AZETS

FYNE HOMES LIMITED

GROUP ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

FYNE HOMES LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE OFFICERS, AND ADVISERS

Management Committee

S MacLeod, Chairperson
D Herriott, Vice Chairperson
A Jones, Secretary (resigned 18 August 2025)
J S McMillan
P Wallace
A C Harrison
D Philand
P Cartwright (deceased 8 April 2025)
J Thomson
S Gillies (elected 19 September 2025)
D Cowan (elected 19 September 2025)
R Henshelwood (resigned 30 April 2025)

Secretary

E MacCallum, Corporate Manager (appointed 20 August 2025)

Executive Officers
I MacPhail, Chief Executive
J McAlister, Technical Services Director
S Cole, Business Services Director
T Robertson, Housing Services Director (resigned 5 April 2025)
L Haemmerle, Human Resources Director
Y Angus, Housing Services Director (appointed 28 July 2025)

Bankers
Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Registered Office
81 Victoria Street
Rothesay
Isle of Bute
PA20 0AP

Auditor
Azets Audit Services Limited
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Solicitors
T C Young
Solicitors
7 West George Street
Glasgow
G2 1BA

Internal auditor
TIAA Limited
Artillery House
Fort Fareham
Newgate Lane
Fareham
PO14 1AH

FYNE HOMES LIMITED

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Registration information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered number 1454 R (S)
The Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered number 321
Recognised Scottish Charity	SC009152

REPORT OF THE MANAGEMENT COMMITTEE (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2026

The Management Committee present their report (incorporating the Strategic Report) and the audited financial statements for the year ended 31 March 2026.

Principal activities

The principal activity of the Association is the provision of social rented accommodation. The Association has three subsidiary companies, Fyne Futures, Fyne Initiatives Limited and Fyne Energy Limited.

Fyne Futures is a charitable company whose principal activities were focused on environmental sustainability, namely Reuse, Local Produce and Car Club activities which provided employment and training opportunities. The charitable company also delivered a Carbon Reduction programme and performed wider role activities providing support to a range of community regeneration projects across the operational area.

During the year, after agreement of the Management Committee of Fyne Homes Limited and the Board of Fyne Futures, the Fyne Futures ceased its activities with all residual assets and liabilities being transferred into Fyne Homes Limited.

Fyne Initiatives Limited is a company whose principal activities are to provide design and build services to the Association and the rental of commercial property.

Fyne Energy Limited's principal activity is that of electricity generation.

Objectives and Strategy

Fyne Homes Corporate Plan identified three main objectives, and this is incorporated into our strategy. These objectives are as follows:

- Meet the needs and aspirations of our customers.
- Meet the housing needs of our customers; and
- Ensure we maintain value for money.

Review of business and future developments

Association

At 31 March 2026 Fyne Homes Limited made a surplus of £2,200,536 (2025: £1,066,886). During the year Fyne Homes Limited invested £1,590,710 (2025: £2,240,041) in property improvements and continues to provide quality affordable housing.

Ballochgoy, Rothesay went on site July 2025 and Phase 10, Baddens, Lochgilphead on site January 2026

As at 31 March 2026, 84.09% of our stock met the Scottish Housing Quality Standard.

The Management Committee is satisfied with the progress of the Association over the past year.

Fyne Futures

The charitable company generated a deficit in funds of £767,810 (2025: deficit of £25,113) for the year. The net assets of the charitable company were £nil on 31 March 2026 (2025: £767,810).

Review of business and future developments (continued)

Fyne Initiatives Limited
The profit after providing for taxation amounted to £12,002 (2025: profit of £9,897). The company continues to provide design and build services to the Association as well as generate rental income from its commercial properties. Fyne Initiatives has net liabilities of £26,770 (2025: net liabilities of £38,772).

Fyne Energy Limited
Fyne Energy Limited, was incorporated on 1 April 2016 in order to run the Kintyre Wind project. Construction was completed in year ended 31 March 2019 and electricity is now being generated. The profit after providing for taxation for the year to 31 March 2026 amounted to £859,711 (2025: £282,369) and the net assets were £742,808 (2025: £483,097).

Risk and Uncertainties

Within Fyne Homes Limited's Risk Register we have identified the following risks which are significant to the Association:

- The financial impact of interest rates and pension contributions increasing;
- Adverse changes to the operating environment;
- Changes in welfare benefits;
- Loss of IT systems; and
- Pandemic or further Covid outbreak.

These risks are mitigated as far as possible by the Association and are monitored on a quarterly basis.

Financial and non-financial key performance indicators

The financial and non-financial KPIs used to monitor the performance of the Association are as follows:

- Meeting our financial covenants with lenders – this was achieved this year and in 2024/25;
- Meeting void targets of 28 days – this was not achieved in 2025/26 as the average void period was 50.31 days (2024/25: 43.24 *days*);
- Achieving a rent loss target of 2% - this was achieved in 2025/26 the rent loss was 1.55% of total rental income including service charges (2024/25: 1.82%). If you exclude our decant properties used during major works in 2025/26 the rental loss would be 0.98% (2024/25: 1.29%);
- Our internal target of completing 95% of emergency repairs within 6 hours was achieved in 2025/26 with a completion rate of 98% (2024/25: completion rate of 97%); and
- Our internal target of completing 95% of urgent repairs within 3 working days was not achieved in 2025/26 with a completion rate of 81% (2024/25: 82%) which was out with our control as we were unable to gain access to some properties and contractor resource issues which have been addressed and monitored..

Fyne Homes Limited like other RSLs completes the annual return on the Scottish Social Housing Charter. The Charter sets out the standards and outcomes that we are aiming to achieve in relation to: - Equalities, Customer & Landlord Relationship, Housing Quality and Maintenance, Neighbourhood and Community, Access to Housing & Support and Good Value from Rents and Service Charges. Each year the Scottish Housing Regulator publish reports about each landlords' performance against the Charter. This enables us to benchmark our performance against other RSLs. Our 2024/25 overall performance is on par with the Scottish Average, the 2025/26 report is still to be published and will be accessible on the Scottish Housing Regulator and Fyne Homes websites.

Governance

The Management Committee and Executive Officers of the Association are listed on the first page of the accounts.

The Management Committee and Executive Officers

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

The Executive Committee is a committee that can meet at short notice to make decisions without having to wait until the next Management Committee meeting and consists of the chair and convenors of the various sub committees.

The Management Committee meet eight times each year. The Executive Committee meet at least twice a year with one of these meetings held to approve the annual financial statements.

The other sub committees are the Staffing Committee, who meet at least three times a year and the Audit Committee who meet as deemed required.

All members of the Committee receive training opportunities throughout the year and we also carry out bitesize training before each Management Committee Meeting.

Statement on Internal Financial Controls

The Management Committee acknowledge their ultimate responsibility for ensuring that the Group and the Association has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within the Group and the Association 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 include ensuring that:

(a) Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Group and the Association's assets;
(b) Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
(c) Forecasts and budgets are prepared which allow the Management Committee and management to monitor the key business risks and financial objectives, and progress towards financial plans set out for the year. During the financial year, regular management accounts are prepared promptly, providing relevant, reliable, and up to date financial and other information. Significant variances from budgets are investigated as appropriate;

Statement on Internal Financial Controls (continued)

(d) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the relevant sub-committees which are comprised of Management Committee members;
(e) The Group and the Association has appointed a firm of accountants, on a consultancy basis, as internal auditor with the specific responsibility of assessing the adequacy and reliability of the system of internal financial controls. The results of such reviews are reported to the Audit Committee;
(f) The Management Committee reviews reports from the external auditor to provide reasonable assurance that control procedures are in place and are being followed; and
(g) Formal practices have been established for instituting appropriate action to correct weaknesses identified from the reports of the external auditor and the internal auditor.

The Management Committee have reviewed the effectiveness of the system of internal control in existence in the Group and 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.

Statement of the Management Committee's Responsibilities

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 Group and the Association and of the income and expenditure of the Group and the Association for the year ended on that date. In preparing those financial statements the Management Committee are required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and the Association will continue in business; and
- Prepare a statement on internal financial control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

The Management Committee is also responsible for safeguarding the assets of the Group and the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management Committee is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are members of the Management Committee at the time the report is approved:

- so far as the Association's Committee members are aware, there is no relevant audit information of which the auditor is unaware; and
- the Management Committee members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure that the auditor is aware of any such information.

