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LOREBURN HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31st March 2026

Registered Housing Association No. HAL153

FCA Reference No. 2110R(S)

Scottish Charity No. SC029917

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LOREBURN HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2026

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LOREBURN HOUSING ASSOCIATION LIMITED
MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
YEAR ENDED 31 MARCH 2026

MANAGEMENT COMMITTEE

Alan Sandey	Convener
Neil Madden	Secretary
Lynsey Brydson	
Paul Buchanan	
Mark Wilkinson	
Stuart Turnbull	
Russell Baird	
Katie Hryschko	
Harry Drennan	
Alan Gardiner	
Bill Main	
Harris Javid	(appointed 20/11/2025), (resigned 30/06/2026)
Jane Connechen	Vice Convener (retired 02/09/2025)
Pamela Lough	

EXECUTIVE OFFICERS

Kirsteen McGinn	Chief Executive Officer
Fiona Campbell	Director of Operations
Anthony McInnes	Director of Finance
Elkie Astley	Director of Corporate Services

External Auditors:
Wbg (Audit) Limited
168 Bath Street
Glasgow
G2 4TP

Internal Auditors:
TIAA
Artillery House, Fort Fareham
Newgate Lane
Fareham, Hants
PO14 1AH

Bankers:
Royal Bank of Scotland
UK Corporate Banking
Kirkstane House
139 St Vincent Street
Glasgow
G2 5JF

Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Virgin Money Limited
Jubilee House
Gosforth
Newcastle Upon Tyne
NE3 4PL

Nationwide Building Society
Nationwide House
Pipers Way
Swindon
SN38 1NW

Lloyds Bank Plc
25 Gresham Street
London
EC2V 7HN

Solicitors:
TC Young
7 West George Street
Glasgow
G2 1BA

BTO Solicitors LLP
48 St Vincent Street
Glasgow
G2 5HS

Registered Office:
7 Gifhorn House
Shakespeare Street
Dumfries & Galloway
DG1 2JB

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LOREBURN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD AND STRATEGIC REPORT FOR THE YEAR ENDED 31ST MARCH 2026

The management Committee presents their report and audited financial statements for the year ended 31 March 2026.

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No. 2110R(S)), the Scottish Housing Regulator as a registered social landlord (No. HAL153) under the Housing (Scotland) Act 2010 and as is a registered Scottish Charity with the charity number SC029917.

Principal activity

The principal activities of the Association are the provision and management of affordable rented accommodation. The Association continues to operate across Dumfries and Galloway, Scotland with new development programmed across the region. The Association is registered with the Financial Conduct Authority as a Community Benefit Society, The Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord. The Association is primarily regulated by the Scottish Housing Regulator.

Achievements and performance

This review summarises Loreburn's performance, priorities and key areas of focus for the year ended 31 March 2026. It reflects the Association's continued emphasis on tenant affordability, investment in existing homes, financial resilience, service improvement, governance assurance and delivery of the 2024-2029 Corporate Plan.

The social housing sector continued to operate in a difficult and fast-moving environment during 2025/26. Cost-of-living pressures, sustained pressure on household budgets, higher borrowing costs, construction and maintenance inflation, labour market pressures and increasing regulatory expectations all required close management. These pressures affected tenants, staff and suppliers, and reinforced the need for Loreburn to remain financially resilient while continuing to provide safe, warm, affordable and good quality homes. During the year, Loreburn continued to make progress against its strategic objectives, with a clear focus on value for money, service improvement and investment in existing homes.

In response to financial and operating pressures, the Association continued with the strategic decision to pause new development activity until 2029/30. This approach directs resources towards strengthening cash reserves, improving business resilience, investing in existing homes and preparing for future refinancing. Subject to the Association's financial capacity and the wider funding environment later in the decade, the pause may support modest future development or targeted acquisitions where these are financially sustainable and aligned with strategic priorities.

2025/26 represents the second full year of delivery of the 2024-2029 Corporate Plan. The plan's focus on creating great places to live, improving the quality and energy performance of existing homes, strengthening tenant engagement and maintaining financial strength has shaped the Association's priorities throughout the year. Continuous improvement remains central to how services are delivered, supported by greater use of performance information, business improvement activity and more focused investment planning.

Tenant engagement and service improvement remained central to the Association's approach during the year. Loreburn continued to use tenant feedback, service data and improvement planning to shape priorities, strengthen communication and support more consistent service delivery across communities.

Key developments during the year included continued progress with the targeted investment programme for existing homes, securing and mobilising ECO4 funding to improve energy efficiency, further work to strengthen stock condition data, review and modernise procurement arrangements, maintain strong covenant compliance and cash management, and support tenants through affordability pressures. Loreburn also continued to focus on tenant engagement, service improvement, governance assurance and better use of performance information, with services increasingly delivered in communities and supported by digital tools and improved data.

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The Management Committee recognises that many tenants continue to face significant cost-of-living pressures, particularly as spending on food, energy and other essentials remains high for low-income households. Loreburn has continued to monitor arrears closely and to support tenants through early intervention, income maximisation and signposting to practical help. Rent collection has remained resilient during the year, with rent arrears reported at 4.8%, which remains within agreed Key Performance Indicator tolerances and reflects the continued focus of staff on tenancy sustainment and prevention-based support.

