Caledonia Housing Association Limited

Report of the Management Board and Consolidated Financial Statements

Year ended 31 March 2026

Registration Particulars:

Financial Conduct Authority	Registered Number 2343 R (S)
Scottish Housing Regulator	Registered Number HEP 224
The Scottish Charity Register	Charity Number SC013988

CALEDONIA HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT BOARD AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

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CALEDONIA HOUSING ASSOCIATION LIMITED

ADVISERS

For the year ended 31 March 2026

Registered Office:	Suite 4 Saltire House 3 Whitefriars Crescent Perth PH2 0PA
Auditors:	RSM UK Audit LLP Third Floor 2 Semple Street Edinburgh EH3 8BL
Bankers:	The Royal Bank of Scotland plc 12 Dunkeld Road Perth PH1 5RB
Solicitors:	Harper Macleod The Ca'd'oro 45 Gordon Street Glasgow G1 3PE
Internal Auditors:	Henderson Loggie Unit 8, The Vision Building 20 Greenmarket Dundee DD1 4QB

CALEDONIA HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT BOARD

Caledonia Housing Association Limited

The Management Board and Executive Officers

The Members of the Management Board of the Association during the year to 31 March 2026 and up to the date of signing of these Financial Statements were as follows:

Allan Jones	Chair
Derek Robertson	Vice-Chair & Chair of Audit & Risk Management Committee
Douglas McLaren	
Gary Grigor	(appointed 23 September 2025)
Katherine Burke	
Keri-Ann Osfield	(resigned 11 June 2026)
Murdo MacKay	
Margaret McLay	
Anne Culley	
Amy Ingham-Waite	(appointed 23 September 2025)

Key Management Personnel:

Julie Cosgrove	Chief Executive
Barry Johnstone	Executive Director of People and Governance
Angela Murphy	Interim Executive Director of Finance (appointed 14 October 2025) (resigned 27 March 2026)
Ross Carlin	Executive Director of Finance (appointed 3 November 2025)
Peter Fotheringham	Executive Director of Finance (resigned 23 June 2025)
Jill Fraser	Executive Director of Operations

PRINCIPAL ACTIVITY

The principal activity of the Association is to build, improve and manage affordable housing and related amenities for those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.

THE MANAGEMENT BOARD, CHIEF EXECUTIVE AND DIRECTORS

Each member of the Management Board holds one fully paid share of £1 in the Association. The Chief Executive and other Directors of the Association hold no interest in the Association's share capital, do not have the legal status of Directors, and act within the authority delegated by the Board. The governance arrangements include a Management Board with additional Committees for Audit & Risk Management, Health & Safety and Remuneration, and occasional working groups to progress matters of strategic importance to the Association and the Group. The Association's Rules and policies permit remuneration to be paid to both the Chair and Chair of the Audit & Risk Management Committee. All other members of the Management Board are unpaid.

RECRUITMENT AND TRAINING OF BOARD MEMBERS

Vacancies on the Management Board are filled from members of the community who have a commitment to the furtherance of social housing and the aims and objectives of the Association. Members are drawn from a wide range of backgrounds and experience to maintain the necessary mix of skills required to govern and control a complex organisation.

All Board members receive initial induction training and are eligible to attend internal and external training events which not only build on existing experience but provide an opportunity to develop new skills.

CALEDONIA HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT BOARD

Caledonia Housing Association Limited

STATEMENT OF MANAGEMENT BOARD'S RESPONSIBILITIES

The Co-operative and Community Benefits Societies Act 2014 and Registered Social Housing Association legislation requires the Management Board to prepare Financial Statements for each Financial Year which give a true and fair view of the state of affairs of the Group and Association and of the income and expenditure of the Association for that period. In preparing those Financial Statements, the Management Board are required to:

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

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

i) safeguarding assets;
ii) taking reasonable steps for the prevention and detection of fraud and other irregularities; and
iii) the maintenance and integrity of the corporate and financial information included on the Association's website.

The Management 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 2014 and the Registered Social Landlords Determination of Accounting Requirements February 2019.

STATEMENT ON INTERNAL FINANCIAL CONTROLS

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

(i) the reliability of financial information used within the Group or for publication;
(ii) the maintenance of proper accounting records; and
(iii) the safeguarding of assets against unauthorised use or disposal.

It is the Management 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 our internal financial control system are described below.

(i) Formal policies and procedures are in place including the documentation of key systems and rules relating to the delegation of authorities which allow the monitoring of controls and which restrict the unauthorised use of the Group's assets.

(ii) Experienced and suitably qualified staff take responsibility for important business functions. The Group has appraisal procedures and training & development programmes in place to maintain standards of performance.

(iii) Cash flow forecasts and budgets are prepared which allow the Board and management to monitor the key financial risks with quarterly management accounts prepared promptly, providing relevant, reliable and up-to-date financial and other information. Significant variances from budgets are investigated as appropriate. Long term financial plans are considered by the Management Board as part of its annual business planning cycle, and further reviewed during each financial year as required.

(iv) All significant new initiatives, major commitments and investment projects are subject to formal appraisal techniques and authorisation procedures as set out in the scheme of delegated authorities.

(v) The Audit & Risk Management Committee has the responsibility of reviewing the internal financial and other controls of the Group and reviews reports from management, from the internal auditors and from the external

auditors. In addition, the Audit & Risk Management Committee reviews the Group's corporate risk map at each meeting to monitor and mitigate assessed key risks, and to consider emerging new risks.

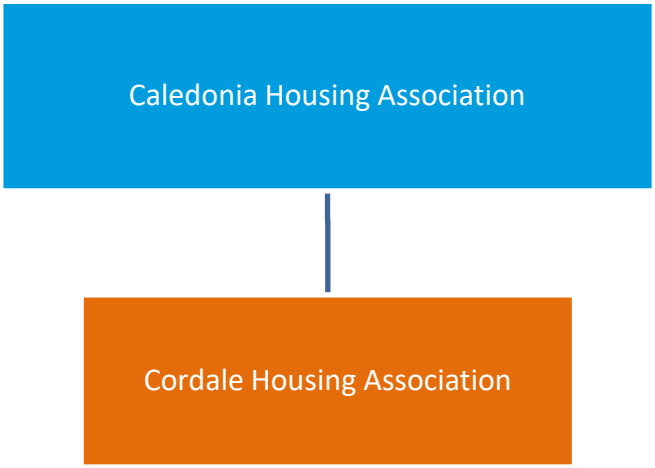
(vi) Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Management Board 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 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.

As far as the Board is aware:

- there is no relevant audit information (information needed by the Group's auditors in connection with preparing their report) of which the Association's auditors are unaware; and
- the Board members have taken all the steps that they ought to have taken to make themselves aware of the relevant audit information and to establish that the Association's auditors are aware of that information.

GROUP STRUCTURE



The Caledonia Group comprises:

1. **Caledonia Housing Association**

   A registered social landlord registered under the Co-operative and Community Benefits Societies Act 2014 and a Scottish charity and one of Scotland's leading providers of high quality affordable homes for people in housing need. With more than 5,600 homes owned and managed across Tayside, Fife, West & East Dunbartonshire and the Highlands, it is also one of Scotland's largest Housing Associations.

2. **Cordale Housing Association**

   A registered social landlord and a Scottish charity owning and managing over 500 high quality affordable homes in Renton, West Dunbartonshire for people in housing need. The Association became a wholly owned subsidiary of Caledonia on 1 April 2014.

There have been no changes in the group structure during the financial year.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Financial Review

The Caledonia Group ("Caledonia" or the "Group") achieved an operating surplus for the year of £7.1m (2025: £7.2m) in another year marked by a challenging operating environment whereby inflationary pressures continued to impact all areas of expenditure, alongside ongoing economic uncertainty affecting both suppliers and tenants.

The Group's net income from rent and service charges, after allowing for void loss, increased by 4.1% to £34.2m (2025: £32.8m). This is mostly driven by a rent increase of 4.0%, however income levels have also been boosted by the delivery of 121 new build homes during the financial year. Due to the continuing costs of living crises facing the Group's tenants through the Cost of Living crisis, the cost of bad debts relating to rents and service charges in the year have increased to £354k (2025: £232k).

The Group's turnover from other activities decreased to £3.6m (2025: £5.6m) this was mainly due to the reduced turnover generated from shared equity sales of £328k (2025: £1,600k) in addition to the reduction in insurance income of £692k (2025:£1,572k). These two items also account for the fall in other activities income and costs.

Operating costs include expenditure on reactive, cyclical and planned maintenance totalling £7.8m (2025: £6.5m). In addition to the £7.8m, there was £8.1m of major repairs capitalised.

Despite high levels of cost inflation being experienced across the sector, the level of spend on reactive repairs remained consistent year on year at £4.6m (2025: £4.3m). The spend on management and administration costs rose to £11.9m (2025: £10.0m).

The total comprehensive income for the Group was £2.5m (2025:£2.0m). This incorporates an actuarial gain of £0.3m (2025: gain £0.2m), in respect of the Scottish Housing Association Pension Scheme (SHAPS). The actuarial gain on the pension scheme is calculated by the pension trustee, and adopts the independent actuary's central assumptions in each reporting period.

At 31 March 2026, the Group's total reserves amounted to £79.5m (2025: £77.0m), an increase of £2.5m (2025: increase of £2.0m) from 31 March 2025.

Going Concern

Despite ongoing challenges in the operating environment, the Group continues to maintain strong positive cash inflows from its core operating activities and remains in a robust financial position. The Association received the third and final £25M tranche of sustainable private placement funding in November 2025. As at 31 March 2026, the Group had £53.5m (2025: £43.0m) of undrawn revolving credit facilities available to finance the Group's development programme. The Group undertakes at least annual stress testing and scenario planning, to give consideration as to the financial and operating implications for the Group of a range of different scenarios. These scenarios have, most recently, centred around the impacts and implications of sustained higher inflation and interest rates, increased bad debts due to the Cost of Living crisis and delays and slowdown to the projected development programme.

Our business plan projections reflect current political and economic circumstances and incorporate prudent assumptions on levels of rent voids and rent arrears which negatively impact the Group's budgeted income. The Group's expenditure budgets and longer-term investment plans are managed accordingly to ensure the continuing financial strength of the Group and compliance with all lenders' financial covenants. During the year, the Caledonia Group continued its strategic review of lending arrangements, maintaining substantial future development headroom. The Management Board is satisfied, based on the stress testing and scenario analysis performed, that it remains appropriate to prepare the financial statements on a going concern basis.

