		*4,041,976*
Investing Activities					
Acquisition and construction of properties		(7,149,003)		*(5,587,976)*	
Purchase of other fixed assets		(89,731)		*(24,571)*	
Social housing grant received		3,324,633		*2,256,781*	
Proceeds on disposal of housing properties		1,281		*115,624*	
Net cash outflow from investing activities			(3,912,820)		*(3,240,141)*
Financing Activities					
Interest received on cash and cash equivalents		162,637		*152,141*	
Interest paid on loans		(859,497)		*(971,143)*	
Loan principal repayments		(3,255,147)		*(1,115,613)*	
Net cash outflow from financing activities			(3,952,007)		*(1,934,615)*
Decrease in cash	21		(2,698,154)		*(1,132,780)*
Opening cash & cash equivalents			7,068,275		*8,201,055*
Closing cash & cash equivalents			**4,370,121**		***7,068,275***
Cash and cash equivalents as at 31 March					
Cash	21		4,370,121		*7,068,275*
			4,370,121		***7,068,275***

The notes on pages 22 to 45 form an integral part of these financial statements.

AYRSHIRE HOUSING

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2026

	Revaluation Reserve	Strathclyde Pension Reserve	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£	£
Balance as at 31 March 2024	*47,505,048*	-	*(475,000)*	*28,330,562*	*75,360,610*
Other comprehensive income	-	-	*59,000*	-	*59,000*
Revaluation in year	*75,301*	-	-	-	*75,301*
Other movements	*(216,853)*	-	*43,000*	*173,853*	-
Surplus for the year	-	-	-	*978,659*	*978,659*
Balance as at 31 March 2025	***47,363,496***	**-**	***(373,000)***	***29,483,074***	***76,473,570***
Balance as at 1 April 2025	47,363,496	-	(373,000)	29,483,074	76,473,570
Other comprehensive income	-	-	(10,000)	-	(10,000)
Revaluation in year	823,883	-	-		823,883
Other movements	-	-	145,000	(145,000)	-
Surplus for the year	-	-	-	1,781,512	1,781,512
Balance as at 31 March 2026	**48,187,379**	**-**	**(238,000)**	**31,119,586**	**79,068,965**

The notes on pages 22 to 45 form an integral part of these financial statements.

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 beginning on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2024. A summary of the principal accounting policies is set out below.

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.

A grant that imposes specified future performance conditions on the company is recognised only when those conditions are met. A grant received before the revenue recognition criteria is satisfied is recognised as a liability. For Social Housing Grant this means that the grant is recognised as revenue on completion of the property.

Retirement Benefits
The Association participates in the Scottish Housing Association Pension Scheme and the Strathclyde Pension Fund, multi-employer defined benefit schemes. 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.

Going Concern
On the basis that the Board of Trustees 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.

Housing Properties
Housing properties are held for the provision of social housing. Housing properties are stated at valuation 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*
Building	Over 60 years
Roof	Over 40 years
Windows	Over 30 years
Radiators	Over 30 years
Boilers	Over 15 years
Bathrooms	Over 30 years
Kitchens	Over 20 years
Wiring	Over 30 years
Lift	Over 20 years
Smoke detectors	Over 10 years

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

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*
Furniture and Fittings	20% straight line
IT Systems	20% straight line
Offices	2% straight line
Let Furniture and Fittings	20% straight line

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 Performance Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on completion of the project to which the grant relates.

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.

Taxation

The Association is a Registered 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 extention of the life of the property.

Capitalisation Of Development Overheads

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

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.

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 cannot be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

Impairment
The Association asseses 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 than 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 the Association to exercise judgement in applying the accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most signficant to the financial statements are disclosed below.

Key Judgements

a) Categorisation of Housing Properties
In the judgement of the Board of Trustees 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 of Trustees considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

c) Valuation of housing properties
As described in note 12 to the financial statements, housing properties are valued by Jones Lang LaSalle, Chartered Surveyors, on the following bases where applicable:
- Existing Use Value for Social Housing;
- Market Value subject to existing tenancies where applicable; and
- Market Value assuming Vacant Possession - on a non-reliance basis

In arriving at their valuation, they undertook a comprehensive programme of research to supplement their knowledge and understanding of the properties. This included:
- researching local vacant possession values through conversations with local estate agents together with internet research and using RightmovePlus, a bespoke tool for comparable evidence;
- comparing the current Ayrshire Housing's passing rents with peers in the market;
- examining local benchmark affordable rents and comparing these with Ayrshire Housing's rents; and
- analysing data provided by Ayrshire Housing.

d) Financial instrument break clauses
The Board of Trustees 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.

e) 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. Judgements relating to the benefits issue are included in Note 29.