The Association has also continued to seek external funding wherever possible to reduce the direct financial burden on tenants and to maximise investment in homes. This has been particularly important in relation to energy efficiency works, where grant funding can help make homes warmer, more affordable to heat and better aligned with emerging net zero and quality standards.

INVESTMENT ACTIVITIES

Investment in Existing Homes and ECO4 Funding

Investment in existing homes remains a core priority for Loreburn. During the year the Association continued to work towards meeting the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (EESSH), while also responding to the longer-term requirement to improve the quality, safety and energy performance of homes. Current performance shows that 89.32% of stock meets SHQS. While this represents a reduction from the previous year, it is partly a consequence of improved stock condition information, which has provided a clearer and more realistic view of investment needs. This stronger evidence base is helping Loreburn make better-informed decisions on where investment should be targeted and how programmes should be prioritised.

The Association has secured an initial £3.5m of ECO4 funding, with the potential for further funding in future years. This funding is expected to make a significant contribution to improving the energy efficiency of Loreburn homes, reducing fuel poverty risk and supporting the Association’s wider decarbonisation objectives. It also helps protect the long-term business plan by reducing the level of investment that would otherwise need to be met directly from rental income and borrowing.

Investment during the year covered a range of improvements, including kitchens, bathrooms, heating, photovoltaic and solar works, windows and doors. The final investment total and programme outputs remain to be confirmed and should be updated before the accounts are finalised.

Innovation, data and technology continued to support service improvement during 2025/26. The installation of sensors in a growing number of properties provided better insight into how homes perform and how tenants experience energy use. This information is helping Loreburn understand the lived experience of tenants, identify opportunities to improve energy efficiency and support more informed investment decisions. The Association also commenced a major review of its housing management system, with the objective of improving efficiency, strengthening data quality and supporting more consistent service delivery.

Loreburn’s hub, home and roam operating model continues to support flexible working and enables staff to spend more time delivering services directly in communities. Staff satisfaction has remained strong, with recent survey feedback showing high levels of satisfaction with Loreburn as an employer. Tenant satisfaction remains an area of focus, and the Association remains committed to improving communication, consistency and responsiveness through the Housing Excellence Plan and wider business improvement work.

The rent increase for 2025/26 was set at 3.5%. In reaching this decision, the Management Committee balanced tenant affordability with the need to maintain services, meet lender and regulatory requirements, and continue investing in existing homes. Loreburn’s long-term business plan remains focused on improving financial resilience, increasing cash reserves, controlling costs and ensuring that rents remain affordable while supporting the investment required to maintain homes and services.

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Review of Business and Future Developments

Health and safety, compliance and assurance continued to be key priorities for the Association. Loreburn maintained oversight of statutory obligations, regulatory reporting and improvement activity, with governance scrutiny focused on ensuring that risks were identified, escalated and addressed through appropriate action planning.

Governance, assurance and risk management also remained central to the Association's work during 2025/26. Key areas of focus included procurement improvement following internal audit findings, strengthened oversight of statutory and regulatory returns, continued monitoring of health and safety obligations, and proactive engagement with the Scottish Housing Regulator where required. The Association also progressed work relating to D&G Homes, including options appraisal and stock transfer considerations, as part of its wider focus on simplifying structures, improving accountability and aligning resources with strategic priorities.

Looking ahead, Loreburn will continue to prioritise investment in existing homes, financial resilience, service improvement, tenant affordability and strong governance. The Association's 2024-2029 Corporate Plan provides the framework for this work and will continue to guide decisions on investment, value for money, risk management and service quality. The Management Committee thanks tenants, members, colleagues, strategic partners and stakeholders for their continued contribution and support during another demanding year.

Pensions

During the 2018/19 financial year the method of estimating the past service liability for the defined benefit SHAPS pension scheme changed. The Pension Trust are now able to provide an annual actuarial valuation of the Association's share of the scheme assets and liabilities. The 25/26 annual update resulted in a gain of £221,000. In the previous year a gain of £231,000 resulted and annual movements are expected to continue to be volatile. The gain is an accounting adjustment and as such does not impact the cash reserves of the Association. The assumptions used in the actuarial valuations each year can cause significant volatility to the valuations and the accounting adjustments required.

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POLICIES AND PROCEDURES

Risk management policy

Financial management has remained a key area of focus during the year. Loreburn has maintained covenant compliance, continued to monitor cash closely and strengthened budget oversight through regular reporting and scrutiny. The Association's cash reserves and undrawn borrowing capacity provide an important foundation for resilience, although the business plan continues to require careful management in light of cost inflation, borrowing costs, investment needs and the paused development programme. Sensitivity analysis remains an important part of the business planning process to ensure that the Association can respond to adverse movements in interest rates, inflation, rent collection, investment costs or other financial assumptions.

The principal financial risks facing the Association include liquidity risk, covenant risk, interest rate and refinancing risk, inflationary pressure, rent arrears and bad debt risk, investment programme delivery risk, pension cost uncertainty, grant dependency and procurement control risk. These risks are interlinked. For example, higher repairs or investment costs can reduce operating margins and covenant headroom, while higher interest costs or lower rent collection could reduce cash availability and restrict the Association's ability to deliver planned improvements to homes.

