CORDALE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2026

Registered Housing Association No: HCB 259

FCA Reference No: 2411R (S)

Scottish Charity No: SC032859

CORDALE HOUSING ASSOCIATION LIMITED

Report and Financial Statements
For the year ended 31 March 2026

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Management Committee, Executives and Advisers

The Management Committee present their report and audited Financial Statements for the year to 31 March 2026.

Principal Activity

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

Members of the Management Committee

M McCallion (Appointed Chair 19/8/25 resigned Vice Chair 19/8/25)
M McLay (Appointed Vice Chair 19/8/25 Resigned Chair 19/8/25)
V Hamilton
E Farren
T Ewing
S Murray (Resigned 16/9/25)
S Wain
A Culley (Resigned 9/12/25)
D Robertson (Resigned 9/12/25)
D Fairley
M Currie (Co-opted 9/12/25)
J Shan (Co-opted 9/12/25)
J Dow (Co-opted 9/12/25)
N McMillan (Co-opted 9/12/25)

Secretary

B Johnstone

Executive Officer

J Cosgrove

Registered Office
167 Main Street
Renton
West Dunbartonshire
G82 4PF

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

Bankers
Royal Bank of Scotland
37 High Street
Dumbarton
G82 1LX

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

Report of the Management Committee
For the year ended 31 March 2026

Management Committee and Executive Officer
The members of the Management Committee and the Executive Officer are listed on page 1.

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officer holds no interest in the Association's share capital and, although not having the legal status of a director, acts as an executive within the authority delegated by the Management Committee.

The members of the Management Committee are also trustees of the Charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Some members of the Management Committee are tenants. Their tenancies are on the Association's normal tenancy terms and the Committee members are precluded from using their positions to their advantage.

Statement of Management Committee's responsibilities
The Co-operative and Community Benefit Societies Act 2014 and Registered Social Housing Association Legislation requires the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period. In preparing these Financial Statements, the Management Committee is required to:

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

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

- safeguarding assets
- taking reasonable steps for the prevention and detection of fraud and other irregularities
- the maintenance and integrity of the corporate and financial information included on the Association's website

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2019.

Statement on internal financial control
The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

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

It is the Management Committee's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

Report of the Management Committee
For the year ended 31 March 2026

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

The Management Committee 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.

Review of business and future developments
Cordale Housing Association ('Cordale HA') owns and manages 540 (2025: 515) high quality affordable homes in Renton, West Dunbartonshire for people in housing need. The Association became a wholly owned subsidiary of Caledonia Housing Association on 1 April 2014.

Caledonia Housing Association is one of Scotland's leading providers of high-quality affordable homes with over 5,600 homes owned and managed across Tayside, Fife, East & West Dunbartonshire, and the Highlands making them one of Scotland's largest Housing Associations.

Being part of the Caledonia Group, Cordale HA benefits from a range of specialist services, expertise and economies of scale, whilst retaining the ability to address local priorities by maintaining a local presence in Renton to support the effective provision of tenant services.

The Association has continued to operate in a challenging and volatile economic environment experiencing high levels of both inflation and interest rates. The challenging economic environment remains central to our business planning and financial management priorities to ensure the ongoing financial strength and viability of the Association.

Report of the Management Committee
For the year ended 31 March 2026

Strategic Objectives

In general terms Caledonia Group's strategic objectives have been adopted by Cordale HA but in recognition of the specific requirements of the organisation and the community which it serves these objectives have been tailored to take into account local issues and priorities.

Our Group strategy incorporates 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		
STRATEGIC OBJECTIVES	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.

Report of the Management Committee
For the year ended 31 March 2026

Financial Review

Cordale Housing Association achieved an operating surplus for the year of £602k (2025: £713k) and a net surplus of £213k (2025: £356k).