Treasury Management

The Caledonia Group maintains a comprehensive Treasury Management Strategy and Policy. Its primary objective is to ensure the Group consistently has sufficient access to funding to meet its operational obligations, support capital commitments related to the Group's housing development programme, and address debt refinancing requirements. The policy ensures there are appropriate controls in place to mitigate treasury risk whilst also ensuring cost-effective and efficient access to sources of funding. Key treasury risks are controlled through a set of Treasury Golden Rules which are monitored on a quarterly basis.

At 31 March 2026, the Group had fixed rate debt of £117.6m (2025: £93.2m) and variable rate debt of £14.7m (2025: £25.4m) which were used to fund housing development. At the year end, the Group had £53.5m (2025: £43.0m) undrawn revolving credit facilities in place to finance its ongoing development programme.

The Association secured £75m of funding through a sustainable private placement facility, with the third and final tranche received in November 2025. These funds have been, and will continue to be, used to support housing development projects and refinance existing debt.

Risk Management

Caledonia has a comprehensive group risk management policy in place which details how corporate risks are identified, assessed in terms of impact and likelihood, and how these risks are controlled and mitigated. The resultant risk map is reviewed in detail by the Audit & Risk Management Committee on a quarterly basis to assess the effective management of risks and to give consideration to changes in the risk environment. The work of this Committee is reported to the Management Board and informs the annual internal audit programme.

The Group Audit & Risk Management Committee has determined that the key risks facing the Group are as set out in the following table.

Risk	Approach to Mitigation
Failure to comply with Health & Safety Legislation & Procedures (including Fire Safety)	− Health and Safety Advisor co-ordinates health and safety activities across the Group − Health and Safety training provided to staff − Group Health and Safety Policy and Procedure manuals in place − Risk assessments in place for key areas of activity across the Group and reviewed on a rolling programme basis − All new homes designed and constructed to current Building Standards at the time of construction − Continuous monitoring of changes of legislation and regulation − Fire Risk Assessment programme in place and carried out on a regular basis by independent consultants − Resident Health & Safety Compliance statement presented to governing bodies twice per annum
Cyber-attack	− Detailed cyber security arrangements are in place and subject to ongoing review and enhancement − Development and ongoing review of ICT strategy − Regular reporting on this risk area to the Group's Audit and Risk Management Committee − Rolling programme of staff training and awareness
Failure of Group's ICT systems	− All data and processing held and carried out at an off-site tier 3 data centre − Fully independent links established between area offices and the data centre − Comprehensive back-up and system monitoring procedures − ICT team supported by third party specialist ICT service providers
Failure to address the risk of Climate Change and Scottish Government mitigation targets within the timescale set by the Scottish Government	− Climate & Sustainability Strategy sets out net zero commitments − Carbon emissions baseline established against which progress is monitored. − Carbon emissions action plan agreed to help develop strategy − Climate change and energy efficiency is a key focus of Business Plan − Planned investment programme incorporates work required to mitigate impact
Failure to deliver on strategy and business plan as a result of political, economic and social challenges in our operating environment	− Strategic planning processes and scenario planning − Development and monitoring of a suite of KPIs, with regular discussions and corrective action planning − Business plan implementation tracking via quarterly updates to Board − Economic outlook and forecasts obtained from reputable third parties − Environment scanning and appraising the governing body of key developments within the sector and economy
Failure to sustain effective governance arrangements within subsidiary organisation	− Appointment of Caledonia Board members − Subsidiary Board Recruitment and comprehensive training on the requirements of effective board governance.
Failure of financial & treasury controls	− Comprehensive thirty-year financial planning model in place, including detailed five-year budgets. − Budget monitoring processes in place − Detailed annual sensitivity analysis carried out on long term projections − Detailed Treasury Management Policy and monitoring of golden rules − Regular internal audit review of financial controls
Failure to apply the Asset Management Strategy	− Asset Management Report prepared for specific projects prior to significant investment and re-modelling − Asset Management Strategy approved by Management Board − Planned investment, including any stock re-modelling and works to comply with EESSH, based on analysis of stock condition information, and built into five-year budget projections − Phased investment programme to maximise investment whilst recognising risks to income in the current environment − Communication and engagement with tenants

Poor contractor performance or contractor failure	− Pre-qualification tender process to assess and evaluate past performance before awarding contracts − All contractual arrangements define scope of work, performance expectations, quality standards, timelines, and penalties for non-compliance − Procurement strategy and manual in place − Contract and supplier relationship management guide in place
Failure to secure cost-effective insurance cover	− Active liaison with insurance broker and insurers throughout year − Implement recommended actions to reduce risk − Staff training on compliance and preventative measures − Engagement with sector on benchmarking and best practice activities
Failure to deliver on strategy and business plan, with reference to technological change and digital transformation aspirations.	− Change Assurance Committee established to provide digital transformation oversight − Strategic and financial planning processes in place including Board level oversight − Digital Transformation driven by detailed implementation programme, aligned with digital strategy − System procurement will be underpinned by rigorous due diligence including Cyber-Security and AI considerations. − Appropriate expert input

Performance

The Group monitors corporate performance across finance, operations, business services and asset management. A suite of financial and non-financial metrics is produced on a quarterly basis to assess performance and, importantly, to drive corrective action in areas that are underperforming. In addition, monthly departmental performance indicators are produced across the Association and reviewed by the operational management team. The tables below present the performance of each Association against some key financial performance indicators:

Caledonia Housing Association	**Target**	**2025/26 Actual**	**2024/25 Actual**
• Void Loss	**≤ 1.5%**	**1.1%**	1.0%
• Arrears Performance	**≤ 5.5%**	**5.4%**	5.2%
• Profitability – Operating surplus	**> 19%**	**16.0%**	16.7%
• Financial Covenant - Interest Cover	**> 120%**	**246.6%**	156.7%
• Financial Covenant – Gearing	**< 30%**	**26.5%**	25.1%

Cordale Housing Association	**Target**	**2025/26 Actual**	**2024/25 Actual**
• Void Loss	**≤1.5%**	**1.8%**	0.7%
• Arrears Performance	**≤6%**	**5.8%**	5.3%
• Profitability – Operating surplus	**>19%**	**15.2%**	18.6%
• Financial Covenant - Interest Cover	**>110%**	**117.8%**	191.3%
• Financial Covenant – Gearing	**<30%**	**12.1%**	11.3%

The performance tables above demonstrate relatively strong financial performance in what has continued to be an economically challenging year. The operating surplus for Cordale and Caledonia were both just below target levels. There continues to be inflationary rises and cost pressures in all areas of the Association particularly in terms of insurance and maintenance costs. The void loss with Cordale was above target in the year, this was due to an increased number of voids in the year due the 25 new builds at Dalquhurn being allocated to existing tenants.
The governing bodies of Caledonia and Cordale have continued to take a prudent approach to managing the Associations during these uncertain times and this has resulted in strong financial covenant compliance of each Association. Lenders financial covenants are less stringent than the targets set by the governing bodies to allow for an element of headroom.

The Cost of Living crisis has continued to put pressure on household income, however despite this arrears' performance has remained consistent with the prior year and are within target. We have continued to work with partner organisations in this area to support tenants in sustaining their tenancies and we have implemented a range of measures aimed at supporting our tenants and customers deal with the challenges they are facing through increasing household costs.

Future Plans

The Group's Business Plan sets out a clear and ambitious direction, incorporating the aims of achieving high standards of performance, continuing to achieve strong customer satisfaction and demonstrating value for money for our tenants. It is underpinned by ensuring that the Group remains a financially strong and resilient organisation that can continue to grow and develop the homes and services we provide. Our people are vitally important to achieving our goals, which is reflected in the importance that we place on investing in people not only to develop their skills, but also to ensure their health and wellbeing.

MISSION	Quality housing, responsive services, sustainable communities		
GUIDING PRINCIPLES	Keep it Simple	Keep it Personal	Make it Right
VISION	Homes and Communities that make lives better		
OUR STRATEGIC PRIORITIES	Strengthening our Services	Building Strategic Partnerships with Purpose	Grow our Impact and Influence
	Improving the tenant experience and delivering clear value for money	Developing partnerships to deliver new homes and meaningful community services	Expanding our ability to make a meaningful difference for our communities

Within this context the Group has identified the following Business Plan Priorities, further details of which can be found in the Group's business plan which is published on our website.

Digital Transformation that Improves Services	Our IT and Digital Transformation programme will modernise our core systems to deliver reliable, responsive and accessible services that meet changing tenant needs in a rapidly evolving digital landscape. Key deliverables include: - Replace legacy systems with integrated digital systems. - Implement new Housing Management System. - Strengthen cyber security frameworks.
Developing People Through Change	Keeping our people at the centre of Shaping the Future commitments is essential to our long-term success. Strategic workforce planning will play an important role in continuing to build an agile, future ready organisation with the right skills, capacity, and adaptability to respond to the shifts in policy, tenant needs, operational priorities and the evolving digital landscape. Key deliverables include:

	- Deliver Strategic workforce planning to ensure skills, capacity, and capability for the future. - Implement leadership development programmes to guide teams through change.
Investing in Our Homes	Strong effective asset management underpins financial resilience, regulatory confidence, and the ability to deliver safe, high-quality homes that meet tenant needs. Adopting a strategic data driven approach also enables us to safeguard asset value, reduce operational risk, and target investment where it delivers the greatest benefit. - Review and develop a renewed Asset (Investment and Sustainability) Strategy incorporating asset management and development. - Improve reactive maintenance performance to enhance reliability and tenant satisfaction. - Deliver planned maintenance aligned to long-term asset investment objectives - Support new-build development and regeneration activities to grow and modernise our housing stock.
Delivering Reliable, Responsive and Affordable Services	Customer service actions will strengthen service delivery now and in the future. By working closely with partners and keeping the tenant voice at the centre of decision making, we will shape services and collaborate with others to deliver outcomes that meet evolving tenant needs and support our mission to provide quality homes, responsive services, and sustainable communities. Key deliverables include: - Complete the Very Sheltered Housing review to ensure appropriate provision of an affordable and financially viable service. - Support the replacement of the legacy Housing Management system. - Undertake rent harmonisation to drive housing affordability, fairness and maintain financial sustainability. - Strengthen tenant engagement to ensure services are shaped by tenant insight.

Rental Income and Service Charges

Rents and services charges are set at levels that recover both current and future costs, whilst enabling the Associations to achieve moderate growth in reserves, supporting long-term financial viability and resilience. Any proposed increases are subject to tenant consultation, and it is the Group's policy to review rent increases balancing affordability for tenants with the financial sustainability needed to maintain and invest in homes and services. The headline rent increase applied by the Group in the 2025/26 financial year was 4% with a 5% rise being applied to 2026/27.