1. PRINCIPAL ACCOUNTING POLICIES (Continued.)

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.

e) 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

		2026			2025		
	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	10,021,027	7,395,514	2,625,513	*13,420,738*	*7,322,783*	*6,097,955*
Other Activities	4	293,190	187,960	105,230	*103,765*	*61,093*	*42,672*
Total		**10,314,217**	**7,583,474**	**2,730,743**	***13,524,503***	***7,383,876***	***6,140,627***

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

	General Needs Housing	Shared Ownership	2026 Total	2025 Total
	£	£	£	£
Revenue from Lettings				
Rent receivable inclusive of service charges	10,032,160	23,670	10,055,830	*9,622,264*
Gross income from rent and service charges	10,032,160	23,670	10,055,830	*9,622,264*
Less: Rent losses from voids	34,803	-	34,803	*51,694*
Income from rents and service charges	9,997,357	23,670	10,021,027	*9,570,570*
Grants released from deferred income	-	-	-	*3,850,168*
Total turnover from affordable letting activities	9,997,357	23,670	10,021,027	*13,420,738*
Expenditure on affordable letting activities				
Management and maintenance administration costs	2,943,418	8,261	2,951,679	*2,629,010*
Service costs	349,170	-	349,170	*208,087*
Planned and cyclical maintenance, including major	479,780	-	479,780	*317,150*
Reactive maintenance costs	2,099,132	-	2,099,132	*2,057,570*
Bad Debts - rents and service charges	37,753	-	37,753	*7,874*
Depreciation of affordable let properties	1,473,200	4,800	1,478,000	*1,450,000*
Impairment of affordable letting activities	-	-	-	*653,092*
Operating costs of affordable letting activities	7,382,453	13,061	7,395,514	*7,322,783*
Operating surplus on affordable letting activities	**2,614,904**	**10,609**	**2,625,513**	***6,097,955***
2025	*6,087,380*	*10,575*		

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

	Other revenue grants	Other income	Total Turnover	Other operating costs	Operating surplus / (deficit) 2026	Operating surplus / (deficit) 2025
	£	£	£	£	£	£
Factoring	-	29,250	29,250	-	29,250	*32,474*
Support activities	43,894	-	43,894	-	43,894	-
Other activities	198,000	22,046	220,046	187,960	32,086	*10,198*
Total From Other Activities	**241,894**	**51,296**	**293,190**	**187,960**	**105,230**	*42,672*
2025	*51,140*	*52,625*	*103,765*	*61,093*	*42,672*	

5. OFFICERS' EMOLUMENTS

	2026	2025
	£	£
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	302,653	*312,378*
Pension contributions made on behalf of Officers with emoluments greater than £60,000	53,792	*50,226*
Emoluments payable to the Chief Executive Officer	95,152	*89,971*
Pension contributions paid on behalf of the Chief Executive Officer	18,782	*17,736*
Total emoluments payable to the Chief Executive Officer	113,934	*107,707*
Total emoluments paid to key management personnel	457,495	*420,950*

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
£70,001 to £80,000	1	1
£80,001 to £90,000	2	1
£90,001 to £100,000	-	1
£100,000 to £110,000	-	1
£110,001 to £120,000	1	-

6. EMPLOYEE INFORMATION

	2026	2025
	No.	No.
Average monthly number of full time equivalent persons employed during the year	31	*30*
Average total number of employees employed during the year	37	*36*
Staff costs were:	£	£
Wages and salaries	1,535,072	*1,349,994*
National insurance costs	197,552	*146,649*
Pension costs	105,291	*172,455*
Settlement Payment	84,190	*22,287*
	1,922,105	*1,691,385*

7. GAIN / (LOSS) ON SALE OF HOUSING STOCK

	2026	2025
	£	£
Sales proceeds	1,281	*122,000*
Cost of sales	-	*(327,654)*
Gain / (loss) on sale of housing stock	1,281	*(205,654)*

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2026	2025
	£	£
On bank loans and overdrafts	1,096,149	*1,271,220*

The capitalisation rate of capitalised development period interest was 2% (2025 - 1.99%).