Liquidity and covenant compliance continue to be monitored closely. The Association's loan agreements include covenant requirements, particularly in relation to interest cover and gearing. Although the current business plan shows compliance, these measures remain sensitive to reductions in income, increases in operating costs, higher interest charges and the timing of major repairs expenditure. Management therefore monitors covenant headroom regularly and ensures that Committee receives clear information on performance against lender requirements. Where required, the Association has the ability to manage discretionary expenditure, rephase investment, review treasury options and engage early with lenders to protect covenant compliance.

Interest rate and refinancing risks remain important because the Association carries a material level of long-term borrowing and operates in a market where funding costs have remained higher than in previous years. Loreburn manages this exposure through treasury reporting, stress testing, maintaining an appropriate mix of fixed and variable rate borrowing, independent treasury advice and active consideration of future refinancing requirements. The strategic pause in development is also a financial risk mitigation measure, allowing the Association to conserve capacity, protect cash and focus available resources on existing homes and tenant services.

Inflation remains a significant risk to the business plan, particularly in relation to repairs, materials, labour, utilities, insurance, compliance activity and planned investment. Cost pressures can affect both revenue budgets and the capital investment programme, reducing flexibility and increasing the challenge of balancing tenant affordability with the need to maintain homes to agreed standards. Loreburn mitigates this through budget monitoring, procurement improvement, value for money work, use of grant funding where available and regular review of financial assumptions.

Rental income remains the Association's main source of income and therefore tenant affordability, arrears and bad debt are key financial risks. The 2025/26 rent increase was deliberately set at a level intended to balance affordability with the Association's need to remain financially viable and continue investing in homes. Arrears performance is monitored closely, supported by early intervention, tenancy sustainment work and income management activity. The Association will continue to review provision for bad debts and consider the impact of welfare reform, household cost pressures and wider economic conditions on rent collection.

The investment programme also carries financial risk because actual costs, delivery timescales and grant assumptions may vary from the business plan. This is particularly relevant where confirmed stock condition information identifies higher investment need, where properties require works to meet quality or energy standards, or where grant funding is subject to eligibility, timing or delivery conditions. The Association manages this risk by prioritising works, strengthening stock condition data, seeking external funding, reviewing affordability before programmes are committed and reporting significant variances through governance channels.

Financial control, procurement and fraud risks remain under active review. The Association is continuing to strengthen procurement arrangements, approval controls, segregation of duties, payment processes and treasury controls to reduce the risk of financial loss, non-compliance or poor value for money. These controls are supported by internal audit, external audit, regular financial reporting, treasury management reporting and the ongoing review of Financial Regulations and related policies.

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MANAGEMENT COMMITTEE AND EXECUTIVE TEAM

Members of the Management Committee

The Members of the Management Committee of the Association during the year to 31 March 2026 were as follows:

Alan Sandey	Katie Hryschko	
Neil Madden	Harry Drennan	
Lynsey Brydson	Alan Gardiner	
Paul Buchanan	Bill Main	
Mark Wilkinson	Harris Javid	(appointed 20/11/2025), (resigned 30/06/2026)
Stuart Turnbull	Jane Connechen	Vice Convener (retired 02/09/2025)
Russell Baird	Pamela Lough	

Executive Team - key management personnel

Kirsteen McGinn	Chief Executive Officer
Fiona Campbell	Director of Operations
Anthony McInnes	Director of Finance
Elkie Astley	Director of Corporate Services

The remuneration of all staff in the Association is calculated in relation to the salary scales set by Employers in Voluntary Housing.

Auditors

Wbg (Audit) Limited were appointed as auditors during the year. A motion to re-appoint them as auditors will be proposed at the next Annual General Meeting.

Related parties

The financial transactions in relation to related parties are shown in note 23 of the accounts.

Going concern

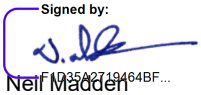
Based on its budgetary and forecasting processes the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual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

Disclosure of Information to the Auditor

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

On behalf of the Board

Signed by:



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Neil Madden
Secretary

Date: 25 August 2026

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LOREBURN HOUSING ASSOCIATION LIMITED

STATEMENT OF MANAGEMENT COMMITTEE RESPONSIBILITIES FOR THE YEAR ENDED 31ST MARCH 2026

The Management Committee is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Under the legislation relating to Co-operative and Community Benefit Societies the Management Committee are required to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association of that period. In preparing those financial statements the Management Committee are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Housing SORP and FRS 102;
- make reasonable and prudent judgements and estimates;
- 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 the going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on internal financial control.

The Management Committee is also responsible for:

- keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the RSL and enable them to ensure that the financial statements comply with the the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 2024;
- safeguarding the Association's assets; and
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

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LOREBURN HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE'S STATEMENT ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31ST MARCH 2026

The Management Committee acknowledge their ultimate responsibility for ensuring that 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 Association or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposal.

It is the Management Committee's responsibility to establish and maintain systems of internal financial control.

The system of internal control is designed to manage key risks and to provide reasonable assurance that planned business objectives and outcomes are achieved.

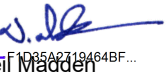
Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements of the Association's systems include ensuring that:

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

The Management Committee have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2026 and until the below date. 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 auditors' report in the financial statements.