Auditor

A resolution to re-appoint Azets Audit Services as auditor will be put to the members at the Annual General Meeting.

By order of the Management Committee

S.A. MacLeod

S MacLeod
Chairperson

Dated: 9 September 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FYNE HOMES LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Opinion

We have audited the financial statements of Fyne Homes Limited (the "Parent Association") and its subsidiaries (the "Group") for the year ended 31 March 2026 which comprise the Consolidated and Association Statements of Comprehensive Income, the Consolidated and Association Statements of Changes in Capital and Reserves, the Consolidated and Association Statements of Financial Position, the Consolidated and Association Statements of Cash Flows and the 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and Parent Association's affairs as at 31 March 2026 and of the Group's and Parent Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 on the Group's or the Parent 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 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 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.

Other information (continued)

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 in relation to which the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained by the Parent Association; or
- the Parent Association has not kept proper accounting records; or
- the Parent Association's financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee 's Responsibilities set out on page 4, 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 determine 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 Group's and the Parent 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 intend to liquidate the Group or the Parent 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

Auditor's responsibilities for the audit of the financial statements (continued)

We obtain and update our understanding of the Group and the Parent Association, their activities, their control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Group and the Parent Association are complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and the Parent Association through discussions with the Management Committee members and the senior management team, and from our knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and the Parent Association, including the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and taxation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Management Committee and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of the Management Committee and relevant sub-committees;
- enquiring of the senior management team and the Management Committee as to actual and potential litigation and claims;
- reviewing legal and professional fees paid in the year for indication of any actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, the Scottish Housing Regulator, OSCR and the Group's and Parent Association's legal advisors.

Auditor's responsibilities for the audit of the financial statements (continued)

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

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

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

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the Parent Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Parent Association's members, as a body, 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 Parent Association and the Parent Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 9 September 2026

Azets Audit Services is eligible for appointment as auditor of the Group and the Parent Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

REPORT OF THE AUDITOR TO THE MANAGEMENT COMMITTEE OF FYNE HOMES LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2026

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 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 on corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Controls on pages 3 and 4 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.

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

Azets Audit Services

Azets Audit Services
Chartered Accountants
Titanium 1
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PA4 8WF

Date: 9 September 2026

Azets Audit Services is eligible for appointment as auditor of the Group and the Parent Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FYNE HOMES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2025 £
Turnover	4	**12,884,693**	*11,577,203*
Less: operating expenditure	4	**(9,585,361)**	*(9,370,204)*
Operating surplus	4	**3,299,332**	*2,206,999*
(Loss) on disposal of property, plant and equipment		**(75,222)**	-
Increase in fair value of investment properties	14	-	-
Interest payable and similar charges	10	**(1,140,203)**	*(1,243,263)*
Interest receivable	9	**48,307**	*230,317*
Charitable donations	5c	**(300,000)**	*(250,000)*
Surplus before taxation		**1,832,214**	*944,053*
Taxation	11	**(127,775)**	*(110,014)*
Surplus for the year after taxation		**1,704,439**	*834,039*
Other comprehensive income Actuarial gain on SHAPS Liability	26	**245,000**	*111,000*
Total comprehensive income for the year		**1,949,439**	*945,039*

Turnover includes £101,340 (2025: £nil) from discontinued activities and operating expenditure includes £445,615 (2025: £nil) from discontinued activities. All other results relate to continuing activities.

The financial statements were authorised for issue by the Management Committee on 9 September 2026 and were signed on its behalf by:

S. A. MacLeod. E MacCallum

Chairperson – S MacLeod | Secretary – E MacCallum | Committee member- D Herriot

The notes form part of these financial statements.

FYNE HOMES LIMITED

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2025 £
Turnover	4	**9,892,701**	*9,175,260*
Less: operating expenditure	4	**(7,885,361)**	*(7,761,159)*
Operating surplus	4	**2,007,340**	*1,414,101*
(Loss) on disposal of property, plant and equipment		**(75,222)**	-
Interest receivable and other income	9	**429,013**	*235,778*
Interest payable and similar charges	10	**(760,595)**	*(832,993)*
Distribution from subsidiary – Gift aid	5c	**600,000**	*250,000*
Surplus before taxation		**2,200,536**	*1,066,886*
Taxation	11	**-**	-
Surplus for the year after taxation		**2,200,536**	*1,066,886*
Other comprehensive income			
Actuarial gain on SHAPS liability	26	**245,000**	*111,000*
Total comprehensive income for the year		**2,445,536**	*1,177,886*

The results for the year relate wholly to continuing activities.

The financial statements were authorised for issue by the Management Committee on 9 September 2026 and were signed on its behalf by:

S.A. MacLeod — Chairperson – S MacLeod

E MacCallum — Secretary – E MacCallum

Committee member- D Herriot

The notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL AND RESERVES FOR THE YEAR ENDED 31 MARCH 2026

	Share Capital £	Revenue Reserves £	Total Reserves £
Balance as at 1 April 2025	**83**	**34,541,886**	**34,541,969**
Total comprehensive income for the year	-	**1,949,439**	**1,949,439**
Share capital issued during the year	**9**	-	**9**
Share capital cancelled during the year	**(11)**	-	**(11)**
Balance as at 31 March 2026	**81**	**36,491,325**	**36,491,406**

CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL AND RESERVES FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital £	*Revenue Reserves* £	*Total Reserves* £
Balance as at 1 April 2024	*79*	*33,596,847*	*33,596,926*
Total comprehensive income for the year	-	*945,039*	*945,039*
Share capital issued during the year	*6*	-	*6*
Share capital cancelled during the year	*(2)*	-	*(2)*
Balance as at 31 March 2025	*83*	*34,541,886*	*34,541,969*

The notes form part of the financial statements.

ASSOCIATION STATEMENT OF CHANGES IN CAPITAL AND RESERVES FOR THE YEAR ENDED 31 MARCH 2026

	Share Capital £	Revenue Reserves £	Total Reserves £
Balance as at 1 April 2025	**83**	**33,382,622**	**33,382,705**
Total comprehensive income for the year	**-**	**2,445,536**	**2,445,536**
Share capital issued during the year	**9**	**-**	**9**
Share capital cancelled during the year	**(11)**	**-**	**(11)**
Balance as at 31 March 2026	**81**	**35,828,158**	**35,828,239**

ASSOCIATION STATEMENT OF CHANGES IN CAPITAL AND RESERVES FOR THE YEAR ENDED 31 MARCH 2025

	Share Capital £	*Revenue Reserves* £	*Total Reserves* £
Balance as at 1 April 2023	*79*	*32,204,736*	*32,204,815*
Total comprehensive income for the year	*-*	*1,177,886*	*1,177,886*
Share capital issued during the year	*6*	*-*	*6*
Share capital cancelled during the year	*(2)*	*-*	*(2)*
Balance as of 31 March 2025	*83*	*33,382,622*	*33,382,705*

The notes form part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Notes	2026 £	2025 £
Tangible fixed assets			
Housing properties	12	**67,073,763**	*65,786,220*
Other fixed assets	14	**10,959,840**	*11,598,430*
		78,033,603	*77,384,650*
Current assets			
Debtors (amounts falling due within one year)	16	**1,872,595**	*1,181,136*
Cash and cash equivalents	18	**2,537,433**	*3,081,760*
		4,410,028	*4,262,896*
Creditors: amounts falling due within one year	19	**(4,808,231)**	*(4,259,748)*
Net current (liabilities)/assets		**(398,203)**	*3,148*
Total assets less current liabilities		**77,635,400**	*77,387,798*
Creditors: amounts falling due after more than one year	20	**(39,732,316)**	*(41,370,926)*
Pension – SHAPS defined benefit liability	26	**(738,000)**	*(929,000)*
Provision for liabilities	21b	**(673,678)**	*(545,903)*
Net assets		**36,491,406**	*34,541,969*
Capital and reserves			
Share capital	22a	**81**	*83*
Revenue reserve	22b	**36,491,325**	*34,541,886*
		36,491,406	*34,541,969*

The financial statements were authorised for issue by the Management Committee on 9 September 2026 and were signed on its behalf by:

S.A. MacLeod — Chairperson – S MacLeod

E MacCallum — Secretary – E MacCallum

Committee member – D Herriot

The notes form part of these financial statements.