The Association's net rental income for the year increased to £2,914K (2025: £2,728k), mainly as a result of the rental increase for the year of 4.0% plus the additional service charge income. Rent losses on voids increased to £52k for the year (2025: £19k), these results are within budget. Despite the challenges faced by tenants as a result of the Cost of Living Crisis, income lost through rent and service charge bad debts has increased to £17k (2025: £7k).

The operating environment remained challenging throughout the financial year with inflationary pressures being felt across all areas of expenditure. However, through regular monitoring and management the Association's expenditure was broadly in line with the prior year and the annual budget. Expenditure pertaining to letting was £3,219k (2025: £2,902K). The main increases were depreciation due to the Dalquhurn handovers and within reactive maintenance due to increased units, inflation and a challenging operating environment.

The Association's interest payable and financing costs have increased by 5% to £397k (2025: £379k) due to increased borrowing required to complete the Dalquhurn development. At 31 March 2026, the Association's revenue reserves amounted to £8,298K (2025: £8,086k), an increase of £213k (2025: £355k), being the surplus generated during the period. The Association had mixed performance against KPIs as noted on page 9.

Going Concern

The Association continues to maintain strong positive cash inflows from its core operating activities, and in spite of the continued economic volatility and uncertainty, the financial health of the Association remains strong.

The Management Committee and Executive Directors continue to carefully monitor the financial position and cash flow projections of the Association and its longer-term financial outlook. Some financial pressures have shown indications of easing with interest rates falling and inflation stabilising. The Association however remain cautious due to continuing supply chain pressures, long term political uncertainty and continuing global uncertainties.

At the year end the Association has a net liability position of £1,224k. This is caused by £995k in deferred capital grants which will be released to the SOCI in 2026/27 plus an additional £39k in HAG to be recycled, which are non-cash transactions. Additionally, there was £276k in rents paid in advance which are unlikely to result in cash outflows. Moreover, there is £93k in creditors in relation to the Dalquhurn development and there are £1.5M in undrawn RCF facilities to fund activities. Hence, this position has been addressed.

Our business plan projections incorporate prudent assumptions on levels of rent voids and rent arrears, which negatively impact the Association's projected income. Appropriate adjustments have also been made to our investment plans to ensure the ongoing financial position of the Association and to ensure compliance with our lenders' financial covenants. The Management Committee is satisfied, on the basis of stress testing and scenario planning, that it remains appropriate to prepare the accounts on a going concern basis.

Report of the Management Committee
For the year ended 31 March 2026

Risk Management
As part of the Caledonia Group, Cordale HA has adopted a comprehensive risk management policy which details how corporate risks are identified, assessed in terms of importance and the steps taken in mitigation. The resultant risk map is reviewed in detail by the Group Audit & Risk Management Committee, informs the internal audit needs assessment and is presented for review to the Cordale HA Committee of Management. Actions to mitigate existing and emerging risks are reviewed regularly by the Group Audit & Risk Management Committee and reported to the appropriate management group.

The Group Audit & Risk Management Committee has determined that the key risks facing the Association are:

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

Risk	Approach to Mitigation
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 Association monitors corporate performance in terms of finance and housing operations. A range of financial and non-financial ratios and indicators are produced on a quarterly basis which are used to monitor how the organisation is performing and more importantly initiate corrective action in under-performing areas.

Report of the Management Committee
For the year ended 31 March 2026

Indicators	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%

Indicators were set for the year to 31 March 2026 based on historic and benchmark material, with targets agreed by the Management Committee. The Association had mixed performance against these targets due to a challenging operating environment. The void loss 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.