9. SURPLUS FOR THE YEAR

	2026	2025
Surplus For The Year is stated after charging/(crediting):	£	£
Depreciation - non-current assets	1,538,511	*1,511,584*
Auditors' remuneration - audit services	11,189	*9,321*
Operating lease rentals - other	9,058	*13,185*
Loss on sale of other non-current assets	-	*752*

10. CORPORATION TAX

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

11. OTHER FINANCE INCOME / (CHARGES)

	2026	2025
	£	£
Net interest on pension obligations	(17,000)	*(22,000)*

12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properies Held for Letting	Housing Properties in Course of Construction	Shared Ownership Completed	Total
	£	£	£	£
COST / VALUATION				
At 1 April 2025	98,500,000	1,796,601	325,000	100,621,601
Additions	3,649,117	3,499,886	-	7,149,003
Disposals	-	-	-	-
Revaluation	(668,886)	-	15,000	(653,886)
Transfers	26,498	(26,498)	-	-
At 31 March 2026	101,506,729	5,269,989	340,000	107,116,718
DEPRECIATION				
At 1 April 2025	-	-	-	-
Charge for Year	1,473,200	-	4,800	1,478,000
Transfer on Revaluation	(1,473,200)		(4,800)	(1,478,000)
Disposals	-	-	-	-
At 31 March 2026	-	-	-	-
NET BOOK VALUE				
At 31 March 2026	101,506,729	5,269,989	340,000	107,116,718
At 31 March 2025	*98,500,000*	*1,796,601*	*325,000*	*100,621,601*

	2026		2025	
Expenditure on Existing Properties	*Component replacement*	*Improvements / Repairs*	*Component replacement*	*Improvements / Repairs*
	£	£	£	£
Amounts capitalised	3,649,117	-	*1,575,958*	-
Amounts charged to the statement of comprehensive income	-	2,578,912	-	*2,591,015*

All land and housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £nil (2025 - £66,955).

The Association's lenders have standard securities over housing property with a carry value of £61,800,000 (2025 - £61,415,000).

All housing properties were valued on the basis of existing value for social housing at 31 March 2026. The valuation was carried out by Jones Lang LaSalle, Chartered Surveyors. The valuations have been prepared in accordance with the current RICS Valuation - Global Standards.

If housing properties had not been revalued, they would have been included as follows:

	2026	2025
	£	£
Cost of properties	169,106,637	161,957,634
Less: Social Housing and Other Grants	88,291,286	84,723,300
	80,815,351	77,234,334
Depreciation	(16,087,860)	(14,901,869)
	64,727,491	62,332,465

12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Let Furniture & Fittings £	Computer Equipment £	Total £
COST					
At 1 April 2025	1,525,008	47,706	-	278,142	1,850,856
Additions	64,835	20,560	-	4,336	89,731
Eliminated on disposals	-	(4,501)	-	(33,451)	(37,952)
At 31 March 2026	1,589,843	63,765	-	249,027	1,902,635
DEPRECIATION					
At 1 April 2025	228,875	39,667	-	216,322	484,864
Charge for year	30,824	5,219	-	24,468	60,511
Eliminated on disposals	-	(4,501)	-	(33,451)	(37,952)
At 31 March 2026	259,699	40,385	-	207,339	507,423
NET BOOK VALUE					
At 31 March 2026	1,330,144	23,380	-	41,688	1,395,212
At 31 March 2025	*1,296,133*	*8,039*	-	*61,820*	*1,365,992*

13. RECEIVABLES

	2026	2025
	£	£
Gross arrears of rent and service charges	129,142	*112,478*
Less: Provision for doubtful debts	(85,684)	*(57,668)*
Net arrears of rent and service charges	43,458	*54,810*
Social housing grant receivable	450,748	*207,395*
Other receivables	612,548	*201,913*
	1,106,754	*464,118*

14. CURRENT ASSET INVESTMENTS

	2026	2025
	£	£
Subsidiary Investment	1	*1*
	1	*1*

Ayrshire Housing holds the one issued share of Ayrshire Homestake Limited, a company registered in Scotland.