FYNE HOMES LIMITED

ASSOCIATION STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Notes	2026 £	2025 £
Tangible fixed assets			
Housing properties	12	**67,073,763**	*65,786,220*
Other fixed assets	14	**526,413**	*400,227*
		67,600,176	*66,186,447*
Investments	15	**2**	*2*
		67,600,178	*66,186,449*
Current assets			
Debtors (amounts falling due after more than one year)	17	**135,508**	*143,622*
Debtors (amounts falling due within one year)	16	**1,588,937**	*900,043*
Cash and cash equivalents	18	**1,895,841**	*1,925,871*
		3,620,286	*2,969,536*
Creditors: amounts falling due within one year	19	**(3,937,419)**	*(3,111,823)*
Net current (liabilities)/assets		**(317,133)**	*(142,287)*
Total assets less current liabilities		**67,283,045**	*66,044,162*
Creditors: amounts falling due after more than one year	20	**(30,716,806)**	*(31,732,457)*
Pension – SHAPS defined benefit liability	26	**(738,000)**	*(929,000)*
Net assets		**35,828,239**	*33,382,705*
Capital and reserves			
Share capital	22a	**81**	*83*
Revenue reserve	22b	**35,828,158**	*33,382,622*
		35,828,239	*33,382,705*

The financial statements were authorised for issue by the Management Committee on 9 September 2026 and were signed on its behalf by:

S. A. MacLeod. E MacCallum.

Chairperson – S MacLeod | Secretary – E MacCallum | Committee member – D Herriot

The notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	*2025 £*
Net cash generated from operating activities	23	**4,104,013**	*4,599,511*
Cash flow from investing activities			
Purchase of property, plant and equipment		**(3,076,800)**	*(4,512,640)*
Proceeds from disposal of property, plant and equipment		**119,587**	*77,792*
Deferred Government capital grants received		**1,304,576**	*1,570,513*
Interest receivable		**48,307**	*230,717*
		2,499,683	*1,965,893*
Cash flow from financing activities			
Interest paid		**(1,086,203)**	*(1,194,263)*
New secured loan		**-**	*-*
Repayment of borrowings		**(1,957,816)**	*(1,922,794)*
Issue of share capital		**9**	*6*
SHAPS past service deficit repayments		**-**	*-*
		(3,044,010)	*(3,117,051)*
Net changes in cash and cash equivalents		**(544,327)**	*(1,151,158)*
Cash and cash equivalents at 1 April		**3,081,760**	*4,232,918*
Cash and cash equivalents at 31 March		**2,537,433**	*3,081,760*

(i) Analysis of changes in net debt

	At 1 April 2025 £	Cash flows £	Other non-cash changes £	At 31 March 2026 £
Cash and cash equivalents				
Cash	**3,081,760**	**(544,327)**	**-**	**2,537,433**
	3,081,760	**(544,327)**	**-**	**2,537,433**
Borrowings				
Debt due within one year	**(1,962,032)**	**1,957,816**	**(2,755,491)**	**(2,759,707)**
Debt due after one year	**(27,767,328)**	**-**	**2,755,491**	**(25,011,837)**
	(29,729,360)	**1,957,816**	**-**	**(27,771,544)**
Total	**(26,647,600)**	**1,413,489**	**-**	**(25,234,111)**

The notes form part of these financial statements.

ASSOCIATION STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2025 £
Net cash inflow from operating activities	23	**3,434,063**	*3,705,393*
Cash flow from investing activities			
Purchase of property, plant and equipment		**(3,250,383)**	*(4,511,948)*
Proceeds from disposal of property, plant, and equipment		**119,587**	*17,792*
Deferred Government capital grants received		**1,304,576**	*1,570,513*
Interest received		**429,013**	*235,778*
		(1,397,207)	*(2,687,865)*
Cash flow from financing activities			
Interest paid		**(706,595)**	*(783,993)*
New secured loan		**-**	*-*
Repayment of borrowings		**(1,360,300)**	*(1,331,914)*
Issue of share capital		**9**	*6*
SHAPS past service deficit repayments		**-**	*-*
		(2,066,886)	*(2,115,901)*
Net changes in cash and cash equivalents		**(30,030)**	*(1,098,373)*
Cash and cash equivalents at 1 April		**1,925,871**	*3,024,244*
Cash and cash equivalents at 31 March		**1,895,841**	*1,925,871*

(j) Analysis of changes in net debt

	At 1 April 2025 £	Cash flows £	Other non-cash changes £	At 31 March 2026 £
Cash and cash equivalents				
Cash	*1,925,871*	**(30,030)**	**-**	**1,895,841**
	1,925,871	**(30,030)**	**-**	**1,895,841**
Borrowings				
Debt due within one year	*(1,360,300)*	**1,360,300**	**(2,134,639)**	**(2,134,639)**
Debt due after one year	*(18,130,966)*	**-**	**2,134,639**	**(15,996,327)**
	(19,491,266)	**1,360,300**	**-**	**(18,130,966)**
Total	*(17,565,395)*	**1,330,270**	**-**	**(16,235,125)**

The notes form part of these financial statements.

1. General Information

The Group is registered under The Co-operative & Community Benefit Societies Act 2014. The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and Statement of Recommended Practice for Social Housing Providers issued in 2018.

The presentation currency is pound sterling, and the financial statements are rounded to the nearest whole number.

The Association is a registered social landlord in Scotland and its registered number is 321. The registered address is included in the front page of the financial statements.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities.

2. Accounting policies

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements 2019 as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018. The principal accounting policies are set out below.

The preparation of these financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see note 3).

A summary of the principal accounting policies is set out below.

Basis of preparation

The financial statements are prepared on the historical cost basis of accounting subject to the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The effect of events relating to the year ended 31 March 2026, which occurred before the date of approval of the financial statements by the Management Committee have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2026 and of the results for the year ended on that date.

Basis of consolidated accounting policy

These financial statements consolidate those of Fyne Homes Limited and its subsidiary undertakings, Fyne Initiatives Limited, Fyne Energy Limited and Fyne Futures drawn up to 31 March 2026. Surpluses or deficits on intra-group transactions are eliminated in full.

Going concern

The Management Committee anticipate that a surplus will be generated by the Group and the Association in the year ended 31 March 2027 and the year ended 31 March 2028. The Group and the Association has a healthy cash position and thus the Management Committee is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus, the Management Committee continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Accounting policies (continued)

Turnover

Fyne Homes Limited
Turnover represents rental and service charge income, factoring service income, and fees or revenue grants receivable from Argyll and Bute Council and from The Scottish Government. Also included is any income from first tranche shared ownership disposals.

Fyne Initiatives Limited and Fyne Energy Limited
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is recognised when all of the following conditions are satisfied:

- The amount of revenue can be reliably measured.
- It is probable that the company will receive the consideration due under the transaction; and
- The costs incurred in respect of the transaction can be reliably measured.

Fyne Futures
Income is recognised when the charitable company is entitled to the income, receipt is probable, and the amount can be reliably measured. The following specific policies are applied to particular categories of income:

- Service Level Agreement (SLA) income is credited to income in the year in which the charitable company is entitled to the income, receipt is probable, and the amount can be reliably measured.
- Donations and grants are recognised when the charitable company is entitled to the income, receipt is probable, and the amount can be measured reliably. Where there are terms or performance related conditions attached, income is recognised to the extent that the conditions have been met. Income received in advance of conditions being met are deferred and released once those conditions are met. Where the grant or donation allows for the recovery by the donor of any unexpended grant, a liability is recognised when repayment becomes probable.
- Any other income from charitable trading activities is recognised when the charitable company becomes entitled to the income, receipt is probable, and the amount can be reliably measured.

Apportionment of management expenses

Direct employee, administration and operating expenditure have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of costs of staff directly attributable to the operations dealt with in the financial statements.

Interest receivable and other income

Interest income is recognised in the Statement of Comprehensive Income on an accrual's basis.

2. Accounting policies (continued)

Interest payable and similar charges

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Interest payable during the construction phase of the Windfarm project within Fyne Energy Limited has been capitalised.