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

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

By order of the committee

M McCallion

Margaret McCallion
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORDALE HOUSING ASSOCIATION LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORDALE HOUSING ASSOCIATION LIMITED (CONTINUED)

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 Management Committee is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Management Committee

As explained more fully in the Management Committee's responsibilities statement set out on pages 2-3, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORDALE HOUSING ASSOCIATION LIMITED (CONTINUED)

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

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

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

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

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

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the Association operates in and how the Association is 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORDALE HOUSING ASSOCIATION LIMITED (CONTINUED)

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 **01/09/26**

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

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

In addition to our audit of the Financial Statements, we have reviewed your statement on Pages 2 and 3 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion
We carried out our review having regard to the requirements 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 2 and 3 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

RSM UK Audit LLP

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

Date **01/09/26**

Statement of Comprehensive Income
For the year ended 31 March 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Turnover	**2**		3,962,066		3,843,312
Operating expenditure	**2**		(3,276,748)		(3,001,115)
Loss on disposal of housing assets			(83,167)		(128,966)
Operating surplus			602,151		713,231
Gain on sale of investment property			-		-
Interest receivable		7,579		21,989	
Interest payable and financing costs	**5**	(397,066)		(379,290)	
			(389,487)		(357,301)
Surplus for the year			212,664		355,930
Total comprehensive income for the Year			212,664		355,930

All amounts relate to continuing activities.

The notes on pages 19 to 32 form part of these Financial Statements.

Statement of Financial Position
As at 31 March 2026

	Notes	2026		2025	
		£	£	£	£
Fixed assets					
Housing properties	**7(a)**		35,494,117		35,295,047
Other tangible fixed assets	**7(b)**		1,561,414		1,570,618
Investment properties	**8**		925,000		925,000
			37,980,531		37,790,665
Current assets					
Trade and other debtors	**9**	179,834		159,142	
Cash and cash equivalents		622,302		1,408,730	
		802,136		1,567,872	
Current liabilities					
Creditors: Amounts falling due within one year	**10**	(2,025,918)		(2,464,548)	
Net current assets / (liabilities)			(1,223,782)		(896,676)
Total assets less current liabilities			36,756,749		36,893,989
Creditors: Amounts falling due after more than one year	**11**		(28,458,400)		(28,808,308)
Total net assets			8,298,349		8,085,681
Capital and reserves					
Share capital	**14**		44		40
Revenue reserves			8,298,305		8,085,641
			8,298,349		8,085,681

The Financial Statements were approved and authorised for issue by the Management Committee on 11 August 2026 and were signed on its behalf on 11 August 2026 by:

V Hamilton	**Committee member**
M McCallion	**Chairperson**
B Johnstone	**Company Secretary**

The notes on pages 19 to 32 form part of these Financial Statements.

Statement of Changes in Reserves
For the year ended 31 March 2026

	Share capital £	Income and expenditure reserve £	Total £
Balance at 1 April 2024	49	7,729,711	7,729,760
Issued in the year	2	-	2
Cancelled in the year	(11)	-	(11)
Total comprehensive income for the year	-	355,930	355,930
Balance as at 31 March 2025	**40**	**8,085,641**	**8,085,681**
Issued in the year	4	-	4
Cancelled in the year	-	-	-
Total comprehensive income for the year	-	212,664	212,664
Balance at 31 March 2026	**44**	**8,298,305**	**8,298,349**

Statement of Cashflows
For the year ended 31 March 2026

	Notes	2026 £	2025 £
Net cash generated from operating activities	**15**	656,349	1,903,759
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(1,672,144)	(4,274,930)
Grants received		-	1,474,298
Interest received		7,579	21,989
NET CASH (USED IN) / GENERATED FROM INVESTING ACTIVITIES		(1,664,565)	(2,778,643)
CASH FLOW FROM FINANCING ACTIVITIES			
New loans secured		1,080,000	1,400,000
Interest paid		(397,066)	(379,290)
Repayments of borrowings		(461,146)	(365,463)
NET CASH GENERATED FROM FINANCING ACTIVITIES		221,788	655,247
NET DECREASE IN CASH AND CASH EQUIVALENTS		(786,428)	(219,637)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1,408,730	1,628,367
CASH AND CASH EQUIVALENTS AT END OF YEAR	**15**	622,302	1,408,730

Notes to the Financial Statements
For the year ended 31 March 2026

1. Principal accounting policies

Legal status
The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010.

The address of the company's registered office and principal place of business is 167 Main Street, Renton, West Dunbartonshire, G82 4PF.