On behalf of the Management Committee

Signed by:



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Neil Madden

Secretary

Date: 25 August 2026

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LOREBURN HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF LOREBURN HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROLS FOR THE YEAR ENDED 31 MARCH 2026

In addition to our audit of the Financial Statements, we have reviewed your statement on page 8 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 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 Control on page 8 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 enquiry of certain members of the Management Committee and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

Signed by:

Wbg (Audit) Limited

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Wbg (Audit) Limited, Statutory Auditor

168 Bath Street

Glasgow

G2 4TP

Date: 25 August 2026

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LOREBURN HOUSING ASSOCIATION LIMITED

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

Opinion

We have audited the financial statements of Loreburn Housing Association Limited (the 'Association') for the year ended 31 March 2026 which comprises the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and Notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepred in accordance with the Co-operative and Communities Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

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 Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Association and its environment obtained in the course of the audit, we have not identified material misstatements in the Board of Managements' Report.

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

- The information given in the Report of the Board of Management is inconsistent with the Financial Statements;
- Proper books of accounts have not been kepy by the Association in accordance with the requirements of the legislation;
- A satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirement of the legislation;
- The financial statements are not in agreement with the books of accounts; or
- We have not received all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Board of Management

As explained more fully in the Board of Management's Responsibilities Statement set out on page 7, the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management 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 Board of Management are responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities including fraud

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures in response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following:

- *The nature of Association and sector, control environment and association performance including targets; and*
- *Our enquiries of management about their identification and assessment of the risks of irregularities.*

Based on our understanding of the Association and the sector we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- *Regulations and legislation pertinent to the Association's sector operations including compliance with the Scottish Housing Regulator.*

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We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Co-operative and Communities Benefit Societies Act 2014. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- Posting inappropriate journal entries; and
- Management bias in accounting estimates.

Audit response to the risks identified

Our procedures to respond to the risks identified included the following:

- Gaining an understanding of the legal and regulatory framework applicable to the Association and the industry in which it operates including the requirements of the Scottish Housing Regulator;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and legal advisors concerning actual and potential litigation and claims;
- Reviewing underlying data used to support Management's estimates and benchmarking these against the wider sector;
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments' assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and, evaluating business rationale of any significant transactions that are unusual or outside the normal course of business. We scrutinised the general ledger for the following:
    - Duplicate journal entries
    - Unbalanced journal entries
    - Journals with detail which included key phrases or words

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Signed by:

Wbg (Audit) Limited

D8E957F6F4D9465...

Wbg (Audit) Limited, Statutory Auditor

168 Bath Street

Glasgow

Date: 25 August 2026

Docusign Envelope ID: 96EB60CC-73CE-81B1-826F-4B5124786706

LOREBURN HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	2026	2025
		£	£
Revenue	**2**	18,593,675	18,163,039
Operating costs	**2**	(14,910,770)	(15,337,927)
Operating surplus		3,682,905	2,825,112
Gain on sale of housing stock	**4**	28,554	125,213
Interest receivable and other income		78,934	162,620
Interest payable and other charges	**5**	(2,046,537)	(1,806,492)
Other finance charges		(52,000)	(52,000)
Surplus for the year		1,691,856	1,254,453
Actuarial gain in respect of pension schemes	**24**	221,000	231,000
Total Comprehensive Income		**1,912,856**	**1,485,453**

All amounts relate to continuing operations.

The notes on pages 17 - 34 form part of these financial statements.

Docusign Envelope ID: 96EB60CC-73CE-81B1-826F-4B5124786706

LOREBURN HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31ST MARCH 2026

	Notes	£	2026 £	£	2025 £
Tangible Fixed Assets					
Housing Properties - Depreciated Cost	**9**		189,904,231		190,453,002
Other Non Current Assets	**10**		1,258,091		1,236,290
Investments	**11**		3		3
			191,162,325		191,689,295
Non current assets					
Debtors falling due in more than one year	**12**		-		1,516,395
Current Assets					
Debtors	**13**	1,615,808		1,757,771	
Stock and work in progress	**14**	2,830,066		3,071,846	
Cash at bank and in hand	**20**	4,061,234		3,030,014	
		8,507,108		7,859,631	
Current Liabilities					
Creditors falling due within one year	**15**	(6,997,955)		(8,044,590)	
Net Current Assets / (Liabilities)			1,509,153		(184,959)
Total Assets Less Current Liabilities			192,671,478		193,020,731
Non Current Liabilities					
Creditors due after one year	**16**		(56,718,657)		(58,152,231)
Deferred Income	**18**		(114,083,992)		(114,743,524)
Provision for pension liability	**24**		(712,000)		(881,000)
			21,156,829		**19,243,976**
Capital and Reserves					
Share Capital	**19**		87		90
Revenue Reserves			21,868,742		20,124,886
Pension Reserve			(712,000)		(881,000)
			21,156,829		**19,243,976**

These financial statements were approved and authorised for issue by the Board on 25 August 2026 and signed on their behalf by:

Signed by: Alan Sandey B2B7D1DC4A6C443...
Alan Sandey
Committee Member

Signed by: Paul Buchanan 106CA854288744E...
Paul Buchanan
Committee Member

Signed by: F1D35A2719464BF...
Neil Madden
Secretary

The notes on pages 17 - 34 form part of these financial statements.