Fixed assets - Housing properties

Housing properties are stated at cost, less accumulated depreciation. The development cost of housing properties includes: -

1. Cost of acquiring land and buildings; and
2. Development expenditure including administration costs.

These costs are either termed "qualifying costs" by The Scottish Government for approved social housing grant or are considered for mortgage loans by the relevant lending authorities or are met out of the Group and Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value are included in the financial statements for the year, provided that the dates of issue or valuation are prior to the year end.

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

All costs 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.

Asset which are valued below the de minimums of £500 are not capitalised.

Depreciation

(i) 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 Group and Association:

Land	-	not depreciated
Structure	-	over 60 years
Roofs	-	over 40 years
Windows	-	over 25 years
Bathrooms	-	over 20 years
Kitchen	-	over 20 years
Central Heating	-	over 33.3 years
Rewiring	-	over 25 years
Lifts	-	over 20 years
Boilers	-	over 20 years

2. Accounting policies (continued)

Depreciation (continued)

(ii) Other fixed assets

Depreciation is charged on other fixed assets so as to write off the asset cost less any recoverable value over its anticipated useful life.

The following rates have been used: -

Heritable Property	-	4% straight line
Office Equipment	-	10% reducing balance
Computer and Other Equipment	-	33.33% straight line
Motor Vehicles	-	25% reducing balance
Buildings	-	2% straight line
Plant and machinery	-	25% reducing balance
Fixtures and fittings	-	10% straight line
Land	-	Depreciation is not provided in respect of Land.

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal.

Commercial Properties

Commercial properties are valued at their fair value (which is market value) with movement in value recognised in the Statement of Comprehensive Income.

Windfarm project

All direct costs relating to the Windfarm project have been capitalised.

The three wind turbines have been depreciated from 1 March 2019, the first month following the takeover certificate being issued. The assets are being depreciated over their expected useful lives of 25 years.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Rental Arrears

Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in note 16.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Loans

Mortgage loans are advanced by Private Lenders under the terms of individual mortgage deeds in respect of each property or housing scheme. Security can only be provided in respect of these loans once approval by The Scottish Government has been obtained.

Government Capital Grants

Government Capital Grant at amounts approved by The Scottish Government, is paid directly to the Group and Association as required to meet its liabilities during the development process. This is treated as a deferred Government capital grant and is released to income over the useful life of the assets it relates to. The accrual model requires the Group and Association to recognise income on a systematic basis over the period in which the Group and Association recognises the related costs for which the grant is intended to compensate.

Government Revenue Grants

Government revenue grants are recognised using the accrual model which means the Group and Association recognises the grant in income on a systematic basis over the period in which the Group and Association recognises the related costs for which the grant is intended to compensate.

Non-Government Grants

Non-government capital and revenue grants are recognised using the performance model. If there are no performance conditions attached the grants are recognised as revenue when the grants are received or receivable.

A grant that imposes specific future performance related conditions on the recipient is recognised as revenue only when the performance related conditions are met.

A grant received before the revenue recognition criteria are satisfied is recognised as a liability.

Public benefit concessionary loan

In line with FRS 102, the Association has made an accounting policy choice to recognise loans from public benefit entities that are being used to further the Association's core activities as public benefit concessionary loans meaning the loans are recognised at their principal value on initial recognition.

Financial Instruments

The Group and Association only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like rents and other accounts receivable and payable, loans from banks and related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest rate method.

2. Accounting policies (continued)

Financial Instruments (continued)

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a rental arrear deferred beyond normal Group and Association terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Group and Association has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation, or expiry.

Pensions

The Scottish Housing Association Defined Benefits Pension Scheme and the Strathclyde Pension Fund

The Association participates in The Scottish Housing Associations' Defined Benefits Pension Scheme (SHAPS) and the Strathclyde Pension fund and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole. Both pension schemes are accounted for as a defined benefit scheme and as such the amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

The amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date.

The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability. Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee.

Scottish Life 'top up' scheme and Royal London Auto Enrolment scheme

The Group operates these two defined contribution schemes. Employer contributions are charged to the Statement of Comprehensive Income on the accrual's basis.

2. Accounting policies (continued)

Financial Commitments

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

3. Judgements in applying policies and key sources of estimation uncertainty

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

The members of the Management Committee consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing properties as property, plant, and equipment in line with the requirements of the SORP.
- The amount disclosed as "operating surplus" is repetitive of activities that would normally be regarding as "operating".

The Management Committee are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate	Basis of estimation
The valuation of investment properties	The investment properties were valued by an appropriately qualified valuer using market data at the date of valuation.
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management of the Group, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case-by-case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.
The obligations under the SHAPS and Strathclyde pension schemes	This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

4. Particulars of turnover, operating expenditure and operating surplus/(deficit)

Group	Notes	Turnover £	2026 Operating Expenditure £	Operating Surplus/ (Deficit) £	*Turnover £*	*2025 Operating Expenditure £*	*Operating Surplus/ (Deficit) £*
Affordable Lettings	5a	**9,327,120**	**(7,469,485)**	**1,857,635**	*8,823,421*	*(7,541,392)*	*1,282,029*
Other Activities	5b	**565,581**	**(415,876)**	**149,705**	*351,839*	*(219,767)*	*132,072*
Fyne Initiatives Limited		**1,282,746**	**(1,258,784)**	**23,962**	*680,816*	*(656,863)*	*23,953*
Fyne Futures		**101,340**	**(493,116)**	**(391,776)**	*430,421*	*(455,534)*	*(25,113)*
Fyne Energy Limited		**2,977,429**	**(1,317,623)**	**1,659,806**	*2,313,333*	*(1,269,275)*	*1,044,058*
Less: Intergroup transactions*		**(1,369,523)**	**1,369,523**	**-**	*(1,022,627)*	*772,627*	*(250,000)*
TOTAL		**12,884,693**	**(9,585,361)**	**3,299,332**	*11,577,203*	*(9,370,204)*	*2,206,999*

Association	Notes	Turnover £	2026 Operating Expenditure £	Operating Surplus/ (Deficit) £	*Turnover £*	*2025 Operating Expenditure £*	*Operating Surplus £*
Affordable Lettings	5a	**9,327,120**	**(7,469,485)**	**1,857,635**	*8,823,421*	*(7,541,392)*	*1,282,029*
Other Activities	5b	**565,581**	**(415,876)**	**149,705**	*351,839*	*(219,767)*	*132,072*
TOTAL		**9,892,701**	**(7,885,361)**	**2,007,340**	*9,175,260*	*(7,761,159)*	*1,414,101*

*These are intergroup transactions removed on consolidation including the sales from Fyne Initiatives Limited to Fyne Homes Limited, the management charge from Fyne Homes Limited to Fyne Energy Limited, Fyne Futures and Fyne Initiatives Limited, and recharged costs from Fyne Homes Limited to the subsidiaries.

5a. Particulars of turnover, operating expenditure and operating surplus from affordable lettings

Association

	General Needs Housing	Supported Housing Accommodation	Shared Ownership Accommodation	2026 Total	*2025 Total*
Income from rent and service charges	£	£	£	£	*£*
Rent receivable net of service charges	**8,837,894**	**156,177**	**100,689**	**9,094,760**	*8,623,980*
Service charges	**137,983**	**5,522**	**-**	**143,505**	*138,756*
Gross income from rents and service charges	**8,975,877**	**161,699**	**100,689**	**9,238,265**	*8,762,736*
Less voids	**(133,688)**	**-**	**-**	**(133,688)**	*(155,751*
Net income from rents and service charges	**8,842,189**	**161,699**	**100,689**	**9,104,577**	*8,606,985*
Grants released from deferred income	**222,543**	**-**	**-**	**222,543**	*216,436*
Total turnover from affordable letting activities	**9,064,732**	**161,699**	**100,689**	**9,327,120**	*8,823,421*
Expenditure					
Management and maintenance administration costs	**(3,112,020)**	**(145,032)**	**(86,225)**	**(3,343,277)**	*(3,238,475)*
Service charges	**(233,280)**	**(5,522)**	**-**	**(238,802)**	*(344,167)*
Planned cyclical maintenance including major repairs	**(569,073)**	**-**	**-**	**(569,073)**	*(506,529)*
Reactive maintenance costs	**(1,665,634)**	**-**	**-**	**(1,665,634)**	*(1,794,066)*
Bad debts – rents and service charges	**(28,571)**	**-**	**-**	**(28,571)**	*(45,683)*
Depreciation of social housing	**(1,598,519)**	**(11,145)**	**(14,464)**	**(1,624,128)**	*(1,612,472)*
Operating expenditure for affordable letting activities	**(7,207,097)**	**(161,699)**	**(100,689)**	**(7,469,485)**	*(7,541,392)*
Operating surplus on letting activities, 2026	**1,857,635**	**-**	**-**	**1,857,635**	
Operating surplus on letting activities, 2025	*1,282,029*	*-*	*-*		*1,282,029*