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

Cordale Housing Association Limited is a Public Benefit Entity.

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

The Financial Statements are prepared in Sterling which is the functional currency of the Association. Monetary amounts in these Financial Statements are rounded to the nearest £.

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 - see depreciation and impairment
- Components of housing properties - see depreciation and impairment
- The measurement of the recoverable amount of assets for impairment reviews - see depreciation and impairment
- Recoverable amount of rent arrears and other debtors - see financial instruments
- Amortisation of Government Grants – see government grants
- Gain or loss on sale of housing properties is deemed to be part of operating activities unless exceptional and out with the Association's strategic plan

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 Strategic Objectives 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 and liquidity position. It also reports on the Association's response and resilience in respect of the current economic climate which has delivered continued costs of living challenges and inflationary pressures. The Association does have a net liability as at 31 March 2026 which has been addressed as per page 9.

The Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these Financial Statements.

Notes to the Financial Statements
For the year ended 31 March 2026

1. Principal accounting policies (continued)

Turnover
Turnover represents rental and service charge income, factoring service income, and fees or revenue grants receivable from local authorities and from the Scottish Government. Also included is any income from first tranche shared ownership disposals.

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

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

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 on a pro-rata basis (excluding land) 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.

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

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

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

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

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

Capitalisation of development overheads
Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

Notes to the Financial Statements
For the year ended 31 March 2026

1. Principal accounting policies (continued)

Sales of housing properties
First tranche shared ownership disposals are credited to turnover on sale. The cost of construction of these sales on disposal is taken to operating costs. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as fixed asset disposals with the gain or loss on disposal shown in the Income and Expenditure Account.

Assets under construction
Assets in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.

Depreciation of housing properties
Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. The following major components and useful lives have been identified by the Association:

Land	–	not depreciated
Structure	–	over 50 years
Roof	–	over 50 years
Bathrooms	–	over 30 years
Windows	–	over 25 years
Kitchens	–	over 15 years
Heating systems and boilers	–	over 20 years
Doors	–	over 25 years
Lighting	–	over 15 years
Renewables	--	over 10-20 years

Depreciation of other fixed assets
Other fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Office premises	-	60 years
Furniture and equipment	-	3 – 5 years
Estates equipment	-	3 years

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.

Investment properties
Investment properties (including properties held under an operating lease) consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value. Changes in fair value are recognised in income and expenditure. Disposals of investment properties are recorded below the operating surplus as they are out with the normal operations of the Association.

Notes to the Financial Statements
For the year ended 31 March 2026

1. Principal accounting policies (continued)

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.

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 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 profit or loss 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.

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

Provisions
Provisions are recognised when the Association 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.

Notes to the Financial Statements
For the year ended 31 March 2026

2. Particulars of turnover, cost of sales, operating costs and operating surplus

	2026				2025			
	Turnover £	Operating costs £	Loss on sale of fixed assets £	Operating surplus / (deficit) 31 March 2026 £	Turnover £	Operating costs £	Loss on sale of fixed assets £	Operating surplus / (deficit) 31 March 2025 £
Affordable lettings (Note 3)	3,848,750	(3,219,232)	-	629,518	3,683,427	(2,901,534)	-	781,893
Other activities (Note 4)	113,316	(57,516)	-	55,800	159,885	(99,581)	-	60,304
Loss on disposal of fixed assets	-	-	(83,167)	(83,167)	-	-	(128,966)	(128,966)
Total	3,962,066	(3,276,748)	(83,167)	602,151	3,843,312	(3,001,115)	(128,966)	713,231