Credit Payment Policy

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is 30 days (2025: 30 days).

Maintenance Policy

The Group's policies encompass reactive, cyclical and planned maintenance. Reactive repairs are carried out by contractors who have been subject to a selection process which examines cost, experience and capacity. Subsequent repairs are then monitored in terms of contractor and Association performance and tenant satisfaction. Planned and cyclical maintenance is carried out in accordance with our life cycle programme modified where necessary by

inspection and supplemented by the inclusion of enhancements required by relevant regulatory authorities. The resultant works are normally awarded after formal tendering procedures have been applied in accordance with the Group's Procurement policies and practices which ensure compliance with all relevant legislation.

Reserves Policies

The Association is committed to generating sufficient reserves to pursue its core objectives and to meet the following requirements.

- keeping rents as affordable as possible;
- maintaining the Association's properties in a good state of repair;
- financing loan repayments;
- providing a cushion against risk and future uncertainties; and
- establishing new services or developments.

Revenue Reserves

The Group has determined that it is appropriate to hold revenue reserves equivalent to a minimum of six months recurring turnover to minimise future financial risk. The current level of undesignated revenue reserves is £79.5m following an increase of £2.5m in line with the surplus for the year to 31 March 2026. This meets the target.

Human Resources

Equality and Diversity in respect of Employment

All applicants for employment are given full and fair consideration for all vacancies in accordance with their aptitudes and abilities. We will ensure respect, fairness and understanding and at all times value and embrace diversity and eliminate discrimination.

Climate Change & Sustainability

Caledonia recognises that climate change is one of the biggest global challenges and acknowledges the role we have to play in reducing carbon emissions. We have committed to meet the Scottish Government's net zero target by 2045. In support of this, Caledonia has approved a Climate Change Statement and Framework aligned to the UN's Sustainable Development Goals. Our Climate Change Strategy covers all of our business activities and translates the Climate Change Statement and Framework into actions, targets and timescales. A copy of this strategy and our annual report tracking progress against the strategy have been published on our website.

Employee Involvement and Health & Safety

The Association takes seriously its responsibilities to employees and provides employees with information on matters of concern to them. The Association consults employees or their representatives on a range of issues related to their terms and conditions of employment, including health and safety, so that their views may be taken into account in making decisions likely to affect their interests.

Auditors

A resolution for the reappointment of RSM UK Audit LLP as auditors of the Association will be proposed at the Annual General Meeting.

By order of the Management Board

Allan Jones

(Chair)…….. 13 August 2026

Independent Auditor's report to the members of Caledonia Housing Association Limited

Opinion

We have audited the financial statements of Caledonia Housing Association (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2026 which comprise the Consolidated Statement of Comprehensive Income, the Housing Association Statement of Comprehensive Income, the Consolidated and Housing Association Statement of Financial Position, the Consolidated and Housing Association Statement of Changes in Reserves, the Consolidated Statement of Cashflow, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2026 and of the income and expenditure of the Group and the income and expenditure of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements,

we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 3, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the 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 intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and the Association operate in and how the group and the Association are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Housing (Scotland) Act 2010, the Housing SORP 2018 and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the Housing (Scotland) Acts 2006, 2014 and 2025, the Co-operative and Community Benefit Societies Act 2014, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended),the Scottish Housing Regulator's regulatory framework and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the Association is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities, including a search on publicly available registers for any indications of breaches.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgements and estimates.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

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

Date 01/09/2026

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

CALEDONIA HOUSING ASSOCIATION LIMITED

Report by the Auditors to the Members of Caledonia Housing Association on Corporate Governance Matters

In addition to our audit of the Financial Statements, we have reviewed your statement on Pages 3 and 4 concerning the Association's compliance with the information required by the Regulatory Standards for systemically important RSLs in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

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

Opinion
In our opinion the Statement on Internal Financial Control on pages 3 and 4 has provided the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

RSM UK Audit LLP

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

Date: 01/09/2026

CALEDONIA HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Note	**2026** **£**	2025 £
Turnover	*2*	**44,601,386**	42,773,199
Operating expenditure	*2*	**(36,889,347)**	(35,299,187)
Loss on disposal of fixed assets		**(591,172)**	(246,483)
Operating surplus	*2*	**7,120,867**	7,227,529
Gain on sale of investment property		**-**	-
Interest receivable	*8*	**380,711**	328,254
Interest payable and financing costs	*9*	**(5,267,821)**	(5,731,233)
Surplus for the year		**2,233,757**	1,824,550
Other Comprehensive Income			
Actuarial gain / (loss) in respect of pension scheme	*28*	**266,000**	218,000
Total comprehensive income / (loss) for the year		**2,499,757**	2,042,550

All figures relate to continuing operations.

The accompanying notes on pages 22 to 51 form part of these Financial Statements.

CALEDONIA HOUSING ASSOCIATION LIMITED

HOUSING ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Note	2026 £	2025 £
Turnover	*2*	**40,639,320**	38,929,887
Operating costs	*2*	**(33,612,599)**	(32,298,072)
Loss on disposal of fixed assets		**(508,005)**	(117,517)
Operating surplus	*2*	**6,518,716**	6,514,298
Interest receivable	*8*	**373,132**	306,265
Interest payable	*9*	**(4,870,755)**	(5,351,943)
Surplus / (Loss) for the year		**2,021,093**	1,468,620
Other Comprehensive Income			
Actuarial gain / (loss) in respect of pension scheme	*28*	**266,000**	218,000
Total comprehensive income / (loss) for the year		**2,287,093**	1,686,620

All figures relate to continuing operations.

The accompanying notes on pages 22 to 51 form part of these Financial Statements.

CALEDONIA HOUSING ASSOCIATION LIMITED

CONSOLIDATED AND HOUSING ASSOCIATION STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2026

	Notes	**2026**		*2025*	
		GROUP	***ASSOCIATION***	*GROUP*	*ASSOCIATION*
		£	***£***	*£*	*£*
Fixed assets					
Housing properties	*11,12*	**404,284,119**	***368,790,002***	384,149,391	*348,854,344*
Other fixed assets	*13,14*	**3,114,361**	***1,552,947***	3,261,145	*1,690,527*
Investment property	*15,16*	**1,614,875**	***689,875***	1,613,456	*688,456*
		409,013,355	***371,032,824***	389,023,992	*351,233,327*
Current assets					
Stock and work in progress	*17*	**1,771,479**	***1,771,479***	746,125	*746,125*
Trade and other debtors	*18*	**3,707,014**	***3,571,633***	3,277,268	*3,153,508*
Cash and cash equivalents		**13,576,734**	***12,954,432***	9,596,363	*8,187,633*
		19,055,227	***18,297,544***	13,619,756	*12,087,266*
Current liabilities					
Creditors: amounts falling due within one year	*19*	**(16,598,911)**	***(14,617,446)***	(15,679,958)	*(13,250,792)*
Net current assets /(liabilities)		**2,456,316**	***3,680,098***	(2,060,202)	*(1,163,526)*
Total assets less current Liabilities		**411,469,671**	***374,712,922***	386,963,790	*350,069,801*
Creditors: amounts falling due after more than one year	*20*	**(330,840,909)**	***(302,382,509)***	(308,646,756)	*(279,838,448)*
Defined benefit pension liability	*28*	**(1,157,000)**	***(1,157,000)***	(1,345,000)	*(1,345,000)*
Net assets		**79,471,762**	***71,173,413***	76,972,034	*68,886,353*
Capital and reserves					
Share capital	*23*	**144**	***100***	173	*133*
Revenue reserve	*24*	**79,471,618**	***71,173,313***	76,971,861	*68,886,220*
		79,471,762	***71,173,413***	76,972,034	*68,886,353*

These Financial Statements were approved and authorised for issue by the Management Board on 13 August 2026 and were signed on their behalf:

Allan Jones

Chair …….

Derek Robertson

Board Member ……..

Barry Johnstone

Secretary ……..

CALEDONIA HOUSING ASSOCIATION LIMITED

CONSOLIDATED AND HOUSING ASSOCIATION STATEMENT OF CHANGES IN RESERVES

For the year ended 31 March 2026

Group	Share Capital £	Income and expenditure reserve £	Total £
Balance at 1 April 2024	**219**	**74,929,311**	**74,929,530**
Issued in the year	4	-	**4**
Cancelled in the year	(50)	-	**(50)**
Total Comprehensive income for the year	-	2,042,550	**2,042,550**
Balance as at 31 March 2025	**173**	**76,971,861**	**76,972,034**
Issued in the year	7	-	**7**
Cancelled in the year	(36)	-	**(36)**
Total Comprehensive income for the year	-	2,499,757	**2,499,757**
Balance at 31 March 2026	**144**	**79,471,618**	**79,471,762**

Association	Share Capital £	Income and expenditure reserve £	Total £
Balance at 1 April 2024	**170**	**67,199,600**	**67,199,770**
Issued in the year	2	-	**2**
Cancelled in the year	(39)	-	**(39)**
Total Comprehensive income for the year	-	1,686,620	**1,686,620**
Balance as at 31 March 2025	**133**	**68,886,220**	**68,886,353**
Issued in the year	3	-	**3**
Cancelled in the year	(36)	-	**(36)**
Total Comprehensive income for the year	-	2,287,093	**2,287,093**
Balance at 31 March 2026	**100**	**71,173,313**	**71,173,413**

CALEDONIA HOUSING ASSOCIATION LIMITED

CONSOLIDATED STATEMENT OF CASHFLOW

For the year ended 31 March 2026

	Notes	2026 £	2025 £
Net cash generated from operating activities	*26*	**9,370,660**	17,463,770
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets		**(27,733,733)**	(15,259,640)
Proceeds from sale of tangible fixed assets		**251,250**	324,750
Proceeds from sale of investment property		**-**	-
Grants received		**13,332,696**	4,905,146
Interest received		**380,711**	328,254
Cash acquired on business combination		**-**	-
NET CASH USED IN INVESTING ACTIVITIES		**(13,769,076)**	(9,701,490)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		**(5,267,821)**	(5,731,233)
New secured loans		**29,080,000**	34,860,033
Repayments of borrowings		**(15,433,392)**	(33,585,700)
NET CASH FROM FINANCING ACTIVITIES		**8,378,787**	(4,456,900)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**3,980,371**	3,305,380
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**9,596,363**	6,290,983
CASH AND CASH EQUIVALENTS AT END OF YEAR	*26*	**13,576,734**	9,596,363

CALEDONIA HOUSING ASSOCIATION LIMITED

HOUSING ASSOCIATION STATEMENT OF CASHFLOW

For the year ended 31 March 2026

	Notes	2026 £	2025 £
Net cash generated from operating activities	*26*	**8,714,311**	15,560,011
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets		**(26,061,589)**	(10,984,710)
Proceeds from sale of tangible fixed assets		**251,250**	324,750
Grants received		**13,332,696**	3,430,848
Interest received		**373,132**	306,265
Cash acquired on business combination		**-**	-
NET CASH USED IN INVESTING ACTIVITIES		**(12,104,511)**	(6,922,847)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		**(4,870,755)**	(5,351,943)
New secured loans		**28,000,000**	33,460,033
Repayments of borrowings		**(14,972,246)**	(33,220,237)
NET CASH FROM FINANCING ACTIVITIES		**8,156,999**	(5,112,147)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**4,766,799**	3,525,017
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**8,187,633**	4,662,616
CASH AND CASH EQUIVALENTS AT END OF YEAR	*26*	**12,954,432**	8,187,633

1. Accounting policies

Legal status
The Association is registered under the Co-operative and Community Benefit Societies Act 2014 with the Financial Conduct Authority and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2014. Its registered office is in Perth as detailed on page 1.