5b. Particulars of turnover, operating expenditure, and operating surplus from other activities

Association	Grants from Scottish Ministers 2026 £	Other revenue grants 2026 £	Supporting people income 2026 £	Other income 2026 £	Total Turnover 2026 £	*Total Turnover 2025 £*	Other Operating Expenditure 2026 £	Other operating expenditure *2025 £*	Operating Surplus/ (deficit) 2026 £	*Operating Surplus/ (deficit) 2025 £*
Stage 3 adaptations	**284,997**	-	-	-	**284,997**	*60,210*	(284,997)	(60,210)	-	-
Care and repair of property	-	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	**35,303**	**35,303**	*43,984*	(3,980)	(43,984)	31,323	-
Development and construction of property activities	-	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	(1,143)	(3,928)	(1,143)	(3,928)
Care activities	-	-	-	-	-	-	-	-	-	-
Other agency / management services	-	-	-	**139,525**	**139,525**	148,920	-	(12,920)	139,525	136,000
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-	-
People and community grant	**105,756**	-	-	-	**105,756**	98,725	(125,756)	(98,725)	(20,000)	-
Other activities	-	-	-	-	-	-	-	-	-	-
Total from other activities, 2026	**390,753**	-	-	**174,828**	**565,581**		(415,876)		149,705	-
Total from other activities, 2025	*158,935*	-	-	*192,904*		*351,839*		*(219,767)*		*132,072*

The support costs of £1,143 relate to funding provided by the Association to its tenants to help with the cost of their energy bills with this being funded from the gift aid receipt from Fyne Energy Limited.

5c. Donations

Group
During the year, Fyne Energy Limited made a donation of £300,000 (2025: £250,000) via its profit distribution agreement to Glenbarr Community Development Association.

Association
During the year, Fyne Energy Limited made a gift aid payment of £600,000 (2025: £250,000) via its profit distribution agreement to Fyne Homes Limited. In the prior year, Fyne Initiatives Limited made a gift aid distribution of £ to Fyne Homes Limited.

6. Directors' emoluments – Group and Association

The directors are defined as the members of the Management Committee and the executive officers (as per the first page of the accounts). No emoluments were paid to any member of the Management Committee during the year. The Group and Association considers key management personnel to be the Management Committee and executive officers of the Association only.

	2026	*2025*
	£	*£*
Chief Executive (excluding pension contributions)	**93,974**	*91,221*

The Chief Executive is an ordinary member of the Association's pension scheme described in note 26. The Association's pension contribution for the Chief Executive in the year amounted to £11,072 (2025: £10,749).

Aggregate emoluments payable to key management (including employers' national insurance but excluding pension contributions):	**413,547**	*420,719*

The pension contributions paid in respect of key management in the year was £43,610 (2025: £66,966)

Total emoluments payable to the number of employees whose emoluments, excluding pension contributions, exceed £60,000 during the year are as follows:

£60,001 - £65,000	**2**	*-*
£65,001 - £70,000	**-**	*-*
£70,001 - £75,000	**-**	*1*
£75,001 - £80,000	**1**	*1*
£80,001 - £85,000	**-**	*1*
£85,001 - £90,000	**1**	*-*
£90,001 - £95,000	**1**	*1*
Total emoluments (excluding pension contributions and NI) to those earning more than £60,000	**380,790**	*323,588*
Pension contributions to those earning more than £60,000	**45,285**	*38,436*
Total expenses reimbursed in so far as not chargeable to U.K. Income Tax	**1,473**	*1,798*

7. Employee information

Group

The number of persons (head count) employed during the year was:

	2026 Number	*2025 Number*
Maintenance Operatives	**20**	*24*
Administration Staff	**39**	*39*
Wardens and Cleaners	**2**	*2*
	61	*65*
The average number of persons (full time equivalent) employed by the Group during the year was:	**57**	*59*

	2026 £	*2025 £*
Staff costs (including directors' emoluments)	**1,912,181**	*1,892,412*
Social security costs	**222,613**	*178,570*
Pension costs	**387,772**	*400,724*
Defined benefit pension charge – SHAPS costs (note 26)	**-**	*-*
	2,522,566	*2,471,706*

Included above is £317,081 *(2025: £334,946)* of maintenance staff costs which have been allocated to maintenance costs within note 5a.

Association

The number of persons (head count) employed during the year was:

	2026 Number	*2025 Number*
Maintenance Operatives	**10**	*11*
Administration Staff	**39**	*39*
Wardens and Cleaners	**2**	*2*
	51	*52*
The average number of persons (full time equivalent) employed by the Association during the year was:	**47**	*48*

	2026 £	*2025 £*
Staff costs (including directors' emoluments)	**1,605,295**	*1,628,741*
Social security costs	**203,113**	*158,454*
Pension costs	**376,155**	*395,102*
Defined benefit pension charge – SHAPS (note 26)	**-**	*-*
	2,184,563	*2,182,297*

Included above is £317,081 *(2025: £334,946)* of maintenance staff costs which have been allocated to maintenance costs within note 5a.

8. Operating surplus

Group	2026	2025
	£	£
Operating surplus is stated after charging:		
Depreciation of housing properties (including loss on disposed components)	**1,624,128**	*1,612,472*
Depreciation of other fixed assets	**712,048**	*729,841*
Auditor's remuneration		
- In their capacity as auditors exc VAT	**35,598**	*37,900*
- In respect of other services	**10,785**	*13,939*
- In respect of internal audit	**9,348**	*6,901*

Association	2026	2025
	£	£
Operating surplus is stated after charging:		
Depreciation of housing properties (including loss on disposed components)	**1,624,128**	*1,612,472*
Depreciation of other fixed assets	**128,096**	*140,088*
Auditor's remuneration		
- In their capacity as auditors exc VAT	**19,156**	*17,350*
- In respect of other services	**7,200**	*5,880*
- In respect of internal audit	**9,348**	*6,901*

9. Interest receivable and other income

Group	2026	2025
	£	£
Bank Interest	**48,307**	*78,389*
Wilkie Trust Income	**-**	*151,928*
	48,307	*230,317*

Association	2026	2025
	£	£
Bank Interest	**41,019**	*69,794*
Interest receivable on loan to subsidiary	**11,959**	*14,056*
Wilkie Trust Income	**-**	*151,928*
Gain on transfer of assets from Fyne Futures	**376,035**	-
	429,013	*230,317*

10. Interest payable and similar charges

Group	2026 £	*2025 £*
On private loans	**1,086,203**	*1,194,263*
SHAPs deficit benefit pension scheme – interest expense (note 26)	**54,000**	*49,000*
	1,140,203	*1,243,263*

Association	2026 £	*2025 £*
On private loans	**706,595**	*783,993*
SHAPs deficit benefit pension scheme– interest expense (note 26)	**54,000**	*49,000*
	760,595	*832,993*

11. Taxation

Group	2026 £	*2025 £*
Corporation tax charge	**-**	*-*
Deferred tax charge	**127,775**	*110,014*
Taxation	**127,775**	*110,014*

No tax was due in 2026 or 2026 in respect of Fyne Homes Limited and Fyne Futures as both entities are registered charities. No current tax was due in 2026 or 2025 in respect of Fyne Energy Limited due to the use of capital allowances and gift aid. No tax was due in respect of Fyne Initiatives Limited in 2026 or 2025.

There was a deferred tax charge in respect of Fyne Energy Limited of £127,775 (2025: £110,014).

The deferred tax provision at the year-end was £673,678 (2025: £545,903) in Fyne Energy Limited due to unutilised capital allowances and losses carried forward. This was fixed asset timing differences of £1,014,944 (2025: £992,977) less losses and other deductions of £341,266 (2025: £447,074).