Docusign Envelope ID: 96EB60CC-73CE-81B1-826F-4B5124786706

LOREBURN HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST MARCH 2026

	Notes	£	2026 £	2025 £
Net cash inflow from operating activities	**20**		6,079,146	7,233,128
Investing activities				
Cash paid for construction and purchases		(2,193,518)		(6,598,670)
Housing association grant received		711,275		478,979
Housing association grant repaid		(9,863)		(37,473)
Other grants received		-		-
Proceeds on disposal of housing properties		79,107		224,459
Proceeds on disposal of other tangible assets		-		289,104
Purchase of other fixed assets		(116,296)		(11,645)
Net cash (outflow) from investing activities			(1,529,295)	(5,655,246)
Financing				
Interest received on cash and cash equivalents		78,934		162,620
Interest paid		(2,046,537)		(2,157,717)
Loan principal repayments		(1,551,028)		(514,048)
Loan repayments from subsidiary		-		94,566
Loans advances received		-		2,000,000
Share capital issued		-		7
Net cash outflow from financing			(3,518,631)	(414,572)
Increase in cash			1,031,220	1,163,310
Opening cash and cash equivalents			3,030,014	1,866,704
Closing cash and cash equivalents			4,061,234	3,030,014

The notes on pages 17 - 34 form part of these financial statements.

Docusign Envelope ID: 96EB60CC-73CE-81B1-826F-4B5124786706

LOREBURN HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2026

	Share Capital	Pension Reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1st April 2024	92	(1,060,000)	18,818,433	17,758,525
Issue of shares	7	-	-	7
Cancellation of shares	(9)	-	-	(9)
Surplus for the year	-	-	1,254,453	1,254,453
Actuarial gain in respect of pension schemes	-	231,000	-	231,000
Other movements	-	(52,000)	52,000	-
Balance as at 31st March 2025	90	(881,000)	20,124,886	19,243,976
Balance as at 1st April 2025	90	(881,000)	20,124,886	19,243,976
Issue of shares	-	-	-	-
Cancellation of shares	(3)	-	-	(3)
Surplus for the year	-	-	1,691,856	1,691,856
Actuarial gain in respect of pension schemes	-	221,000	-	221,000
Other movements	-	(52,000)	52,000	-
Balance as at 31 March 2026	87	(712,000)	21,868,742	21,156,829

The notes on pages 17 - 34 form part of these financial statements.

Docusign Envelope ID: 96EB60CC-73CE-81B1-826F-4B5124786706

1 Accounting Policies

(a) Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with the Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019.

The accounts are prepared in sterling and are rounded to the nearest whole pound.

(b) Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2018. They also comply with the Determination of Accounting Requirements 2024. A summary of the more important accounting policies is set out below.

(c) Revenue

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

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

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

(d) Retirement Benefits

The Association participates in the Scottish Housing Associations Pension Scheme (SHAPS) a multi-employer defined benefit scheme. Retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102.

(e) Valuation of Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. All components are categorised as Housing Properties within note 9. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful Life
Bathrooms	Over 25 years
Boilers	Over 15 years
Communal Areas	Over 40 years
Electrics	Over 40 years
FRA Works	Over 40 years
Gas Mains	Useful Life Remaining
Heating ex Boilers	Over 20 years
Hot Water Tanks/Cylinders	Over 15 years
Kitchens	Over 15 years
Roof	Over 60 years
Solar Panels	Over 20 years
Structure	Over 100 years
Windows & External Doors - Metal	Over 40 years
Windows & External Doors - PVC	Over 30 years
Windows & External Doors - Timber	Over 25 years

(f) Going concern

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

The balance sheet shows a net current asset position at the year-end. The internal policy is to maintain a cash balance on the main account over £750k.

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1 Accounting Policies (continued)

(g) Depreciation and Impairment of Other Non-Current Assets

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

Asset Category	Depreciation Rate
Premises	2% straight line per annum
Office Equipment	20% straight line per annum
Fixtures & Fittings	20% straight line per annum
Shared Ownership Properties	2% straight line per annum
Commercial Properties - Structure	1% straight line per annum
Commercial Properties - Components	As detailed for housing components at 1 (e)

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

(h) Social Housing Grants and Other Capital Grants

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the statement of Comprehensive Income in the same period as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would normally be restricted to the net proceeds of sale.

Social Housing Grants are attributed to the structure of housing properties and released over 100 years.

(i) Sales of Housing Properties

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

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

(j) Leases/Leased Assets

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

(k) Taxation

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

(l) Works to Existing Properties

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

(m) Capitalisation of Development Overheads

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

(n) Borrowing Costs

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

(o) Service Charge Sinking Funds

The Association receives a service charge from owner occupiers. The balance of unspent service income is included as a liability where amounts are repayable or there is a present obligation to incur service charges.

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1 Accounting Policies (continued)

(p) Property Development Costs

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

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

(q) Housing Property Managed by Agents

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

(r) Value Added Tax (VAT)

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

(s) Financial Instruments - Basic

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

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

(t) Cash and Liquid Resources

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

(u) Stocks

Stocks of Maintenance materials have been valued at the lower of cost and net realisable value. Cost is defined as the suppliers invoice price.

(v) Impairment

The Association assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.
Where the carrying value of non-current assets is less that their recoverable amounts the shortfall is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service potential. Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

(w) Termination benefits

Termination benefits are employee benefits payable as a result of either the Management Committee's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits. Termination benefits are charged on an accruals basis through the Statement of Comprehensive Income.

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

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

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1 Accounting Policies (continued)

b) Identification of cash generating units

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

c) Financial Instrument break clauses

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

d) Pension liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each members share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method.