The Association's principal activities are to build, improve and manage affordable housing and related amenities for those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.

Caledonia Housing Association Limited is a Public Benefit Entity.

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

The Financial Statements are prepared in Sterling (£) and rounded to the nearest whole pound unless where otherwise stated.

Critical accounting estimates and areas of judgement
Preparation of the Financial Statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- Useful lives of housing property- management reviews its estimates of the life cycles of the building components at each reporting date and depreciates accordingly (see Depreciation of housing properties)
- The measurement of the recoverable amount of assets for impairment reviews – management assesses whether an impairment indicator exists at each reporting date. If such an indicator exists, management performs an impairment assessment and estimates the recoverable amount of the asset (see Impairment of fixed assets)
- Recoverable amount of rent arrears and other debtors – judgements have been made over the recoverability of rent arrears and other debtors based on experience and in accordance with the Group's Provisions policy (see Financial instruments below)
- Government grants – management has judged Government grants to be associated with housing properties and have been recognised in income over the life of the individual building components (excluding land) on a pro-rata basis (see Government grants)
- Valuation of investment property – investment property is required to be held at market value therefore judgement is made using advice from independent valuers (see Investment property)
- Defined benefit pension obligation – judgements have been made in determining the Association's share of the underlying assets and liabilities of the SHAPS defined benefit scheme, the valuations prepared by the Scheme actuaries includes estimations in relation to life expectancy, salary growth, inflation and the discount rate on corporate bonds (see Pensions)

Basis of consolidation
The Group Financial Statements consolidate the results of Caledonia Housing Association Limited and Cordale Housing Association Limited using the acquisition method. Both Associations are registered under the Co-operative and Community Benefit Societies Act 2014 and are registered with the Scottish Housing Regulator. Whilst the Associations adopt consistent policies on the depreciation of housing properties, each Association determines and applies different expected economic useful lives in its depreciation charges.

Going concern
The Association's business activities, together with the factors likely to affect its future development, performance and position are set out within the Review of Business and Future Developments and Financial Review. The Review of Business and Future Developments and Financial Review also includes a review of the financial position of the Association, its cash flows, liquidity position and borrowing facilities. It also reports on the Association's response and resilience in respect of the current economic challenges.

The Association's financial projections demonstrate that the Association has sufficient financial resources to ensure that it meets its commitments in the short, medium and longer term. Therefore, the Management Board believes that the Association has adequate resources to continue in operational existence for the foreseeable future which is defined as 12 months after the date of these financial statements. For this reason, the going concern basis has been adopted in these Financial Statements.

Business combination
Assets and liabilities acquired through a business combination are recognised at fair value. Combinations which are for £nil consideration are treated as a public benefit entity combination that is in substance a gift with any excess of fair value of the assets received over the fair value of the liabilities acquired being recognised as income within the Statement of Comprehensive Income.

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

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

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

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

Other Income
Assets received at no cost or for nominal consideration are recognised when the Association obtains control of the assets and it is probable future economic benefits will flow from the asset. Such assets are initially measured at cost based on the fair value of the asset. Where the contribution to the Association does not represent a capital contribution of fall within scope of another accounting standard, a credit equal to the fair value of the asset is recognised within income.

Turnover & revenue recognition
Turnover represents rents, service charges and revenue grants receivable in respect of tenanted properties, amounts receivable from the sale of housing accommodation and amounts invoiced in respect of the provision of services.

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

Grant income is recognised when any associated performance conditions have been met.

Fixed Assets – housing land and buildings
Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent and shared ownership.

Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses.

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

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

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

Works to existing properties which fail to meet the above criteria are charged to the Income and Expenditure account.

The major components are deemed to be Land, Structure, Roofs, Windows, Kitchens, Bathrooms, Lifts, Warden Call/Fire Alarm and Central Heating. Each component has a substantially different economic life and is depreciated over this individual life. Depreciation rates are shown on page 25.

Capitalised development overheads and borrowing costs
Costs which are directly attributable to bringing housing properties into working condition are included in housing properties cost. Directly attributable costs include direct labour cost of the Association and incremental costs which would have been avoided only if the property had not been constructed or acquired. All other development costs are written off to the Income and Expenditure Account in the period in which it occurs.

Interest charges incurred on the financing of housing properties are capitalised up to the date of practical completion and then amortised thereafter over the remaining loan term. Interest charges arising after that date are charged to the Income and Expenditure Account.

Impairment of fixed assets
An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the RSL estimates the recoverable amount of the asset.

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

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

Sales of housing properties
Properties are disposed of under the appropriate legislation and guidance. All costs, first tranche sales, and grants relating to the share of property sold are removed from the Financial Statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the Financial Statements.

Depreciation of housing properties
Depreciation is charged by each Association on a straight-line basis over the expected economic useful lives of each major component that makes up the housing property. Whilst each Association has a consistent policy on depreciating each of the identified components, the Associations have determined different expected economic useful lives as detailed below:

	Caledonia HA	**Cordale HA**
Land	Not depreciated	Not depreciated
Structure	75 years	50 years
Roof	65 years	50 years
Windows & Doors	35 years	25 years
Central Heating Systems	35 years	20 years
Kitchen	20 years	15 years
Bathroom	30 years	30 years
Central Heating- Individual Boilers	20 years	Not applicable
Central Heating- Common Plant	30 years	Not applicable
Lifts	20 years	Not applicable
Warden Call/ Fire Alarm	20 years	Not applicable
Lighting	Not applicable	15 years
Renewables	10-20 years	10-20 years

Depreciation of other fixed assets
Other fixed assets are capitalised in the year of purchase and are stated at cost less accumulated depreciation.

Scheme plant and equipment is depreciated at 10% per annum on cost.

Office Furniture and Equipment is depreciated at 10% per annum on cost, with the exception of computer equipment which is depreciated at 33.3% per annum on cost, and photocopiers which are depreciated at 20% per annum.

Motor Vehicles are depreciated at 25% per annum on cost.

Office Premises are depreciated on a straight line basis over the expected remaining useful life. It is assumed to have an estimated useful life of 75 years. The Association has carried out the necessary impairment review to ensure properties are not shown at an amount exceeding their recoverable amount.

A full year's depreciation is charged on these assets in the year of purchase, but no charge is made in the year of disposal.

Investment property
Investment properties consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value whilst a reliable measure of fair value is available. Changes in fair value are recognised in income and expenditure.

In accordance with FRS 102, (i) it is the Group's policy that investment properties are revalued annually by persons holding a recognised professional qualification and at least every five years by an external valuer; and the aggregate surplus or deficit is transferred to a revaluation reserve, and (ii) no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties.

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

Housing loans
Mortgage loans on housing land and properties are advanced under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of these developments that have been given approval for Housing Association Grant by Scottish Housing Regulator. Mortgage loans in the balance sheet include amounts due but not received.

Revenue Reserves
The Association has determined that it is appropriate to hold revenue reserves equivalent to a minimum of six months turnover net of LIFT property sales to minimise future financial risk.

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

VAT
Whilst being VAT Registered, most of the Association's income is exempt for VAT purposes. Expenditure is therefore shown inclusive of VAT.

Shared ownership
Proceeds from, and cost of sales of, first tranche disposals of shared ownership properties are accounted for in the Income and Expenditure account of the period in which the disposal occurred. The balance of the costs of shared ownership properties are recorded within fixed assets and subsequent disposals are accounted for through the disposal of fixed assets.

Stock and work in progress
Stocks and work in progress are stated at the lower of cost and net realisable value. Shared Equity units in progress and Developments in Progress for other Associations are included in WIP at cost, net of any related HAG. Income received from the sale of Shared Equity units is included within turnover and expenses are included as Cost of Sales to reflect the level of activity undertaken.

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

Employees are entitled to carry forward up to 5 days of any unused holiday entitlement at the reporting date. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

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

Financial instruments
The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

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

Financial assets

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

Where the arrangement with a trade or other debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income and expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

Financial liabilities

Trade creditors
Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

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

Commitments to receive a loan are measured at cost less impairment.

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

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

Pensions
Obligations under a defined benefit pension scheme

The Association participates in a funded multi-employer defined benefit scheme, the Scottish Housing Association Pension Scheme (SHAPS). The Association is able to identify its share of the scheme assets and scheme liabilities and therefore applies full defined benefit accounting for this scheme under FRS 102 Section 28. The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high-quality corporate bond rates. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income.

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses. Full details of the accounting treatment of the Association and Group’s interest in the SHAPS defined benefit scheme, including information on critical assumptions, is set out in note 28.