Association

The Association is a Registered Charity and is therefore exempt from Corporation Tax on its charitable activities. No corporation tax was due on the non-charitable activities in the year (2025: £nil).

12. Tangible fixed assets – Group and Association

	Housing Properties Held for Letting £	Housing Properties In Course of Construction £	Shared Ownership Properties Held for Letting £	Total £
Cost				
At 1 April 2025	**73,655,260**	**2,905,461**	**953,415**	**77,514,136**
Additions in the year				
- units	**118,000**	**1,287,310**	**-**	**1,405,310**
- components	**1,590,710**	**-**	**-**	**1,590,710**
Transfers in the year	**349,949**	**(349,949)**	**-**	**-**
Disposals in the year				
- units	**(26,228)**	**-**	**(78,032)**	**(104,260)**
- components	**(150,470)**	**-**	**-**	**(150,470)**
At 31 March 2026	**75,537,221**	**3,842,822**	**875,383**	**80,255,426**
Depreciation				
At 1 April 2025	**11,555,422**	**-**	**172,494**	**11,727,916**
Charge for the year	**1,499,204**	**-**	**14,464**	**1,513,668**
Eliminated on disposal				
- units	**(5,832)**	**-**	**(14,079)**	**(19,911)**
- components	**(40,010)**	**-**	**-**	**(40,010)**
At 31 March 2026	**13,008,784**	**-**	**172,879**	**13,181,663**
Net Book Value				
At 31 March 2026	**62,528,437**	**3,842,822**	**702,504**	**67,073,763**
At 31 March 2025	*62,099,838*	*2,905,461*	*780,921*	*65,786,220*

The proceeds of property disposals in the year were £266,500 (*2025: £135,000*). These units had a carrying cost of £104,260 (*2025: £45,914*) and had accumulated depreciation of £19,911 (*2025: £8,592*). HAG of £146,913 (*2025: £111,198*) was paid in the year in respect of these property disposals. The net gain on disposal was therefore £35,238.

Additions to housing properties during the year included no capitalised interest (*2025: £nil*) and no capitalised administration costs (*2025: £nil*). All properties are freehold. The cost of new components capitalised in the year was £1,590,710 (*2025: £2,240,041)*. Of the component additions in the year, £178,383 (2025: £250,000) were funded from gift aid received from a trading subsidiary.

Components with a cost of £150,470 (*2025: £215,967*) and accumulated depreciation of £40,010 (*2025: £61,842*) were disposed of in the year.

The net book value of the properties which are secured is £36,073,779 (*2025: £36,683,785*). Included in housing properties held for letting is land with a carrying value of £12,068,122 (*2025: £12,071,287*).

13. Property Stock

The number of units of accommodation owned by the Association was as follows: -

	Units in Management 2026	*Units in Management 2025*	**Units under Development 2026**	*Units under Development 2025*
Unimproved	**1**	*1*	**-**	*-*
New Build	**875**	*875*	**22**	*8*
Improved	**686**	*682*	**-**	*-*
General Needs Housing	**1,562**	*1,558*	**22**	*8*
Shared Ownership Accommodation	**31**	*34*	**-**	*-*
Supported Housing Accommodation	**30**	*30*	**-**	*-*
Total Housing Stock	**1,623**	*1,622*	**22**	*8*
Other Property				
Commercial	**2**	*2*	**-**	*-*
Heritable – Association's offices	**5**	*5*	**-**	*-*
Total Other Property	**7**	*7*	**-**	*-*
Group				
Commercial	**6**	*8*	**-**	*-*
Heritable – Association's offices	**5**	*6*	**-**	*-*
Total	**11**	*14*	**-**	*-*

14. Tangible Fixed Assets - Other Assets – Group

	Assets under Construction	Kintyre Wind Project	Heritable Property	Land and Buildings	Commercial Properties	Computer and Office Equipment	Plant and Machinery	Motor Vehicles	Fixtures and Fittings	Other Equipment	Total
	£	£	£	£	£	£	£	£	£	£	£
Cost											
At 1 April 2025	54,366	14,229,547	682,571	165,440	325,000	1,390,041	93,475	202,904	17,973	62,401	17,223,718
Additions in the year	-	-	-	-	-	79,543	-	-	-	1,237	80,780
Disposals in the year –	-	-	-	-	-	-	(32,520)	-	-	-	(32,520)
Revaluations	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-	-
At 31 March 2026	54,366	14,229,547	682,571	165,440	325,000	1,469,584	60,955	202,904	17,793	63,638	17,271,978
Depreciation											
At 1 April 2025	-	3,474,902	546,754	69,445	-	1,235,159	67,602	154,896	17,973	58,557	5,625,288
Charge for the year	-	571,217	24,357	3,309	-	94,116	4,510	12,002	-	2,536	712,047
Eliminated on disposal	-	-	-	-	-	-	(25,197)	-	-	-	(25,197)
At 31 March 2026	-	4,046,119	571,111	72,754	-	1,329,275	46,915	166,898	17,793	61,093	6,312,138
Net Book Value											
At 31 March 2026	54,366	10,183,428	111,460	92,686	325,000	140,309	14,040	36,006	-	2,545	10,959,840
At 31 March 2025	*54,366*	*10,754,645*	*135,817*	*95,995*	*325,000*	*154,882*	*25,873*	*48,008*	-	*3,844*	*11,598,430*

14. Tangible Fixed Assets - Other Assets – Association

	Heritable Property £	Assets under Construction £	Commercial Property £	Office Equipment £	Computer Equipment £	Plant and Machinery £	Motor Vans £	Other Equipment £	Total £
Cost									
At 1 April 2025	682,571	-	75,000	513,124	856,878	-	167,300	62,401	2,357,274
Additions in the year	92,687	54,366	-	6,220	76,978	13,538	9,257	1,237	254,283
Disposals in the year	-	-	-	-	-	-	-	-	-
At 31 March 2026	775,258	54,366	75,000	519,344	933,856	13,538	176,557	63,638	2,611,557
Depreciation									
At 1 April 2025	546,754	-	-	460,008	760,093	-	131,635	58,557	1,957,047
Charge for the year	24,357	-	-	5,568	86,720	-	8,916	2,536	128,097
Eliminated on disposal	-	-	-	-	-	-	-	-	-
At 31 March 2026	571,111	-	-	465,576	846,813	-	140,551	61,093	2,085,144
Net Book Value									
At 31 March 2026	204,147	54,366	75,000	53,768	87,043	13,538	36,006	2,545	526,413
At 31 March 2025	*135,817*	-	*75,000*	*53,116*	*96,785*	-	*35,665*	*3,844*	*400,227*

15. Investments

Association	2026	2026
	£	£
Investment in subsidiary undertakings	2	2

During 2005, Fyne Homes Limited acquired 1 ordinary £1 share in Fyne Initiatives Limited, at par. This represents a 100% shareholding in Fyne Initiatives Limited, a company registered in Scotland, whose principal activities are the provision of design and build services to Fyne Homes Limited and the rental of commercial property.

The profit on ordinary activities after taxation of Fyne Initiatives Limited for the year ended 31 March 2026 was £12,002 (2025: profit of £9,897). The net liabilities of Fyne Initiatives Limited as at 31 March 2026 was £26,770 (2025: net liabilities of £38,772).

Fyne Homes Limited controls Fyne Futures, a Scottish charity and company limited by guarantee, incorporated on 10 February 2005. Fyne Futures is a charitable company whose principal activities were focused on environmental sustainability, namely Reuse, Local Produce and Car Club activities which provided employment and training opportunities. The charitable company also delivered a Carbon Reduction programme and performed wider role activities providing support to a range of community regeneration projects across the operational area.

During the year, after agreement of the Management Committee of Fyne Homes Limited and the Board of Fyne Futures, Fyne Futures ceased its activities with all residual assets and liabilities being transferred into Fyne Homes Limited.

The deficit on ordinary activities of Fyne Futures for the year ended 31 March 2026 was £767,810 (2025: deficit of £25,113). The capital and reserves of Fyne Futures as of 31 March 2026 are £nil (2025: £767,810).

On 1 April 2016 a new subsidiary, Fyne Energy Limited, was incorporated. Fyne Homes Limited acquired 1 ordinary £1 share in Fyne Energy Limited, at par. This represents a 100% shareholding in Fyne Energy Limited, a company registered in Scotland, whose principal activities are electricity generation.