Notes to the Financial Statements
For the year ended 31 March 2026

3. Particulars of income and expenditure from affordable letting

	General needs housing £	Supported housing £	Shared ownership £	2026 Total £	2025 Total £
Income from lettings					
Rent receivable net of service charges	2,424,386	237,852	30,094	2,692,332	2,492,381
Service charges receivable	34,835	238,844	-	273,679	254,442
Gross rents receivable	2,459,221	476,696	30,094	2,966,011	2,746,823
Losses from voids	(38,119)	(13,890)	-	(52,009)	(19,231)
Net rents receivable	2,421,102	462,806	30,094	2,914,002	2,727,592
Grants released from deferred income	831,926	93,475	9,347	934,748	955,835
Total income from affordable letting	3,253,028	556,281	39,441	3,848,750	3,683,427
Expenditure on affordable letting activities					
Service costs	27,120	230,993	-	258,113	240,181
Management and maintenance administration costs	757,059	85,063	8,506	850,628	744,851
Planned and cyclical maintenance including major repairs costs	161,032	5,049	-	166,081	268,277
Reactive maintenance costs	510,333	43,237	-	553,570	386,677
Bad debts – rents and service charges	11,018	6,072	-	17,090	6,718
Bad debts – rechargeable repairs	11,223	-	-	11,223	3,622
Depreciation of affordable housing	1,212,649	136,253	13,625	1,362,527	1,251,208
Operating costs of affordable letting	2,690,434	506,667	22,131	3,219,232	2,901,534
Operating Surplus on affordable letting activities 2026	562,594	49,614	17,310	629,518	
Operating Surplus on affordable letting activities 2025	689,510	77,078	15,305		781,893

Notes to the Financial Statements for the year ended 31 March 2026

4. Particulars of turnover, operating costs and operating surplus or deficit from other activities

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total turnover £	Operating costs bad debts £	Operating costs Other £	Operating surplus/ (deficit) 2026 £	Operating surplus/ (deficit) 2025 £
Factoring	-	-	-	21,306	**21,306**	-	(21,306)	**-**	**-**
Commercial rents	-	-	-	59,375	**59,375**	-	-	**59,375**	**59,375**
Stage 3 adaptations	32,635	-	-	-	**32,635**	-	(36,210)	**(3,575)**	**929**
Other activities	-	-	-	-	**-**	-	-	**-**	**-**
Tenant participation	-	-	-	-	**-**	-	-	**-**	**-**
Total from other activities 2026	32,635	-	-	80,681	**113,316**	-	(57,516)	**55,800**	
Total from other activities 2025	10,209	-	-	149,676	**159,885**	-	(99,581)		**60,304**

Notes to the Financial Statements
For the year ended 31 March 2026

5.	**Interest payable and financing costs**	**2026**	**2025**
		£	**£**
	Interest arising on:		
	Bank loans and overdrafts	**440,326**	387,341
	Less: interest capitalised on housing properties under construction	**(43,260)**	(8,051)
		397,066	379,290

6.	**Operating surplus**	**2026**	**2025**
		£	**£**
	The operating surplus is stated after charging/(crediting):		
	Depreciation of housing properties	**1,362,527**	1,251,208
	Depreciation of other tangible fixed assets	**36,583**	31,488
	Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
	Audit services	**16,500**	17,538

The Association is a registered Scottish charity and is not liable to corporation tax on its charitable activities.

On 1 April 2020, the employees of Cordale HA transferred their employment status to Caledonia HA. As a result of the transfer Caledonia HA incurs all of the staff costs within the Group, and recharges an agreed proportion of those costs to Cordale HA.

Notes to the Financial Statements
For the year ended 31 March 2026

7. Tangible fixed assets

		Housing properties held for letting £	Under construction £	Completed shared ownership properties £	Total £
(a)	**Housing properties**				
	Cost				
	As at 1 April 2025	55,859,828	4,572,556	512,100	60,944,484
	Additions	654,262	990,503	-	1,644,765
	Transfers	5,433,802	(5,433,802)	-	-
	Disposals	(558,511)	-	-	(558,511)
	As at 31 March 2026	61,389,381	129,257	512,100	62,030,738
	Depreciation				
	As at 1 April 2025	25,380,020	-	269,417	25,649,437
	Charge for year	1,348,902	-	13,625	1,362,527
	Disposals	(475,343)	-	-	(475,343)
	As at 31 March 2026	26,253,579	-	283,042	26,536,621
	Net book value				
	As at 31 March 2026	35,135,802	129,257	229,058	35,494,117
	As at 31 March 2025	30,479,808	4,572,556	242,683	35,295,047

Additions to housing properties included capitalised development administration costs of £25,272 (2025: £71,413) of which development allowances of £nil (2025: £nil) were received in respect of these costs and capitalised. Additions to housing properties in the year also include an amount of capitalised interest of £43,260 (2025: £8,051).