Defined contribution plans

For defined contribution schemes the amount charged to income and expenditure is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2. Particulars of turnover, operating costs and operating surplus for the financial period by class of business

Group:	**Turnover** £	**Operating costs** £	**Loss on sale of Fixed Assets** £	**Operating surplus 2026** £	Operating surplus 2025 £
Social lettings (note 3a)	41,043,375	(33,540,080)	-	*7,503,295*	*7,397,042*
Other activities (note 4a)	3,558,011	(3,349,267)	-	*208,744*	*76,970*
Loss on sale of fixed assets	-	-	(591,172)	*(591,172)*	*(246,483)*
Total – 2026	**44,601,386**	**(36,889,347)**	**(591,172)**	***7,120,867***	*7,227,529*
Total – 2025	42,773,199	(35,299,187)	(246,483)	*7,227,529*	

Housing Association:	**Turnover** £	**Operating costs** £	**Loss on sale of Fixed Assets** £	**Operating surplus 2026** £	Operating surplus 2025 £
Social lettings (note 3b)	37,194,625	(30,320,848)	-	*6,873,777*	*6,615,149*
Other activities (note 4b)	3,444,695	(3,291,751)	-	*152,944*	*16,666*
Loss on sale of fixed assets	-	-	(508,005)	*(508,005)*	*(117,517)*
Total – 2026	**40,639,320**	**(33,612,599)**	**(508,005)**	***6,518,716***	*6,514,298*
Total – 2025	38,929,887	(32,298,072)	(117,517)	*6,514,298*	

3a. Particulars of turnover, operating costs and operating surplus from social letting activities

Group	**General Needs Housing £**	**Supported Social Housing £**	**Shared Ownership Housing £**	**Total 2026 £**	Total 2025 £
Rent receivable net of service charges	25,268,011	3,623,716	1,018,097	***29,909,824***	*28,457,161*
Service charges	1,727,601	2,625,063	330,578	***4,683,242***	*4,656,101*
Gross income from rents and service charges	26,995,612	6,248,779	1,348,675	***34,593,066***	*33,113,262*
Less Voids	(295,560)	(105,764)	-	***(401,324)***	*(276,776)*
Net income from rents and service charges	26,700,052	6,143,015	1,348,675	***34,191,742***	*32,836,486*
Grants released from deferred income	3,763,838	528,041	136,154	***4,428,033***	*4,372,449*
Other revenue grants	2,423,600	-	-	***2,423,600***	-
Total turnover from social letting activities	32,887,490	6,671,056	1,484,829	***41,043,375***	*37,208,935*
Management and maintenance administration costs	9,565,675	1,902,633	438,137	***11,906,445***	*9,986,267*
Service costs	1,547,755	2,782,447	174,700	***4,504,902***	*4,663,519*
Planned and cyclical maintenance including major repairs costs	2,873,206	306,383	36,534	***3,216,123***	*2,193,428*
Reactive maintenance costs	3,887,724	737,694	2,208	***4,627,626***	*4,267,475*
Bad debts - rents & service charges	310,128	26,668	17,642	***354,438***	*231,586*
Bad debts - rechargeable repairs	11,223	-	-	***11,223***	*3,622*
Depreciation of affordable let properties	7,555,063	1,076,321	287,939	***8,919,323***	*8,198,173*
Impairment of affordable let properties	-	-	-	***-***	*267,823*
Operating costs for affordable letting activities	25,750,774	6,832,146	957,160	***33,540,080***	*29,811,893*
Operating surplus / (deficit) for affordable letting activities	7,136,716	(161,090)	527,669	***7,503,295***	*7,397,042*
Operating surplus for affordable letting activities for previous accounting period	7,195,619	(299,391)	500,814	*7,397,042*	

3b. Particulars of turnover, operating costs and operating surplus from social letting activities (continued)

Association	**General Needs Housing £**	**Supported Social Housing £**	**Shared Ownership Housing £**	**Total 2026 £**	Total 2025 £
Rent receivable net of service charges	22,843,625	3,385,864	988,003	***27,217,492***	*25,964,780*
Service charges	1,692,766	2,386,219	330,578	***4,409,563***	*4,401,659*
Gross income from rents and service charges	24,536,391	5,772,083	1,318,581	***31,627,055***	*30,366,439*
Less Voids	(257,441)	(91,874)	-	***(349,315)***	*(257,545)*
Net income from rents and service charges	24,278,950	5,680,209	1,318,581	***31,277,740***	*30,108,894*
Grants released from deferred income	2,931,912	434,566	126,807	***3,493,285***	*3,416,614*
Other revenue grants	2,423,600	-	-	***2,423,600***	-
Total turnover from social letting activities	29,634,462	6,114,775	1,445,388	***37,194,625***	*33,525,508*
Management and maintenance administration costs	8,808,616	1,817,570	429,631	***11,055,817***	*9,241,416*
Service costs	1,520,635	2,551,454	174,700	***4,246,789***	*4,423,338*
Planned and cyclical maintenance including major repairs costs	2,712,174	301,334	36,534	***3,050,042***	*1,925,151*
Reactive maintenance costs	3,377,391	694,457	2,208	***4,074,056***	*3,880,798*
Bad debts	299,110	20,596	17,642	***337,348***	*224,868*
Depreciation of affordable letting properties	6,342,414	940,068	274,314	***7,556,796***	*6,946,965*
Impairment of affordable letting properties	-	-	-	***-***	*267,823*
Operating costs for affordable letting activities	23,060,340	6,325,479	935,029	***30,320,848***	*26,910,359*
Operating surplus / (deficit) for affordable letting activities	6,574,122	(210,704)	510,359	***6,873,777***	*6,615,149*
Operating surplus / (deficit) for affordable letting activities for previous accounting period	6,506,109	(376,469)	485,509	*6,615,149*	

4a. Particulars of turnover, operating costs and operating surplus/(deficit) from other activities

Group:

	Grants from Scottish Ministers £	Supporting Income £	*Other Income £*	*Total turnover £*	*Operating costs bad debts £*	*Operating costs other £*	*Operating (deficit) / surplus 2026 £*	*Operating (deficit) / surplus 2025 £*
Factoring	-	-	340,191	**340,191**	-	*(294,504)*	***45,687***	*24,525*
Care and repair property	1,172,099	-	-	**1,172,099**	-	*(1,142,107)*	***29,992***	*1,075*
Stage 3 Adaptations	590,547	-	-	**590,547**	-	*(547,723)*	***42,824***	*(16,675)*
Support activities	-	157,288	-	**157,288**	-	*(166,354)*	***(9,066)***	*(2,626)*
Commercial rents	-	-	59,375	**59,375**	-	-	***59,375***	*59,375*
Tenant participation	-	-	-	**-**	-	-	**-**	-
HOPE	-	-	51,580	**51,580**	-	*(41,547)*	***10,303***	*(4,304)*
Community Anchor	-	-	(2,105)	**(2,105)**	-	*(36,037)*	***(38,142)***	*(22,693)*
Income from Office Lease	-	-	43,800	**43,800**	-	-	***43,800***	*43,800*
Agency management services	-	-	44,855	**44,855**	-	*(40,370)*	***4,485***	*4,772*
Other Activities	-	-	772,111	**772,111**	-	*(752,625)*	***19,486***	*(10,279)*
Shared equity sales	-	-	328,000	**328,000**	-	*(328,000)*	**-**	-
Total from other activities	**1,762,646**	**157,288**	**1,638,077**	***3,558,011***	**-**	***(3,349,267)***	***208,744***	*76,970*
Total from other activities – 2025	1,566,221	148,036	3,850,007	*5,564,264*	-	*(5,487,294)*	*76,970*	

Included within other activities total turnover is insurance claims income totalling £691,613 (2025 : £1,652,448). Similarly, within other activities operating costs are insurance claims costs totalling £692,331 (2025 : £1,650,268).

4b. Particulars of turnover, operating costs and operating surplus/(deficit) from other activities

Association:

	Grants from Scottish Ministers £	*Supporting Income* £	*Other Income* £	*Total turnover* £	*Operating costs bad debts* £	*Operating costs* £	*Operating (deficit) / surplus 2026* £	*Operating (deficit) / surplus 2025* £
Factoring	-	-	318,885	**318,885**	-	*(273,198)*	***45,687***	*24,525*
Care and repair property	1,172,099	-	-	**1,172,099**	-	*(1,142,107)*	***29,992***	*1,075*
Stage 3 Adaptations	557,912	-	-	**557,912**	-	*(511,513)*	***46,399***	*(17,604)*
Support activities	-	157,288	-	**157,288**	-	*(166,354)*	***(9,066)***	*(2,626)*
HOPE	-	-	51,850	**51,850**	-	*(41,547)*	***10,303***	*(4,304)*
Community Anchor	-	-	(2,105)	**(2,105)**	-	*(36,037)*	***(38,142)***	*(22,693)*
Income from Office Lease	-	-	43,800	**43,800**	-	-	***43,800***	*43,800*
Agency management services	-	-	44,855	**44,855**	-	*(40,370)*	***4,485***	*4,772*
Other Activities	-	-	772,111	**772,111**	-	*(752,625)*	***19,486***	*(10,279)*
Shared equity sales	-	-	328,000	**328,000**	-	*(328,000)*	**-**	-
Total from other activities	**1,730,011**	**157,288**	**1,557,396**	***3,444,695***	**-**	***(3,291,751)***	***152,944***	*16,666*
Total from other activities – 2025	1,556,012	148,036	3,700,331	*5,404,379*	**-**	*(5,387,713)*	*16,666*	

Included within other activities total turnover is insurance claims income totalling £691,613 (2025 : £1,572,147). Similarly, within other activities operating costs are insurance claims costs totalling £692,331 (2025 : £1,569,967).

5. Number of units in Management at the year end

		2026	2025
a)	**Housing stock (Group)**	**No.**	No.
	General needs	**5,766**	5,645
	Shared ownership	**371**	374
	Supported housing	**40**	40
		6,177	6,059
b)	**Investment properties (Group)**		
	Office	**2**	2
	Other	**2**	2
	Total	**4**	4
c)	**Housing stock (Association)**		
	New build	**5,275**	5,179
	Shared ownership	**362**	365
	Total	**5,637**	5,544
d)	**Investment properties (Association)**		
	Office	**2**	2
	Total	**2**	2

6. Key Management Personnel (Group and Association)

Key management personnel are defined as the Chief Executive and any other senior staff reporting directly to the Chief Executive.

The number of key management personnel who received emoluments (excluding employers' pension contributions) in excess of £60,000 during the reporting period fell within the following bands:

	No.	No.
£60,000 - £70,000	**-**	1
£70,001 - £80,000	**-**	2
£80,001 - £90,000	**-**	1
£90,001 - £100,000	**-**	-
£100,001 - £110,000	**1**	-
£110,001 - £120,000	**1**	-
£120,001 - £130,000	**-**	-
£130,001 - £140,000	**-**	-
£140,001 - £150,000	**1**	1

	2026	2025
	£	£
Aggregate emoluments for the above key management personnel (excluding pension contributions)	**363,538**	454,270
Aggregate pension contributions in relation to the above key management personnel	**34,559**	40,278
The emoluments of the Chief Executive (excluding pension contributions)	**140,675**	136,825
Aggregate pension contributions made on behalf of the Chief Executive	**15,861**	15,399

6. Key Management Personnel (Group and Association) – continued

In line with the Association's Rules and policies, payments of £8,498 (2025: £14,542) and £5,382 (2025: £2,338) were made to the Chair of the Management Board and Chair of the Audit & Risk Management Committee during the year. No payment or fees or other remuneration was made to any other Management Board members during the year.