The profit on ordinary activities after taxation of Fyne Energy Limited for the year ended 31 March 2026 was £859,711 (2025: £282,369). The net assets of Fyne Energy Limited as of 31 March 2026 are £742,808 (2025: £483,097).

16. Debtors (amounts falling due within one year)

Group	2026	2025
	£	£
Rental arrears	201,802	198,847
Less: provision for bad debts	(129,087)	(129,087)
	72,715	69,760
Amounts due from related parties	-	-
Trade debtors	-	4,750
Other debtors	39,634	46,447
Prepayments and accrued income	1,760,246	1,068,875
	1,872,595	1,189,832

16. Debtors (amounts falling due within one year) (continued)

Association	2026 £	*2025* *£*
Rental arrears	**201,802**	*198,847*
Less: provision for bad debts	**(129,087)**	*(129,087)*
	72,715	*69,760*
Amounts due from subsidiary undertakings	**821,212**	*427,537*
Amounts due from related parties	**-**	*-*
Other debtors	**37,690**	*25,475*
Prepayments and accrued income	**657,320**	*377,271*
	1,588,937	*900,043*

17. Debtors (amounts falling due in more than one year)

Association	2026 £	*2025* *£*
Amounts due from subsidiary undertakings	**135,508**	*143,622*

18. Cash and cash equivalents

Group	2026 £	*2025* *£*
Balances held in current accounts and cash	**2,334,901**	*3,074,357*
Balances held in deposit accounts	**202,532**	*7,403*
	2,537,433	*3,081,760*

Association	2026 £	*2025* *£*
Balances held in current accounts and cash	**1,693,309**	*1,918,468*
Balances held in deposit accounts	**202,532**	*7,403*
	1,895,841	*1,925,871*

19. Creditors - amounts falling due within one year

Group	2026 £	2025 £
Bank loans	**2,134,639**	*1,360,300*
Break costs and arrangement fees to be amortised	**(39,544)**	*(60,534)*
Triodos loan	**625,068**	*601,732*
Trade creditors	**1,102,863**	*1,086,098*
Contract retentions	**94,572**	*123,963*
Accruals and deferred income	**359,607**	*653,920*
Rent in advance	**258,275**	*223,360*
PAYE/NIC creditor	**50,207**	*49,960*
Deferred Government capital grants (note 21)	**222,544**	*220,949*
	4,808,231	*4,259,748*

Outstanding retentions will be financed in due course either by further grants or additional loan funding. Included in accruals is £nil in respect of pension contributions to be paid to the various pension providers (2025: £nil).

Association	2026 £	2025 £
Bank loans	**2,134,639**	*1,360,300*
Break costs and arrangement fees to be amortised	**(39,544)**	*(60,534)*
Trade creditors	**877,620**	*915,453*
Contract retentions	**94,572**	*123,963*
Accruals and deferred income	**94,886**	*117,484*
Amounts owed to subsidiary undertakings	**235,816**	*156,689*
Rent in advance	**258,275**	*223,360*
PAYE/NIC creditor	**50,207**	*45,549*
VAT creditor	**8,404**	*8,610*
Deferred Government capital grants (note 21)	**222,544**	*220,949*
	3,937,419	*3,111,823*

Outstanding retentions will be financed in due course either by further grants or additional loan funding. Included in accruals is £nil in respect of pension contributions to be paid to the various pension providers (2025: £36,245).

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

Group	2026 £	2025 £
Bank loans	**15,996,327**	*18,130,966*
Break costs and arrangement fees to be amortised	**(499,319)**	*(537,868)*
Triodos loan	**9,015,510**	*9,638,469*
Deferred Government capital grants (note 21)	**15,219,798**	*14,139,359*
	39,732,316	*41,370,926*

Association	2026 £	2025 £
Bank loans	**15,996,327**	*18,130,966*
Break costs and arrangements fees to be amortised	**(499,319)**	*(537,868)*
Deferred Government capital grants (note 21)	**15,219,798**	*14,139,359*
	30,716,806	*31,732,457*

Group and Association

Bank loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest including SONIA with margins of 0.65% to 1.95%, BASE with margin of 0.65% and fixed rate loans with rates between 2.43% to 6.39%. The above bank loans are due as follows:

	2026 £	2025 £
Bank loans (Association)		
Between one and two years	**2,139,970**	*2,134,639*
Between two and five years	**3,536,154**	*4,675,113*
In five years or more	**10,320,203**	*11,321,214*
	15,996,327	*18,130,966*
Tridos loan		
Between one and two years	**649,242**	*625,068*
Between two and five years	**2,281,522**	*2,103,006*
Greater than five years	**6,084,746**	*6,910,396*
	9,015,510	*9,638,470*

21a. Deferred Government capital grants – Group and Association

	2026 £	*2025* *£*
At 1 April 2025	**14,360,308**	*13,006,231*
Grants received in year	**1,304,576**	*1,570,513*
Released to income in year	**(222,543)**	*(216,436)*
At 31 March 2025	**15,442,341**	*14,360,308*

	2026 £	*2025* *£*
Due within one year	**222,543**	*220,949*
Between one and two years	**222,543**	*220,949*
Between two and five years	**667,629**	*662,847*
In five years or more	**14,329,626**	*13,255,563*
	15,442,341	*14,360,308*

21b. Deferred taxation

	2026 £
At beginning of year	**545,903**
Charge in the year	**127,775**
At end of year	**673,678**

The provision for deferred taxation is made up as follows:

	£
Fixed asset timing differences	**1,014,944**
Losses and other deductions	**(341,266)**
	673,678

22a. Share Capital – Group and Association

	2026 £	2025 £
Shares of £1 each issued and fully paid		
At 1 April 2025	**83**	*79*
Issued during year	**9**	*6*
Shares forfeited in year	**(11)**	*(2)*
At 31 March 2026	**81**	*83*

Each share has the right to one vote. There is no right to receive any dividends or any distribution on wind up.

22b. Revenue reserve

The revenue reserve represents the cumulative surpluses and deficits.

23. Net cash flow from operating activities

Group	2026 £	2025 £
Surplus for the year	**1,704,439**	*834,039*
Adjustments for non-cash items:		
Depreciation of tangible fixed assets including loss on disposal of components	**2,336,175**	*2,342,313*
Carrying amount of housing property	**84,349**	*92,302*
Carrying amount of other fixed asset disposals	**7,323**	*61,037*
(Increase)/decrease in debtors	**(682,763)**	*130,605*
(Decrease)/increase in creditors	**(223,040)**	*310,485*
Taxation	**127,775**	*110,014*
Tax paid	**-**	*-*
Release of deferred Government Capital Grant	**(222,543)**	*(216,436)*
Adjustments for investing and financing activities:		
Proceeds from disposal of tangible fixed assets	**(119,587)**	*(77,792)*
Interest receivable	**(48,307)**	*(230,317)*
Interest payable	**1,140,203**	*1,243,263*
Cancelled share capital	**(11)**	*(2)*
Net cash generated from operating activities	**4,104,013**	*4,599,511*

23. Net cash flow from operating activities (continued)

Association	2026 £	2025 £
Surplus for the year	**2,200,536**	*1,066,886*
Adjustments for non-cash items:		
Depreciation of tangible fixed assets including loss on disposal of components	**1,752,225**	*1,752,560*
Carrying amount of housing property disposals	**84,349**	*92,302*
(Increase)/decrease in debtors	**(688,894)**	*361,627*
Increase in creditors	**96,406**	*69,033*
Release of deferred Government Capital Grant	**(222,543)**	*(216,436)*
Adjustments for investing and financing activities:		
Proceeds from disposal of tangible fixed assets	**(119,587)**	*(17,792)*
Interest payable	**760,595**	*832,993*
Interest received	**(429,013)**	*(235,778)*
Cancelled share capital	**(11)**	*(2)*
Net cash generated from operating activities	**3,434,063**	*3,705,393*

24. Revenue Commitments

At 31 March 2026 the group had outstanding commitments for the future minimum lease payments under non-cancellable operating leases, which fall due as follows:

Group	2026 Premises £	2025 Premises £
Not later than one year	**166,877**	*195,486*
Later than one year and not later than five years	**594,540**	*712,872*
Later than five years	**1,694,705**	*2,152,852*
	2,456,122	*3,061,210*

Association	2026 Premises £	2025 Premises £
Not later than one year	**37,992**	*37,848*
Later than one year and not later than five years	**79,000**	*106,000*
Later than five years	**19,200**	*28,800*
	136,192	*172,648*

25. Capital Commitments – Group and Association

	2026 £	2025 £
Capital expenditure which has been contracted for but has not been provided for in the financial statements	**8,709,392**	*2,107,891*
This is to be funded by:		
Funding from the Scottish Government	**5,929,392**	*1,439,902*
Other grants	**480,000**	*120,000*
Private finance	**2,300,000**	*547,989*
	8,709,392	*2,107,891*

26. Scottish Housing Association Pension Scheme (continued)

Scottish Housing Association Pension Scheme (SHAPS)

General

Fyne Homes Limited participates in the Scottish Housing Association Pension Scheme (the "Scheme"). The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state pension scheme.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of three months prior notice.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period, Fyne Homes Limited paid contributions at the rate of 12% of pensionable salaries. Employee contributions were 6%.