Ayrshire Homestake Limited is currently non trading.

15. CASH AND CASH EQUIVALENTS

	2026	2025
	£	£
Cash at bank and in hand	4,370,121	*7,068,275*
	4,370,121	*7,068,275*

16. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026	2025
	£	£
Bank loans	1,227,769	*3,273,748*
Trade payables	1,210,132	*353,706*
Rent received in advance	478,970	*433,924*
Other taxation and social security	43,213	*36,494*
Other payables	172,287	*96,855*
Accruals and deferred income	922,954	*447,644*
	4,055,325	*4,642,371*

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

	2026	2025
	£	£
Bank loans	25,682,903	*26,655,419*
	25,682,903	*26,655,419*

18. DEBT ANALYSIS - BORROWINGS

	2026	2025
	£	£
Bank Loans		
Amounts due within one year	1,118,631	*3,273,748*
Amounts due in one year or more but less than two years	1,136,432	*1,084,430*
Amounts due in two years or more but less than five years	9,391,191	*9,537,241*
Amounts due in more than five years	15,264,418	*16,033,747*
	26,910,672	*29,929,166*

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*
Royal Bank of Scotland	569	4.90% -5.62%	2028 - 2040	Variable & Fixed
Nationwide	251	4.2%	2025 - 2035	Variable
Bank of Scotland	231	5.46% -6.60%	2027 - 2035	Variable & Fixed
Allia	-	1.88% - 1.99%	2026 - 2035	Fixed

19. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Associations' Pension Scheme

Ayrshire Housing 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 pensions schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. A Recovery Plan was put in place to eliminate the deficit which runs to 31 March 2030.

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.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive.

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.

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

	2026	2025	2024
	£	£	£
Fair value of plan assets	2,786,000	*2,602,000*	*2,778,000*
Present value of defined benefit obligation	3,024,000	*2,975,000*	*3,253,000*
Surplus / (deficit) in plan	(238,000)	*(373,000)*	*(475,000)*

19. 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	2,975,000	*3,253,000*
Current service cost	26,000	*86,000*
Expenses	5,000	*4,000*
Interest expense	175,000	*162,000*
Contributions by plan participants	126,000	*112,000*
Actuarial losses (gains) due to scheme experience	(46,000)	*(1,000)*
Actuarial losses (gains) due to changes in demographic assumptions	26,000	-
Actuarial losses (gains) due to changes in financial assumptions	(90,000)	*(542,000)*
Benefits paid and expenses	(173,000)	*(99,000)*
Defined benefit obligation at the end of period	3,024,000	*2,975,000*

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

	2026	*2025*
	£	£
Fair value of plan assets at start of period	2,602,000	*2,778,000*
Interest income	158,000	*141,000*
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(139,000)	*(518,000)*
Contributions by the employer	212,000	*188,000*
Contributions by plan participants	126,000	*112,000*
Benefits paid and expenses	(173,000)	*(99,000)*
Fair value of plan assets at the end of period	2,786,000	*2,602,000*

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 was £19,000 (2025 - £377,000).

19. RETIREMENT BENEFIT OBLIGATIONS (coninued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2026	2025
	£	£
Current service cost	26,000	*86,000*
Expenses	5,000	*4,000*
Net interest expense	17,000	*21,000*
Defined benefit costs recognised in statement of comprehensive income	48,000	*111,000*

Defined benefit costs recognised in the other comprehensive income

	2026	*2025*
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(139,000)	*(518,000)*
Experience gains and losses arising on plan liabilities - gain /(loss)	46,000	*1,000*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	(26,000)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	90,000	*542,000*
Total amount recognised in other comprehensive income - gain (loss)	(29,000)	*25,000*