The number of Governing Body members who received emoluments during the reporting period fell within the following bands:

	No.	No.
£0 - £5,000	**1**	1
£5,000 - £10,000	**1**	2

7. Employees

All group staff are employed by Caledonia Housing Association. The average monthly number of full time equivalent including key management personnel persons employed (excluding board members) in the year, analysed by category, was as follows:

Group and Association	**Number of employees**	
	2026	2025
Office, administrative and management	**111**	112
Development	**7**	6
Housing Support and Care	**45**	42
	163	160

The aggregate payroll costs of these persons were as follows:	**2026**	2025
	£	£
Wages and salaries	**6,736,314**	6,432,215
Social security costs	**853,736**	679,448
Other pension costs	**629,377**	592,611
Temporary staffing	**50,819**	60,392
	8,270,246	7,764,666

In addition to the above redundancy payments were made to former key management totalling £nil (£131,135).

8. Interest receivable

	2026 Group	**2026 Association**	2025 Group	2025 Association
	£	**£**	£	£
Bank and Building Society interest	**380,711**	**373,132**	328,254	306,265
	380,711	**373,132**	328,254	306,265

9. Interest payable and financing costs

	2026 Group £	2026 Association £	2025 Group £	2025 Association £
Interest arising on:				
Social Housing debt	**5,745,278**	**5,304,952**	6,013,408	5,626,067
Shared Ownership bank loans	**258,003**	**258,003**	273,621	273,621
Defined benefit pension charge (Note 28)	**78,000**	**78,000**	73,000	73,000
	6,081,281	**5,640,955**	6,360,029	5,972,688
Less: interest capitalised on housing properties under construction	**(813,460)**	**(770,200)**	(628,796)	(620,745)
	5,267,821	**4,870,755**	5,731,233	5,351,943

10. Taxation

Group

The Associations both have charitable status for taxation purposes and all income falls within the charitable exemptions.

11. Tangible fixed assets - housing properties (Group)

	Held for letting £	Under Construction £	Completed Shared Ownership £	Total £
Cost				
At 1 April 2025	472,915,229	26,179,129	16,515,695	515,610,053
Works to existing properties	8,151,704	-	-	8,151,704
Additions	-	21,742,846	-	21,742,846
Disposals	(2,440,649)	-	(148,121)	(2,588,770)
Transfers	31,651,510	(31,651,510)		
At 31 March 2026	510,277,794	16,270,465	16,367,574	542,915,833
Depreciation and impairment				
At 1 April 2025	124,793,874	1,104,895	5,561,893	131,460,662
Provided during year	8,614,761	-	304,562	8,919,323
Eliminated on disposals	(1,705,813)	-	(42,458)	(1,748,271)
At 31 March 2026	131,702,822	1,104,895	5,823,997	138,631,714
Net book value				
At 31 March 2026	**378,574,972**	**15,165,570**	**10,543,577**	**404,284,119**
At 31 March 2025	348,121,355	25,074,234	10,953,802	384,149,391

Additions to housing properties included capitalised development administration costs of £865,486 (2025: £836,219) of which development allowances of £nil (2024: £nil) were received in respect of these costs and capitalised. Additions in the year also include an amount of capitalised interest of £813,460 (2025: £628,796). Interest is capitalised at a rate of 4.7% (2025: 5.4%).

Major repairs in the year amounted to £9,546,369 (2025: £3,485,106). Of the total £8,064,412 (2025 £2,966,695) was capitalised and related to replacement of components with enhancements of £87,292 (2025: £9,383). The remaining £1,394,667 (2025: £509,028) was charged to the statement of comprehensive income. Included in the £8,151,704 are assets acquired under the Eco4 scheme totalling £2,498,747 (2025 : £nil) which the Association received at no cost and therefore are recognised as other income.

The total cost of land included above is £64,472,295 (2025: £59,487,897).

12. Tangible fixed assets - housing properties (Association)

	Held for letting £	Under Construction £	Completed Shared Ownership £	Total £
Cost				
At 1 April 2025	407,226,176	21,606,573	16,003,600	444,836,349
Works to existing properties	7,497,442	-	-	7,497,442
Additions	-	20,752,343	-	20,752,343
Disposals	(1,882,138)	-	(148,121)	(2,030,259)
Transfers to complete	26,217,708	(26,217,708)	-	-
At 31 March 2026	439,059,188	16,141,208	15,855,479	471,055,875
Depreciation and impairment				
At 1 April 2025	89,548,548	1,104,895	5,328,562	95,982,005
Provided during year	7,265,859	-	290,937	7,556,796
Eliminated on disposals	(1,230,470)	-	(42,458)	(1,272,928)
At 31 March 2026	95,583,937	1,104,895	5,577,041	102,265,873
Net book value				
At 31 March 2026	**343,475,251**	**15,036,313**	**10,278,438**	**368,790,002**
At 31 March 2025	317,677,628	20,501,678	10,675,038	348,854,344

Additions to housing properties included capitalised development administration costs of £840,214 (2025: £764,806) of which development allowances of £nil (2024: £nil) were received in respect of these costs and capitalised. Additions in the year also include an amount of capitalised interest of £770,200 (2025: £620,745). Interest is capitalised at a rate of 4.7% (2025: 5.4%).

Major repairs in the year amounted to £8,876,472 (2025: £2,929,459). Of the total £7,497,442 (2025: £2,522,052) was capitalised and related to replacement of components. The remaining £1,379,032 (2025: £407,407) was charged to the statement of comprehensive income. Included in the £7,497,442 are assets acquired under the Eco4 scheme totalling £2,498,747 (2025 : £nil) which the Association received at no cost and therefore are recognised as other income.

The total cost of land included above is £59,223,929 (2025: £55,108,939).

13. Tangible fixed assets – other (Group)

	Office Furniture and Equipment £	Scheme Plant and Equipment £	Office Accommodation £	Leasehold Property £	Motor Vehicles £	Total £
Cost						
At 1 April 2025	1,095,042	1,981,318	2,473,879	626,592	71,197	6,248,028
Additions	154,691	84,047	9,972	10,120	-	258,830
Disposals	-	-	-	-	(17,185)	(17,185)
At 31 March 2026	1,249,733	2,065,365	2,483,851	636,712	54,012	6,489,673
Depreciation and impairment						
At 1 April 2025	990,486	993,970	784,075	147,155	71,197	2,986,883
Provided during year	122,775	183,105	30,268	69,466	-	405,614
Eliminated on disposals	-	-	-	-	(17,185)	(17,185)
At 31 March 2026	1,113,261	1,177,075	814,343	216,621	54,012	3,375,312
Net book value						
At 31 March 2026	136,472	888,290	1,669,508	420,091	-	3,114,361
At 31 March 2025	104,556	987,348	1,689,804	479,437	-	3,261,145

14. Tangible fixed assets – other (Association)

	Office Furniture and Equipment £	Scheme Plant and Equipment £	Office Accommodation £	Leasehold Properties £	Commercial Property £	Motor Vehicles £	Total £
Cost							
At 1 April 2025	707,417	1,981,318	608,095	557,035	47,579	71,197	3,972,641
Additions	127,312	84,047	9,972	10,120			231,451
Disposals	-	-	-	-	-	(17,185)	(17,185)
At 31 March 2026	834,729	2,065,365	618,067	567,155	47,579	54,012	4,186,907
Depreciation and impairment							
At 1 April 2025	611,274	993,970	478,881	125,177	1,615	71,197	2,282,114
Provided during year	115,122	183,105	1,015	69,466	323	-	369,031
Eliminated on disposals	-	-	-	-	-	(17,185)	(17,185)
At 31 March 2026	726,396	1,177,075	479,896	194,643	1,938	54,012	2,633,960
Net book value							
At 31 March 2026	108,333	888,290	138,171	372,512	45,641	-	1,552,947
At 31 March 2025	96,143	987,348	129,214	431,858	45,964	-	1,690,527

15. Investment properties (Group)

	2026 £	*2025 £*
At 1 April 2025	**1,613,456**	1,279,305
Transfers from housing properties	**-**	334,151
Additions	**1,419**	-
At 31 March 2026	**1,614,875**	1,613,456

Investment property at Scott Street, which is freehold, was valued at £340,000 on an open market existing use basis at 31 March 2024 by Graham & Sibbald. The reduction in the carrying value of £14,305 has not been reflected in the accounts on the ground of materiality and the property continues to be held at a value of £354,305. The property at Wellbank House was transferred from housing properties in the prior year. The Management Board view that the net book value transferred of £334,151 equates to the property's fair value and thus no revaluation has taken place in the year.

Cordale Housing Association owned two investment properties: An Integrated Healthy Living Centre; a pharmacy and a community hall. The Integrated Healthy Living Centre and the pharmacy were valued in July 2022 at £750,000 and £175,000 respectively on an open market basis by Jones Lang LaSalle Limited. The valuations of these properties are unchanged since their previous valuation in 2019 and continue to be held at that value. The board and EMT feel this is still a fair reflection of the valuations of the properties.

The Management Board do not believe there has been any material change in the value of these properties in the period to 31 March 2025. No depreciation is provided in respect of investment properties.

16. Investment properties (Association)

	2026 £	*2025 £*
At 1 April 2025	688,456	354,305
Transfers from housing properties	-	334,151
Additions	1,419	-
At 31 March 2026	**689,875**	*688,456*

The investment property in the Association is the property at Scott Street and Wellbank House, noted above in note 15.