26. Scottish Housing Association Pension Scheme (continued)

General (continued)

In addition to these contributions, £nil of past service contributions (2025: £nil) were paid in the year.

However, Fyne Homes have been notified that the past service contributions will commence again in April 2026.

As at the Statement of Financial Position date there were 50 (2025: 50) active members of the Scheme employed by Fyne Homes Limited. Fyne Homes Limited continues to offer membership of the Scheme to its employees.

The last triennial valuation of the Scheme for funding purposes was carried out as at 30 September 2023 by a professionally qualified actuary using the technical provisions basis. The market value of the Scheme's assets at valuation date was £1,173 million. The valuation revealed a shortfall of assets compared to liabilities of £27 million, equivalent to a past service funding level of 98%.

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The SHAPS is accounted for as a defined benefit pension scheme. In accordance with FRS 102 section 28, the operating and financing costs of pension and post-retirement schemes (determined by TPT) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in Other Comprehensive Income.

Review of historic benefit changes

The Trustee has carried out a review comparing the benefits provided to Scheme members with the requirements of the Scheme documentation. It has received legal advice that there is sufficient uncertainty regarding the effect of some benefit changes that the Court should be asked to provide clarity; to provide the Trustee with the certainty it needs to properly administer the Scheme.

The Court hearing concluded in March 2025, with the Court's determination expected no earlier than the summer of 2026. After this, the Trustee and its advisers will consider the outcome and communicate next steps to employers. Depending on the outcome of the hearing, it may be necessary to ask further questions of the Court to clarify certain additional points.

Should the Court decide that the historic benefit changes need to be applied differently, then some member benefits would need to be increased, which would increase the value placed on Scheme liabilities. No allowance has been made for potential additional liabilities within the estimate provided above.

26. Scottish Housing Association Pension Scheme (continued)

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	31 March 2026 £000	*31 March 2025 £000*
Fair value of plan assets	**6,112**	*6,477*
Present value of defined benefit obligations	**(6,850)**	*(7,406)*
Defined benefit liability to be recognised	**(738)**	*(929)*

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Defined benefit obligation at start of period	**7,406**	*8,018*
Current service cost	**-**	*-*
Expenses	**14**	*12*
Interest cost	**414**	*388*
Contribution by plan participants	**-**	*-*
Actuarial (gains) due to scheme experience	**(339)**	*117*
Actuarial losses due to changes in demographic assumptions	**65**	*-*
Actuarial (gains) due to changes in financial assumptions	**(106)**	*(911)*
Benefits paid and expenses	**(604)**	*(218)*
Defined benefit liability at the end of the period	**6,850**	*7,406*

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

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Fair value of plan assets at start of the period	**6,477**	*7,027*
Interest income	**360**	*339*
Experience on plan assets (excluding amounts included in interest income) - (loss)	**(135)**	*(683)*
Contributions by the employer	**14**	*12*
Contributions by participants	**-**	*-*
Benefits paid and expenses	**(604)**	*(218)*
Fair value of plan assets at end of period	**6,112**	*6,477*

26. Scottish Housing Association Pension Scheme (continued)

Defined benefit costs recognised in Statement of Comprehensive Income

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Current service cost	-	-
Admin expenses	14	*12*
Net interest expense	54	*49*
Defined benefit costs recognised in Statement of Comprehensive Income	68	*61*

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Experience on plan assets (excluding amounts included in net interest cost – (loss)	(135)	*(683)*
Experience gains and losses arising on the plan liabilities – gain/(loss)	339	*(117)*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – (loss)	(65)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	106	*911*
Total amount recognised in other comprehensive income – gain	245	*111*

Fund allocation for employer's calculated share of assets	31 March 2026 £'000	*31 March 2025 £'000*
Global Equity	807	*750*
Distressed Opportunities	-	-
Liquid Alternatives	1,169	*1,192*
Risk Sharing	-	-
Insurance-Linked Securities	12	*25*
Property	319	*321*
Infrastructure	-	*1*
Private Debt	-	-
Opportunistic Illiquid Credit	-	-
Private Credit	788	*808*
Credit	279	*275*
Investment Grade Credit	256	*296*
Private Equity	13	*6*
Real Assets	606	*773*
Long Lease Property	-	*2*
Secured Income	83	*150*
Over 15 Year Gilts	-	-
Liability Driven Investment	1,687	*1,823*
Net Current Assets	91	*9*
High Yield	-	-
Currency Hedging	-	*11*
Opportunistic Credit	-	-
Cash	2	*35*
Total Assets	6,112	*6,477*

26. Scottish Housing Association Pension Scheme (continued)

The main financial assumptions used by the Scheme Actuary, TPT, in their FRS 102 calculations are as follows:

Assumptions as at	31 March 2026 % Per annum
Discount rate	**6.08**
Inflation (RPI)	**3.31**
Inflation (CPI)	**3.03**
Salary growth	**4.03**
Allowance for commutation of pension for cash at retirement	**75% of maximum allowance**

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

	Life expectancy at age 65 (years)
Male retiring in 2026	**20.7**
Female retiring in 2026	**22.9**
Male retiring in 2046	**21.9**
Female retiring in 2046	**24.4**

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2017 model with an allowance for smoothing of recent mortality experience and long-term rates of 1.25% p.a. for males and 1% p.a. for females.

Member data summary

Active members

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	12	404	48
Females	18	668	50
Total	**30**	**1072**	**49**

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	3	37	57
Females	12	44	52
Total	**15**	**81**	**53**

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	10	107	74
Females	19	86	68
Total	**29**	**193**	**70**

26. Scottish Housing Association Pension Scheme (continued)

Employers' debt on withdrawal

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as of 30 September 2025. As of this date the estimated employer debt for the Association was £1,708,568 (*2025: £2,362,276*).

27. Related party transactions

InspirAlba Limited

InspirAlba Limited is a related party the Business Services Director of the Association is a Board member of InspirAlba Limited. InspirAlba Limited is a company limited by guarantee.

At the Statement of Financial Position date, the Group and Association was owed £nil (2025: £nil) by InspirAlba Limited in respect of salary costs. This is included in debtors.

Fyne Homes owed InspirAlba £2,799 (2025: £3,729) in respect of SMP refund from HMRC

During the year £8,500 (2025: £8,500) was charged to InspirAlba Limited for office rental costs.

During the year, a management fee of £3,000 (2025: £3,000) was charged by Fyne Homes to cover administrative and finance support provided.

Board members

The Association has Board members who are also tenants. The total rent received in the year relating to tenant Board members is £5,420 (2025: £5,207). The total rent arrears relating to tenant Board members included within debtors at the year-end is £nil (2025: £nil). There is £nil (2025: £ nil) of rents in advance included in creditors.

28. Legislative Provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014.

29. Transfer of assets from Fyne Futures - Association

During the year Fyne Futures ceased trading activities and transferred their residual assets and liabilities to Fyne Homes Limited for nil consideration prior to 31 March 2026. The assets and liabilities were transferred at fair value as follows:

	£
Assets:	
Fixed assets	**173,505**
Cash and cash equivalents	**202,532**
Debtors due within one year	**14,725**
Liabilities:	
Creditors falling due within one year	**(8,763)**
Transfer of Net Assets from Fyne Futures	**381,999**