Estimation Uncertainty

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

a) Rent arrears - bad debt provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

d) Defined Pension Liability

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

e) Costs of shared ownership

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

f) Impairment of housing properties

Where there are indicators of impairment the Association completes an impairment review, taking into account the estimated replacement cost of development works assuming optimal conditions. In making an estimate of this cost, we take professional advice from the Association’s Quantity Surveyors, where the amounts involved are material.

g) Valuation of land held for sale

The Association had valuations carried out on the landbank, as a result of the management committee decision to pause development. These valuations are carried out by external valuers, and estimate the land value at market value.

h) Componentising of development costs and split of impairment

Development costs have been split between units using the relative floor areas of the various buildings; both to split the land and the components. Components are then allocated using the Association's standard component matrix and depreciated accordingly.

Impairment is split across components on the same basis. The standard matrix is reviewed regularly, and particularly when developments complete, to ensure it apportions values in a manner which appears appropriate for the individual components which are subsequently depreciated over differing lifespans.

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2 Particulars of revenue, operating costs and operating surplus

		2026			2025		
	Note	Turnover	Operating costs	Operating Surplus	Turnover	Operating costs	Operating Surplus
		£	£	£	£	£	£
Affordable letting activities	3a	17,617,419	(14,545,227)	3,072,192	16,991,212	(14,730,575)	2,260,637
Other activities	3b	976,256	(365,543)	610,713	1,171,827	(607,352)	564,475
Total		18,593,675	(14,910,770)	3,682,905	18,163,039	(15,337,927)	2,825,112

Docusign Envelope ID: 96EB60CC-73CE-81B1-826F-4B5124786706

LOREBURN HOUSING ASSOCIATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2026

3a Particulars of turnover, operating costs and operating surplus/(deficit) from social letting activities

	General Needs Housing	Supported Housing	Shared Ownership Housing	2026	2025
Income from lettings					
Rent receivable net of service charge	12,364,478	2,536,980	336,852	15,238,310	14,759,020
Service charges	506,073	511,677	36,004	1,053,754	973,968
Gross income from rents and service charges	12,870,551	3,048,657	372,856	16,292,064	15,732,988
Less: Voids	12,476	37,046	163	49,685	118,626
Net Income from rents and service charges	12,858,075	3,011,611	372,693	16,242,379	15,614,362
Amortisation of Social Housing and other grants	822,063	484,164	68,813	1,375,040	1,376,850
Total turnover from social letting activities	13,680,138	3,495,775	441,506	17,617,419	16,991,212
Management and maintenance administration costs	3,300,323	1,756,624	266,155	5,323,102	4,824,108
Service costs	506,073	511,677	36,004	1,053,754	1,115,302
Planned and cyclical maintenance	666,919	730,726	35,717	1,433,362	1,672,736
Reactive maintenance costs	1,421,783	765,576	-	2,187,359	2,247,901
Bad debts - rents and service charges	339,243	-	-	339,243	128,885
Depreciation of social housing	2,757,386	1,260,097	190,924	4,208,407	3,741,208
Impairment of affordable let properties	-	-	-	-	1,000,435
Operating costs for social letting activities	8,991,727	5,024,700	528,800	14,545,227	14,730,575
Operating (deficit) / surplus for social letting activities	4,688,411	(1,528,925)	(87,294)	3,072,192	2,260,637
2025	1,536,236	521,926	202,475	2,260,637	

Docusign Envelope ID: 96EB60CC-73CE-81B1-826F-4B5124786706

3b Particulars of turnover, operating costs and operating surplus or deficit from other activities

	Grants from Scottish Ministers £	Other revenue grants £	Other income £	Total turnover £	Operating costs - bad debts £	Other operating costs £	Operating surplus/ (deficit) £	Operating surplus/ (deficit) for previous period of account £
Wider role activities	-	20,000	-	20,000	(21,068)	-	41,068	-
Supported activities	-	82,160	-	82,160	-	72,486	9,674	-
Uncapitalised development administration costs	-	-	-	-	-	-	-	(159,408)
Other activities	-	-	874,096	874,096	-	314,125	559,971	723,883
Total from other activities	-	102,160	874,096	976,256	(21,068)	386,611	610,713	564,475
2025	334,368	113,576	723,883	1,171,827	-	607,352	564,475	

Docusign Envelope ID: 96EB60CC-73CE-81B1-826F-4B5124786706

4 Gain on sale of housing stock

	2026 £	2025 £
Sale proceeds	51,250	207,066
Cost of sales	(22,696)	(81,853)
Gain on sale of housing stock	28,554	125,213

5 Interest payable and similar charges

	2026 £	2025 £
Interest on bank loans and overdrafts	2,046,537	2,157,717
	2,046,537	2,157,717
Less: loan interest capitalised	-	351,225
	2,046,537	1,806,492

6 Taxation

The Association has charitable status and is not liable to tax on its ordinary activities.