17. Stock and work in progress

	2026 Group £	2026 Association £	*2025 Group £*	*2025 Association £*
Open Market Shared Equity properties				
As at 1 April 2025	**746,125**	**746,125**	*3,274,152*	*3,274,152*
Additions	**1,505,354**	**1,505,354**	*91,973*	*91,973*
Sales	**(480,000)**	**(480,000)**	*(2,620,000)*	*(2,620,000)*
At 31 March 2026	**1,771,479**	**1,771,479**	*746,125*	*746,125*

18. Debtors

	2026 Group £	2026 Association £	*2025 Group £*	*2025 Association £*
Due < 1 Year				
Rent and service charges receivable	**1,888,685**	**1,716,469**	*1,430,779*	*1,289,084*
Less: bad debt provision	**(1,032,898)**	**(943,989)**	*(916,364)*	*(837,576)*
	855,787	**772,480**	*514,415*	*451,508*
Prepayments and accrued income	**1,536,448**	**1,536,448**	*1,436,006*	*1,436,006*
Other debtors	**261,724**	**165,197**	*138,896*	*42,661*
Amount due from subsidiary undertakings	**-**	**44,453**	-	*35,382*
Grants Receivable	**1,053,055**	**1,053,055**	*1,187,951*	*1,187,951*
	3,707,014	**3,571,633**	*3,277,268*	*3,153,508*

19. Creditors: amounts falling due within one year

	2026 Group £	2026 Association £	*2025 Group £*	*2025 Association £*
Debt (note 22)	**1,930,845**	**1,575,723**	*1,954,211*	*1,593,643*
Trade creditors	**2,482,636**	**2,482,636**	*2,859,856*	*2,859,856*
Other Taxes and Social Security	**187,814**	**187,814**	*161,052*	*161,052*
Rent in Advance	**1,765,178**	**1,489,595**	*1,791,675*	*1,568,443*
Accruals and Deferred Income	**5,567,463**	**5,229,989**	*4,253,499*	*3,383,066*
Pensions	**86,871**	**86,871**	*81,735*	*81,735*
Other Creditors	**89,524**	**71,533**	*205,481*	*186,383*
Deferred capital grants (note 21)	**4,488,580**	**3,493,285**	*4,372,449*	*3,416,614*
	16,598,911	**14,617,446**	*15,679,958*	*13,250,792*

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

	2026 Group £	2026 Association £	*2025 Group £*	*2025 Association £*
Debt (note 22)	**130,352,339**	**123,190,080**	*116,682,365*	*110,144,406*
Deferred capital grants (note 21)	**200,488,570**	**179,192,429**	*191,964,391*	*169,694,042*
	330,840,909	**302,382,509**	*308,646,756*	*279,838,448*

21. Deferred capital grant

	2026 Group £	2026 Association £	*2025 Group £*	*2025 Association £*
Social Housing Grants				
As at 1 April 2025	**196,336,840**	**173,110,656**	*196,901,970*	*174,194,249*
Additions	**13,332,696**	**13,332,696**	*4,905,146*	*3,430,848*
Disposals	**(228,584)**	**(228,584)**	*(1,097,827)*	*(1,097,827)*
Capital grant released in year	**(4,463,802)**	**(3,529,054)**	*(4,372,449)*	*(3,416,614)*
At 31 March 2026	**204,977,150**	**182,685,714**	*196,336,840*	*173,110,656*

21. Deferred capital grant (continued)

Amounts to be released within one year	**4,488,580**	**3,493,285**	*4,372,449*	*3,416,614*
Amounts to be released in more than one year	**200,488,570**	**179,192,429**	*191,964,391*	*169,694,042*
	204,977,150	**182,685,714**	*196,336,840*	*173,110,656*

22. Debt analysis – Borrowings	**2026 Group £**	**2026 Association £**	*2025 Group £*	*2025 Association £*
Creditors: amounts falling due within one year: Bank loans	**1,930,845**	**1,575,723**	*1,954,211*	*1,593,643*
Creditors: amounts falling due after one year: Bank loans	**130,352,339**	**123,190,080**	*116,682,365*	*110,144,406*
	132,283,184	**124,765,803**	*118,636,576*	*111,738,049*

22. Debt analysis – Borrowings (continued)

Caledonia HA
Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are either fixed rates or variable rates linked to SONIA that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

Borrowings mature between 26 September 2029 and 22 March 2058. Fixed rate debt of £115.1m (2025: £90.6m) bear average fixed-rate coupons of 4.17% per annum (2025: 4.33% per annum) and £9.7m (2025: £21.1m) variable rate loans bear average variable-rate coupons of 1.51% above SONIA (2025: 1.39% above SONIA). The Association makes monthly, quarterly and semi-annual interest payments on all bank borrowings.

Borrowings of £124.8M (2025: £111.7M) are secured by specific charges against the Association's housing properties.

Cordale HA
Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are either fixed rates or variable rates linked to SONIA that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

Bank borrowings mature between 23 April 2029 and 3 June 2041. Fixed rate loans of £2.5m (2025: £2.6m) bear average fixed-rate coupons 5.45% per annum (2025: 5.45% per annum) and £5.0m (2025: £4.3m) variable rate loans bear average variable-rate coupons of 1.80% above SONIA (2025: 1.80% above SONIA). The Association makes quarterly interest payments on all bank borrowings.

Bank borrowings of £7.5m (2025: £6.9m) are secured by specific charges against the Association's housing properties.

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

	2026 Group £	**2026 Association £**	*2025 Group £*	*2025 Association £*
In one year or less	**1,930,845**	**1,575,723**	*1,954,211*	*1,593,643*
Between one and two years	**1,914,651**	**1,530,184**	*2,945,862*	*1,563,749*
Between two and five years	**8,154,679**	**4,209,652**	*15,700,536*	*12,760,936*
In five years and more	**120,283,009**	**117,450,244**	*98,035,967*	*95,819,721*
	132,283,184	**124,765,803**	*118,636,576*	*111,738,049*

23. Share capital

Group	2026 No	*2025 No*	2026 £	*2025 £*
Shares of £1 each fully paid				
At 1 April 2025	**173**	*219*	**173**	*219*
Issued in year	**7**	*4*	**7**	*4*
Withdrawn in year	**(36)**	*(50)*	**(36)**	*(50)*
At 31 March 2026	**144**	*173*	**144**	*173*

Association	2026 No	*2025 No.*	2026 £	*2025 £*
Shares of £1 each fully paid				
At 1 April 2025	**133**	*170*	**133**	*170*
Issued in year	**3**	*2*	**3**	*2*
Cancelled in year	**(36)**	*(39)*	**(36)**	*(39)*
At 31 March 2026	**100**	*133*	**100**	*133*

24. Reserves

Reserves of the Association represent the following:

Revenue Reserve
The cumulative surplus / deficit.

25. Commitments under operating leases – Group and Association

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

	2026 Total £	*2025 Total £*
Amounts due:		
Within one year	**122,671**	*78,386*
Between one and five years	**351,050**	*235,159*
After five years	**102,780**	*143,892*
	576,501	*457,437*

During the year £93,913 (2025: £78,386) of payments made under an operating lease were recognised as an expense. The Group has two office leases, one commencing on 27 June 2023 for a period of 6 years and another commencing on 30 November 2023 for a period of 10 years. The Group has 5 leased vehicles with ends of 18 August 2028 and 20 April 2030.

26.	**Notes to the cash flow statement – Group**	**2026**	*2025*
		£	*£*
	Reconciliation of surplus to net cash inflow from activities		
	Surplus for the year	**2,499,757**	*2,042,550*
	Adjustments for non-cash items:		
	Business combination – excess of Fair Value over book value	**-**	-
	Depreciation of tangible fixed assets	**9,324,937**	*8,566,713*
	Amortisation of capital grant	**(4,463,802)**	*(4,372,449)*
	Grants repaid	**(228,584)**	*(1,097,827)*
	Impairment of property held for letting	**-**	*267,823*
	Assets received for no costs	**(2,423,000)**	-
	Loss on disposal of tangible fixed assets	**591,172**	*249,407*
	Gain on disposal of investment property	**-**	-
	Interest received	**(380,711)**	*(328,254)*
	Interest payable	**5,267,821**	*5,731,233*
	Shares issued	**7**	*4*
	Cancelled shares	**(36)**	*(50)*
	Operating cash flows before movement in working capital	**10,187,561**	*11,059,150*
	(Increase) / Decrease in stock	**(1,025,354)**	*2,528,027*
	(Increase) /Decrease in trade and other debtors	**(483,259)**	*2,702,726*
	Increase / (Decrease) in trade and other creditors	**879,712**	*1,318,868*
	(Decrease) / Increase in defined pension benefit liability	**(188,000)**	*(145,000)*
	Cash generated from operations	**9,370,660**	*17,463,770*
	Cash and cash equivalents	**13,518,104**	*9,562,419*
	Short Term Deposits	**58,630**	*33,944*
	Loan Servicing Account	**-**	-
	Cash	**13,576,734**	*9,596,363*

Net debt reconciliation

	1 April 2025	**Cashflow**	**Other Non-cash movements**	**31 March 2026**
Cash at bank and in hand	9,596,363	3,980,371	-	13,576,734
Bank Loan	(1,954,211)	15,433,392	(15,410,026)	(1,930,845)
Debt due within 1 year	(1,954,211)	15,433,392	(15,410,026)	(1,930,845)
Bank Loan	(116,682,365)	(29,080,000)	15,410,026	(130,352,339)
Debt due after 1 year	(116,682,365)	(29,080,000)	15,410,026	(130,352,339)
Total net debt	(109,040,213)	9,666,237	-	(118,706,450)

26.	**Notes to the cash flow statement (continued) – association**	**2026**	*2025*
		£	*£*
	Reconciliation of surplus to net cash inflow from activities		
	Surplus / (Deficit) for the year	**2,287,093**	*1,686,620*
	Adjustments for non-cash items:		
	Business combination – excess of fair value of assets over the fair value of liabilities acquired	**-**	*-*
	Depreciation of tangible fixed assets	**7,925,827**	*7,284,017*
	Amortisation of capital grant	**(3,529,054)**	*(3,416,614)*
	Grants repaid	**(228,584)**	*(1,097,827)*
	Impairment of property held for letting	**-**	*267,823*
	Assets received for no costs	**(2,423,000)**	*-*
	Loss on disposal of tangible fixed assets	**508,005**	*120,411*
	Interest received	**(373,132)**	*(306,265)*
	Interest payable	**4,870,755**	*5,351,943*
	Cancelled shares	**(36)**	*(39)*
	Shares issued	**3**	*2*
	Operating cash flows before movement in working capital	**9,037,877**	*9,890,071*
	Decrease / (Increase) in stock	**(1,025,354)**	*2,528,027*
	Decrease / (Increase) in trade and other debtors	**(418,115)**	*2,701,280*
	Increase / (Decrease) in trade and other creditors	**1,307,903**	*585,633*
	(Decrease) / Increase in defined pension benefit liability	**(188,000)**	*(145,000)*
	Cash generated from operations	**8,714,311**	*15,560,011*
	Cash and cash equivalents	**12,954,432**	*8,187,633*
	Cash	**12,954,432**	*8,187,633*

Net debt reconciliation

	1 April 2025	**Cashflow**	**Other Non-cash movements**	**31 March 2026**
Cash at bank and in hand	8,187,633	4,766,799	-	12,954,432
Bank Loan	(1,593,643)	14,972,246	(14,954,326)	(1,575,723)
Debt due within 1 year	(1,593,643)	14,972,246	(14,954,326)	(1,575,723)
Bank Loan	(110,144,406)	(28,000,000)	14,954,326	(123,190,080)
Debt due after 1 year	(110,144,406)	(28,000,000)	14,954,326	(123,190,080)
Total net debt	(103,550,416)	(8,260,955)	-	(111,811,371)

27. Capital commitments

Group	2026 £	2025 £
Capital expenditure contracted for but not provided in the Financial Statements	**18,181,687**	*20,311,092*
Capital expenditure authorised by the Board but not contracted	**-**	*1,800,000*

Association	2026 £	2025 £
Capital expenditure contracted for but not provided in the Financial Statements	**18,161,687**	*19,417,266*
Capital expenditure authorised by the Board but not contracted	**-**	*1,800,000*

The above expenditure will be funded through Scottish Housing Association grant, internal resources and private finance.