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2026 £	2025 £	2024 £
Absolute Return	-	-	125,000
Alternative Risk Premia	-	-	100,000
Credit Relative Value	-	-	98,000
Distressed Opportunities	-	-	102,000
Emerging Markets Debt	-	-	49,000
Currency Hedging	-	4,000	(1,000)
Global Equity	368,000	301,000	319,000
Index Linked All Stock Gilts	117,000	119,000	-
Infrastructure	-	1,000	266,000
Insurance-Linked Securities	5,000	10,000	17,000
Liability Driven Investment	769,000	733,000	1,005,000
Liquid Alternatives	533,000	479,000	-
Long Lease Property	-	1,000	21,000
Net Current Assets	42,000	3,000	3,000
Over 15 Year Gilts	127,000	111,000	-
Private Debt	-	-	112,000
Property	145,000	129,000	117,000
Real Assets	276,000	311,000	-
Risk Sharing	-	-	167,000
Secured Income	38,000	60,000	93,000
Opportunistic Illiquid Credit	-	-	111,000
Private Credit	359,000	324,000	-
Opportunistic Credit / Private Equity	6,000	2,000	2,000
Cash	1,000	14,000	72,000
Total assets	2,786,000	2,602,000	2,778,000

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	6.2%	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%	4.8%

Allowance for commutation of pension for cash at retirement 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	20.7
Female retiring in 2026	22.9
Male retiring in 2046	21.9
Female retiring in 2046	24.4

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme

The Association operates a defined benefit scheme as an admitted body under the Strathclyde Pension Fund, the assets of which are held in a separate trustee administered fund.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at 31 March	**2026**	**2025**
	%p.a.	**%p.a.**
Pension Increase Rate (CPI)	3.00	*2.75*
Salary Increase Rate	3.70	*3.45*
Discount Rate	6.30	*5.80*

Expected Return on Assets

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period as follows:

Asset Class	**2026**	**2025**
	% p.a.	**% p.a.**
Equities	58%	*60%*
Bonds	22%	*23%*
Property	10%	*9%*
Cash	10%	*8%*

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme (continued)

Mortality Rates

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	21.4	20.4
Future Pensioners	21.9	25.6

Net Pension Liability	**2026**	**2025**	**2024**
	£	**£**	**£**
Fair value of employer's assets	3,863,000	*3,531,000*	*3,405,000*
Present value of scheme liabilities	(2,481,000)	*(2,384,000)*	*(2,655,000)*
Surplus / (deficit) in plan	1,382,000	*1,147,000*	*750,000*
Unrecognised surplus	1,382,000	*1,147,000*	*750,000*
Defined benefit asset / (liability) to be recognised	-	-	-

Reconciliation of fair value of employer assets

	2026	**2025**	**2024**
	£	**£**	**£**
Opening fair value of employer assets	3,531,000	*3,405,000*	*3,024,000*
Expected return on assets	205,000	*165,000*	*145,000*
Contributions by members	22,000	*21,000*	*23,000*
Contributions by the employer	39,000	*37,000*	*153,000*
Other Experience	-	-	*36,000*
Return on assets excluding amounts included in net interest	120,000	*(45,000)*	*148,000*
Estimated benefits paid	(54,000)	*(52,000)*	*(124,000)*
	3,863,000	*3,531,000*	*3,405,000*

Reconciliation of defined benefit obligations

	2026	**2025**	**2024**
	£	**£**	**£**
Opening defined benefit obligation	2,384,000	*2,655,000*	*2,420,000*
Current service cost	58,000	*70,000*	*81,000*
Interest cost	139,000	*130,000*	*115,000*
Contributions by members	22,000	*21,000*	*23,000*
Changes to financial assumptions	(68,000)	*(440,000)*	*140,000*
Estimated benefits paid	(54,000)	*(52,000)*	*(124,000)*
	2,481,000	*2,384,000*	*2,655,000*

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme (continued)

Analysis of amount charged to the statement of comprehensive income

	2026	2025
	£	£
Charged to operating costs:		
Service cost	58,000	*70,000*
	58,000	70,000
Charged to other finance costs / (income)		
Expected return on employer assets	(139,000)	*(129,000)*
Interest on pension scheme liabilities	139,000	*130,000*
	-	*1,000*
Net charge to the statement of comprehensive income	58,000	*71,000*