7 Surplus for the year

	2026 £	2025 £
Surplus for the year is stated after charging/(crediting):-		
Depreciation - Housing Properties	3,826,430	3,692,396
Depreciation - Other Tangible Assets	55,092	46,027
	3,881,522	3,738,423
Loss / (gain) on disposal of tangible fixed assets	381,979	(55,474)
Impairment of other tangible assets	39,125	-
External Auditors Remuneration - Audit services	16,000	26,460
External Auditors Remuneration - Other services	1,700	-

8 Other finance charges

	2026 £	2025 £
Net interest on pension obligations	(52,000)	(52,000)

Docusign Envelope ID: 96EB60CC-73CE-81B1-826F-4B5124786706

9 Non-Current Assets - Housing Properties

	Housing Properties Held for Letting £	Housing Properties in Course of Construction £	Completed Shared Ownership Properties £	Total £
Cost				
At 1 April 2025	248,513,760	127,960	3,702,472	252,344,192
Additions	7,981,913	-	-	7,981,913
Disposals	(1,454,342)	(127,960)	(24,614)	(1,606,916)
Non - amortising capital grant for component costs	(4,272,000)	-	-	(4,272,000)
Transfers	59,972	-	(59,972)	-
At 31 March 2026	250,769,331	-	3,677,858	254,447,189
Depreciation				
At 1 April 2025	60,468,055	-	1,423,135	61,891,190
Charge in year	3,769,941	-	56,489	3,826,430
Disposals	(1,164,106)	-	(10,555)	(1,174,661)
Transfers	25,106	-	(25,106)	-
At 31 March 2026	63,098,996	-	1,443,963	64,542,959
Net Book Value				
As at 31 March 2026	187,670,336	-	2,233,895	189,904,231
As at 31 March 2025	188,045,705	127,960	2,279,337	190,453,002

Development administration costs capitalised amounted to £nil (2025-£28,051) and capitalised major repair costs to existing properties amounted to £1,676,186 (2025-£1,467,076).

Loss on disposal of components amounted to £254,019 (2025: gain of £55,474), and abortive costs were £127,960 (2025: £nil). These amounts were both included within depreciation costs in note 3 (a) in accordance with Housing SORP guidelines.

All land and housing properties are heritable.

The amount spent on maintenance of housing properties held for letting can be seen within note 3 (a).

Total cost of components capitalised for the year amounted to £8,041,885 (2025: £5,837,956), and includes £4,272,000 of expenditure funded by City Energy Networks Ltd in relation to the ECO 4 project for the instalation delivery of energy efficiency measures within properties. This balance also includes £1,609,582 of Housing Properties transferred from subsidiary company Dumfries & Galloway Homes Limited during the year. Properties were transferred at their carrying value. See further details within note 23.

10 Non Current Assets - Other Tangible Assets

	Office Premises £	Furniture & Equipment £	Computer Equipment £	Total £
Cost				
At 1 April 2025	157,344	765,062	1,694,117	2,616,523
Additions	-	51,228	65,068	116,296
Disposals	-	(218,914)	-	(218,914)
At 31 March 2026	157,344	597,376	1,759,185	2,513,905
Depreciation				
At 1 April 2025	65,261	717,582	597,390	1,380,233
Charge for year	2,709	19,395	32,988	55,092
Impairment charge	39,125	-	-	39,125
Disposals	-	(218,636)	-	(218,636)
At 31 March 2026	107,095	518,341	630,378	1,255,814
Net Book Value				
As at 31 March 2026	50,249	79,035	1,128,807	1,258,091
As at 31 March 2025	92,083	47,480	1,096,727	1,236,290

11 Investments

	2026 £	2025 £
Investment in subsidiary undertakings	3	3
	3	3

Subsidiary Undertakings
Loreburn Housing Association Limited has the following wholly owned subsidiary undertakings. The registered office of the subsidiary is 7 Gifhorn House, Shakespeare Street, Dumfries.

Company	Place of Incorporation	Shareholding	Principal Activity
Dumfries & Galloway Homes Limited	Scotland	100%	Housing

The results for the most recent period of trade are as follows:

Company	Balance sheet date	Net assets (unaudited)	Profit (unaudited)
Dumfries & Galloway Homes Limited	31 March 2026	1,409,128	188,447

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12 Debtors due in more than one year

	2026	2025
	£	£
Loans due from subsidiary	-	1,516,395
	-	1,516,395

Loans due from subsidiary were fully settled in 2026, via a property transfer. See Note 23 for further details regarding this transaction.

13 Debtors: Amounts falling due within one year

	2026	2025
	£	£
Arrears of Rent & Service Charges	1,497,277	971,806
Less: Bad Debt Provision	(562,863)	(374,644)
Net arrears of rent and service charges	934,415	597,162
Trade Debtors	6,881	24,199
Amounts due from group undertakings	-	111,967
Prepayments and Accrued Income	246,702	252,897
Other Debtors	427,811	771,546
	1,615,808	1,757,771

14 Stock and work in progress

	2026	2025
	£	£
Land held for sale	2,745,000	3,020,000
Stock of maintenance materials	85,066	51,846
	2,830,066	3,071,846

Following the management committee decision to pause development, the landbank has been subject to regular valuations by external valuers, Allied Surveyors Scotland and DM Hall Chartered Surveyors. The most recent market value for each site is noted below. The Association reduced the carrying cost to an estimate of net realisable value based on indicative data at the early stages of the sales process, which accounts for the difference in book value of £2.745m against the surveyor's market value of £3.295m.

Site	Market value	Valuation date	Surveyor
Selkirk Road, Moffat	2,250,000	04/03/2026	DM Hall Commercial
Brooms Road, Dumfries	145,000	19/06/2024	Allied Surveyors Scotland
Murtholm Farm, Langholm	900,000	12/06/2026	Allied Surveyors Scotland

The valuations were in accordance with the current RICS Valuation - Global Standards effective from 21 January 2020, published by the Royal Institution of Chartered Surveyors (commonly known as the "Red Book" and the RICS valuation - Global Standards 2017 - UK National Supplement effective from 14 January 2019.