28. Pensions

(a) Defined Contribution

The Association operates a Defined Contribution Pension Scheme. The assets are held separately from the Association in an independently administered fund. The pension cost charge represents the contributions payable by the Association to the fund and amounted to £629,377 (2025: £592,611). Contributions totalling £86,871 (2025: £81,735) were payable to the fund at the year end and are included in creditors.

(b) Scottish Housing Associations' Pension Scheme

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. 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.

Under the defined benefit pension accounting approach, the SHAPS net deficit as at 31 March 2026 is £1,157k (2025: £1,345k) for the Association and £1,157k (2025: £1,345k) for the Group.

28. Pensions (continued)

Fair value of plan assets, present values of defined benefit obligation, and defined benefit liability

	2026 Group (£000s)	*2025 Group (£000s)*	**2026 Association (£000s)**	*2025 Association (£000s)*
Fair value of plan assets	**9,315**	*9,490*	**9,315**	*9,490*
Present value of defined benefit obligation	**(10,472)**	*(10,835)*	**(10,472)**	*(10,835)*
Deficit in plan	**(1,157)**	*(1,345)*	**(1,157)**	*(1,345)*
Unrecognised surplus	**-**	*-*	**-**	*-*
Defined benefit liability	**(1,157)**	*(1,345)*	**(1,157)**	*(1,345)*

Reconciliation of the impact of the asset ceiling	**2026 Group (£000s)**	*2025 Group (£000s)*	**2026 Association (£000s)**	*2025 Association (£000s)*
Impact of asset ceiling at start of period	**-**	-	**-**	-
Effect of the asset ceiling included in net interest cost	-	-	-	-
Actuarial losses (gains) on asset ceiling	-	-	-	-
Impact of asset ceiling at end of period	-	-	-	-

Reconciliation of opening and closing balances of the defined benefit obligation	**2026 Group (£000s)**	*2025 Group (£000s)*	**2026 Association (£000s)**	*2025 Association (£000s)*
Defined benefit obligation at start of period	**10,835**	*11,943*	**10,835**	*11,943*
Expenses	**20**	*19*	**20**	*19*
Interest expense	**616**	*573*	**616**	*573*
Actuarial losses (gains) due to scheme experience	**(352)**	*283*	**(352)**	*283*
Gains due to changes in demographic assumptions	**101**	-	**101**	-
Actuarial gains due to changes in financial assumptions	**(131)**	*(1,424)*	**(131)**	*(1,424)*
Benefits paid and expenses	**(617)**	*(559)*	**(617)**	*(559)*
Liabilities acquired in a business combination	-	-	-	-
Defined benefit obligation at end of period	**10,472**	*10,835*	**10,472**	*10,835*

28. Pensions (continued)

Reconciliation of opening and closing balances of the fair value of plan assets	**2026 Group (£000s)**	*2025 Group (£000s)*	**2026 Association (£000s)**	*2025 Association (£000s)*
Fair value of plan assets at start of period	**9,490**	*10,453*	**9,490**	*10,453*
Interest Income	**538**	*500*	**538**	*500*
Experience on plan assets (excluding amounts included in interest income) – loss	**(116)**	*(923)*	**(116)**	*(923)*
Contributions by the employer	**20**	*19*	**20**	*19*
Contributions by plan participants	**-**	-	**-**	-
Benefits paid and expenses	**(617)**	*(559)*	**(617)**	*(559)*
Assets acquired in a business combination	**-**	-	**-**	-
Fair value of plan of assets at end of period	**9,315**	*9,490*	**9,315**	*9,490*

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 for the Group was a gain of £422,000 (2025: loss of £423,000) and for the Association was a gain of £422,000 (2025: loss of £423,000).

Defined benefit costs recognised in Statement of Comprehensive Income (SOCI)	**2026 Group (£000s)**	*2025 Group (£000s)*	**2026 Association (£000s)**	*2025 Association (£000s)*
Expenses	**20**	*19*	**20**	*19*
Net interest expense	**78**	*73*	**78**	*73*
Losses on business combination	**-**	-	**-**	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	**98**	*92*	**98**	*92*

Defined benefit costs recognised in Other Comprehensive Income	**2026 Group (£000s)**	*2025 Group (£000s)*	**2026 Association (£000s)**	*2025 Association (£000s)*
Experience on plan assets (excluding amounts included in net interest cost) – loss	**(116)**	*(923)*	**(116)**	*(923)*
Experience gains and losses arising on the plan liabilities – (loss) gain	**352**	*(283)*	**352**	*(283)*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain	**(101)**	-	**(101)**	-
Effects of changes in the financial assumptions underlying the present value of the defined obligation – gain	**131**	*1,424*	**131**	*1,424*
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain	**-**	-	**-**	-
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – loss	**266**	*218*	**266**	*218*
Total amount recognised in other comprehensive income – loss	**266**	*218*	**266**	*218*

28. Pensions (continued)

Assets	**Group**		**Association**	
	2026 (£000s)	*2025 (£000s)*	**2026 (£000s)**	*2025 (£000s)*
Global Equity	**1,230**	*1,099*	**1,230**	*1,099*
Credit Relative Value	**-**	*-*	**-**	*-*
Alternative Risk Premia	**-**	*-*	**-**	*-*
Liquid Alternatives	**1,780**	*1,747*	**1,780**	*1,747*
Emerging Markets Debt	**-**	*-*	**-**	*-*
Risk Sharing	**-**	*-*	**-**	*-*
Insurance-Linked Securities	**18**	*36*	**18**	*36*
Property	**486**	*470*	**486**	*470*
Infrastructure	**1**	*2*	**1**	*2*
Private Equity	**20**	*8*	**20**	*8*
Real Assets	**924**	*1,133*	**924**	*1,133*
Private Debt	**-**	*-*	**-**	*-*
Opportunistic Illiquid Credit	**-**	*-*	**-**	*-*
Private Credit	**1,201**	*1,183*	**1,201**	*1,183*
Credit	**425**	*404*	**425**	*404*
Investment Grade Credit	**391**	*434*	**391**	*434*
High Yield	**-**	*-*	**-**	*-*
Opportunistic Credit	**-**	*-*	**-**	*-*
Cash	**4**	*51*	**4**	*51*
Corporate Bond Fund	**-**	*-*	**-**	*-*
Liquid Credit	**-**	*-*	**-**	*-*
Long Lease Property	**-**	*3*	**-**	*3*
Secured Income	**126**	*219*	**126**	*219*
Over 15 Year Gilts	**-**	*-*	**-**	*-*
Liability Driven Investment	**2,570**	*2,672*	**2,570**	*2,672*
Currency Hedging	**-**	*16*	**-**	*16*
Net Current Assets	**139**	*13*	**139**	*13*
Total assets	**9,315**	*9,490*	**9,315**	*9,490*

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

Key assumptions – Association

	31 March 2026 % per annum	*31 March 2025 % per annum*
Discount Rate	**6.08%**	*5.85%*
Inflation (RPI)	**3.31%**	*3.09%*
Inflation (CPI)	**3.03%**	*2.79%*
Salary Growth	**4.03%**	*3.79%*
Allowance for commutation of pension cash at retirement	**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)
Male retiring in 2026	**20.7**	20.2
Female retiring in 2026	**22.9**	22.7
Male retiring in 2046	**21.9**	21.5
Female retiring in 2046	**24.4**	24.2

29. Contingent liabilities

The Association has been notified by the Pensions Trust of the employer debt on withdrawal from the scheme with the latest data provided to 30 September 2025. At this date the debt on withdrawal, calculated on the solvency – or 'buy-out' – basis was £2,554,614 (30 September 2024 - £3,467,255).

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

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

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

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

30. Auditors remuneration

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2026	*2025*
	£	**£**
Audit services – statutory audit – Group	**62,895**	*52,129*
Other services – Group	**13,740**	*3,330*
	76,635	*55,459*

31. Related party disclosures

Group

During the year, three Management Committee members were also tenants of Cordale or Caledonia Housing Association Limited. Their tenancies are on normal commercial terms. The amount of rent receivable from tenant members for the year ended 31 March 2026 was £14,476 (2025: £22,954). At the year-end there were £nil (2025: £327) of rent arrears due from these tenant members and £nil (2025: £nil) of rent in advance due.

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

Association

The Association provides management services to Cordale Housing Association. Management Charges and recharged salary costs of £629,294 (2025: £580,377) were charged in the year. At the year end Cordale Housing Association owed

31. Related party disclosures - continued

the Association a net amount of £44,453 (2025: £35,382) in respect of management services provided and expenditure incurred on behalf of Cordale Housing Association by the Association.

The Association is also a member of Upper Dens Landscaping Limited, which is a company limited by guarantee. There are four Directors appointed two of which are employees of the Association. During the year, £7,393 (2025: £9,388) was paid to Upper Dens Landscaping Limited.

One Management Board member is also a tenant of the Association. Their tenancy is on normal commercial terms. During the year £5,792 (2025: £5,357) of rent was receivable from this tenant member. At the year-end there were £nil (2025: £nil) of rent arrears due from this tenant member.

In line with the Association's Rules and polices, during the year remuneration of £8,498 (2025: £14,542) and £5,382 (2025: £2,338) was paid to the Chair of the Management Board and the Chair of the Audit and Risk Management Committee respectively.

Some board members are employees of related local authorities and other related public or commercial entities. Any transactions with these related parties are made at arm's length, on normal commercial terms and board members cannot use their position to their advantage.