Actuarial gain / (loss) recognised in other comprehensive income

	2026	2025	2024
	£	£	£
Changes in financial assumptions	96,000	*419,000*	*166,000*
Changes in demographic assumptions	(13,000)	*5,000*	*(18,000)*
Other experience	(15,000)	*16,000*	*(252,000)*
Return on assets excluding amounts included in net interest	120,000	*(45,000)*	*148,000*
Change in asset ceiling	(169,000)	*(361,000)*	*(117,000)*
	-	-	-
Total remeasurement recognised in Other Comprehensive income	19,000	*34,000*	*(73,000)*

Analysis of projected amount to be charged to the statement of comprehensive income for the year ended 31 March 2027

	£	% of pay
Projected current service cost	(55)	16%
Interest on obligation	(157)	
Expected return on plan assets	244	
Interest on the effect of the asset ceiling	(87)	
Total Included in Profit and Loss	(55)	

Contributions made by the Association for the year ended 31 March 2027 are estimated to be approximately £58,000.

20. DEFERRED INCOME

	Social Housing Grants £	Total £
Capital grants received		
At 1 April 2025	1,375,627	1,375,627
Additions in the year	3,567,986	3,567,986
Transferred to income	-	-
At 31 March 2026	4,943,613	4,943,613
Net book value		
At 31 March 2026	4,943,613	4,943,613
At 31 March 2025	1,375,627	1,375,627

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

	2026 £	2025 £
Amounts due within one year	4,943,613	*1,375,627*

21. CASH FLOWS

Reconciliation of net cash flow to movement in net debt	£	2026 £	£	2025 £
Decrease in cash	(2,698,154)		*(1,132,780)*	
Cashflow from change in net debt	3,018,495		*755,536*	
Movement in net debt during the year		320,341		*(377,244)*
Net debt at 1 April		(22,860,892)		*(22,483,648)*
Net debt at 31 March		*(22,540,551)*		*(22,860,892)*

Analysis of changes in net debt	*At 1 April 2025* £	*Cashflows* £	*Other Changes* £	*At 31 March 2026* £
Cash and cash equivalents	*7,068,275*	(2,698,154)	-	*4,370,121*
	7,068,275	(2,698,154)	-	4,370,121
Debt: Due within one year	*(3,273,748)*	3,018,495	(972,516)	(1,227,769)
Due after more than one year	*(26,655,419)*	-	972,516	(25,682,903)
Net debt	*(22,860,892)*	320,341	-	(22,540,551)

22. CAPITAL COMMITMENTS

	2026 £	2025 £
Capital Expenditure that has been contracted for but has not been provided for in the finanical statements	3,943,072	*6,335,319*

The above commitments will be financed by a mixture of public grant, private finance and 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:		
Other		
Expiring in the next year	10,295	10,601
Expiring later than one year and not later than five years	20,182	35,195
	30,477	45,796

24. DETAILS OF ASSOCIATION

The Association is a company registered in Scotland under the Companies Act 2006.

The Association's principal place of business is 119 Main Street, Ayr, KA8 8BX.

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

25. BOARD OF TRUSTEES MEMBER EMOLUMENTS

Board of Trustees members received £470 (2025 - £772) in the year by way of reimbursement of expenses. No remuneration is paid to Board of Trustees 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	1,719	1,719
Shared ownership	7	7
	1,726	1,726

27. RELATED PARTY TRANSACTIONS

Members of the Board of Trustees are related parties of the Association as defined by Financial Reporting Standard 102.

Those members who are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage.

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

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

	2026	2025
	£	£
Rent received from tenants on the Board of Trustees and their close family members	35,063	*30,090*

At the year end total rent arrears owed by the tenant members on the Board of Trustees (and their close family) were £nil (2025 - *£157*).

Members of the Board of Trustees who are tenants	5	*6*

28. GROUP STRUCTURE

Ayrshire Housing is a housing company registered in Scotland and forms part of a group. The other member is Ayrshire Homestake Limited and the company is registered in Scotland. The main activity of Ayrshire Homestake Limited would be the administration of the supply of low cost home ownership. However, the company has been dormant since its incorporation. Ayrshire Housing is considered to be the ultimate parent. Seperate group accounts are not prepared as the Trustees are of the opinion that the group is exempt from this requirement.

29 CONTINGENT LIABILITY

Scottish Housing Associations' 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 2026 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.