Major repairs in the year amounted to £669,897 (2025: £555,647). Of the total £566,970 (2025: £444,643) were capitalised and related to replacement of components with enhancements of £87,292 (2025: £9,383). The remaining £15,635 (2025: £101,621) was charged to the statement of comprehensive income.

The total cost of land included above is £5,248,366 (2025: £4,378,958).

Notes to the Financial Statements
For the year ended 31 March 2026

7. Tangible fixed assets (continued)

		Office premises £	Furniture & equipment £	Total £
(b)	**Other tangible assets**			
	Cost / valuation			
	As at 1 April 2025	1,735,771	189,492	1,925,263
	Additions	-	27,379	27,379
	Disposals	-	-	-
	As at 31 March 2026	1,735,771	216,871	1,952,642
	Aggregate depreciation			
	As at 1 April 2025	173,567	181,078	354,645
	Charge for the year	28,930	7,653	36,583
	As at 31 March 2026	202,497	188,731	391,228
	Net book value			
	As at 31 March 2026	1,533,274	28,140	1,561,414
	As at 31 March 2025	1,562,204	8,414	1,570,618

8. Investment properties

	2026 £	2025 £
At 1 April 2025 and 31 March 2026	**925,000**	925,000

As at 1 April 2023, the Association owned two investment properties; a GP surgery, and a pharmacy.

The GP surgery 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 board and EMT feel this is still a fair reflection of the valuations of the properties.

9. Debtors

	2026 £	2025 £
Arrears of rent and service charges	**172,216**	141,695
Less: Provision for doubtful debts	**(88,909)**	(78,788)
	83,307	62,907
Other debtors	**96,527**	96,235
	179,834	159,142

Notes to the Financial Statements
For the year ended 31 March 2026

10. Creditors – amounts falling due within one year	2026 £	2025 £
Loans (note 13)	**355,122**	360.568
Rent in advance	**275,583**	223,232
Amounts due to group undertakings	**44,453**	35,382
Other creditors	**17,991**	19,098
Deferred capital grants (note 12)	**995,295**	955,835
Accruals and deferred income	**337,474**	870,433
	2,025,918	2,464,548

11. Creditors – amounts falling due after more than one year	2026 £	2025 £
Loan (note 13)	**7,162,259**	6,537,959
Deferred capital grants (note 12)	**21,296,141**	22,270,349
	28,458,400	28,808,308

12. Deferred capital grant	2026 £	2025 £
As at 1 April 2025	**23,226,184**	22,707,721
Grant received during the year	**-**	1,474,298
Grant repaid during the year	**-**	-
Capital grant released during the year	**(934,748)**	(955,835)
As at 31 March 2026	**22,291,436**	23,226,184
Amounts to be released within one year	**995,295**	955,835
Amounts to be released in more than one year	**21,296,141**	22,270,349
	22,291,436	23,226,184

13. Debt analysis - Borrowings	2026 £	2025 £
Creditors: amounts falling due within one year:		
Bank loans	**355,122**	360,568
Creditors: amounts falling due after one year:		
Bank loans	**7,162,259**	6,537,959
	7,517,381	6,898,527

Notes to the Financial Statements
For the year ended 31 March 2026

13. Debt analysis – Borrowings (continued)

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 £	2025 £
Within one year	**355,122**	360,568
Between one and two years	**384,467**	1,382,113
Between two and five years	**3,945,027**	2,939,600
In five years or more	**2,832,765**	2,216,246
	7,517,381	6,898,527

14. Share capital

	2026 £	2025 £
Shares of £1 each issued and fully paid		
At 1 April 2025	**40**	49
Issued in the year	**4**	2
Cancelled in the year	**-**	(11)
At 31 March 2026	**44**	40

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

Notes to the Financial Statements
For the year ended 31 March 2026

15.	**Notes to the cash flow statement**	**2026**	**2025**
		£	**£**
	Reconciliation of surplus to net cash inflow from activities		
	Surplus for the year	**212,664**	355,930
	Adjustments for non-cash items:		
	Depreciation of tangible fixed assets	**1,399,110**	1,282,696
	Amortisation of capital grant	**(934,748)**	(955,835)
	Loss on disposal of fixed assets	**83,167**	128,996
	Gain on disposal of investment property	**-**	-
	Interest received	**(7,579)**	(21,989)
	Interest payable	**397,066**	379,290
	Shares issued	**4**	2
	Shares cancelled	**-**	(11)
	Operating cash flows before movement in working capital	**1,149,684**	1,169,079
	Increase in trade and other debtors	**(20,691)**	36,828
	(Decrease)/increase in trade and other creditors	**(472,644)**	697,852
	Cash generated from operations	**656,349**	1,903,759

	2026	**2025**
	£	**£**
Cash and cash equivalents		
Cash at bank	**563,672**	**1,374,786**
Short-term deposits	**58,630**	**33,944**
Loan servicing account	**-**	**-**
	622,302	**1,408,730**

Net debt reconciliation	**1 April 2025**	**Cashflow**	**Other non-cash movements**	**31 March 2026**
Cash at bank and in hand	1,408,730	(786,428)	-	**622,302**
Bank Loan	(360,568)	461,146	(455,700)	(355,122)
Debt due within 1 year	(360,568)	461,146	(455,700)	(**355,122**)
Bank Loan	(6,537,959)	(1,080,000)	455,700	(7,162,259)
Debt due after 1 year	(6,537,959)	(1,080,000)	455,700	(**7,162,259**)
Total net debt	(5,489,797)	(1,405,282)	-	**(6,895,079)**

Notes to the Financial Statements
For the year ended 31 March 2026

16a)	**Housing stock**		**2026**	**2025**
			£	**£**
	The number of units of accommodation in management at the year end was:			
	General needs	- New build	**430**	405
		- Rehabilitation	**61**	61
	Shared ownership		**9**	9
	Supported housing		**40**	40
			540	515

16b)	**Investment properties**		
	Other	**2**	2
	Total	**2**	2

17. Related party transactions

During the year, two (2025: four) Management Committee members are also tenants of the Association. Their tenancies are on normal commercial terms. The amount of rent receivable from tenant members for the year ended 31 March 2026 was £8,684 (2025: £17,401). At the year-end there was £nil (2025: £369) of rent arrears due from one (2025: one) tenant members and £200 (2025: £327) of rent in advance due to one (2025: two) tenant member.

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.

At the year end, the Association owed Caledonia Housing Association Limited, the Association's 100% parent, a net amount of £44,453 (2025: £35,382) in respect of salaries and administration expenses incurred.

During the year the Association paid £629,294 (2025: £580,377) to Caledonia Housing Association Limited in respect of recharged salary and administration costs.

18. Capital commitments	**2026**	**2025**
Capital expenditure authorised but not contracted	-	893,826

There were no capital commitments at the year end.

19. Controlling Party

The Association is a wholly owned subsidiary of Caledonia Housing Association.

Caledonia Housing Association is the smallest and largest Association for which consolidated accounts including Cordale Housing Association are prepared. The consolidated accounts of Caledonia Housing Association Limited are available from its registered office - Suite 4, Saltire House, 3 Whitefriars Crescent, Perth, PH2 0PA

The members consider that the controlling party of the Association is Caledonia Housing Association Limited.