The Directors have reviewed the carrying value of the Association's current asset land base in accordance with the requirements of FRS 102 and the Statement of Recommended Practice for Registered Social Housing Providers (the "SORP"). Having considered relevant market data and valuation benchmarks, the Directors are satisfied that the land assets are carried in the balance sheet at lower of cost and net realisable value, with net realisable value based on market value, and no indicators of impairment have been identified at the balance sheet date.

15 Creditors: Amount due within one year

	2026	2025
	£	£
Bank loans (Note 17)	1,377,689	1,495,142
Trade creditors	412,620	733,948
Other taxation and social security	91,700	78,036
Other creditors	87,775	520,297
Social housing and other grants repayable	3,516,629	3,762,101
Accruals and deferred income	690,869	803,170
Rent received in advance	807,822	648,266
Amounts due to group undertakings	12,851	3,630
	6,997,955	8,044,590

At the Balance Sheet date there were pension contributions outstanding of £44,401 (2025 - £782)

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16 Creditors: Amounts due after more than one year

		2026	2025
		£	£
Bank Loans	(Note 17)	56,718,657	58,152,231
		56,718,657	58,152,231

17 Bank Loans

Amounts due within one year	(Note 15)	1,377,689	1,495,142
Amounts due between one and two years		1,445,419	1,496,304
Amounts due between two and five years		3,818,860	4,423,056
Amounts due greater than five years		51,454,378	52,232,871
Total Housing Loans		58,096,346	59,647,373

The association has a number of long term housing loans the terms of which are as follows:

Lender	Security	Effective Interest Rate	Maturity	Variable/Fixed
Bank of Scotland	137	Fixed 1.35% - 6.65%, Variable margin of 0.5%	2026 - 2031	2 Fixed / 2 Variable
Clydesdale Bank	103	5.90%	2029	Fixed
Lloyds Bank	122	Variable margin of 0.35%	2036	Variable
Nationwide Building Society	526	Fixed 1.9% - 6%, Variable margin of 0.55%	2034 - 2044	4 Fixed
RBS	1132	Fixed 2.2% - 7.65%, Variable margin of 1.35%	2029 - 2045	1 Fixed, 1 Variable with switch to Fixed in Mar22 + Revolving Credit Facility on Variable

18 Deferred income

	Housing Properties Held for Letting	Completed Shared Ownership Properties	Total
Capital Grants Received	£	£	£
Balance as at 1 April 2025	137,321,314	2,726,168	140,047,482
Additions in the year	711,275	-	711,275
Disposals in the year	-	(17,282)	(17,282)
Transferred	33,671	(33,671)	-
Balance as at 31 March 2026	138,066,260	2,675,215	140,741,475
Amortisation			
Balance as at 1 April 2025	24,289,634	1,014,324	25,303,958
Amortisation in the year	1,320,680	40,264	1,360,944
Amortisation eliminated on disposals	-	(7,419)	(7,419)
Tranferrred	14,095	(14,095)	-
Balance as at 31 March 2026	25,610,314	1,047,169	26,657,483
Net Book Value			
As at 31 March 2026	112,455,946	1,628,046	114,083,992
As at 31 March 2025	113,031,680	1,711,844	114,743,524

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

	2026	2025
	£	£
Due within one year	1,376,910	1,164,546
Due in one year or more	112,707,082	113,578,978
	114,083,992	114,743,524

19 Share Capital

	2026	2025
	No.	No.
Shares of £1 fully paid and issued at 1 April	90	92
Shares issued during the year	-	7
Shares cancelled in the year	(3)	(9)
Shares issued at 31 March	87	90

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

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20 Statement of Cashflow

	2026 £	2025 £
Reconciliation of operating surplus to balance as at 1st April 2025		
Surplus for the year	1,691,856	1,254,453
Depreciation - housing properties	3,826,430	3,692,396
Depreciation - other assets	55,092	46,027
Impairment charge	39,125	1,000,435
Amortisation of capital grants	(1,360,944)	(1,376,851)
Change in stock	(33,220)	32,503
Change in properties developed for resale	275,000	400,000
Change in debtors	141,963	(22,173)
Change in creditors	(929,181)	284,463
(Gain) / loss on disposal of shared ownership properties	(28,554)	(125,213)
Loss on disposal of tangible fixed assets	381,979	-
Non-cash adjustments to pension provisions	52,000	52,000
Interest receivable	(78,934)	(162,620)
Interest payable	2,046,537	2,157,717
Share capital cancelled	(3)	(9)
	6,079,146	7,233,128

Reconciliation of net cash flow to movement in net debt

	2026		2025	
	£	£	£	£
Increase in cash	1,031,220		1,163,310	
Cashflow from change in net debt	1,551,027		(1,485,952)	
Movement in net debt during the year		2,582,247		(322,642)
Net debt as at 1st April 2025		(56,617,359)		(56,294,717)
Net debt as at 31st March 2026		(54,035,112)		(56,617,359)

Analysis of changes in net debt	As at 1st April 2025	Cashflows	Other Changes	As at 31st March 2026
Cash at bank and in hand	3,030,014	1,031,220	-	4,061,234
	3,030,014	1,031,220	-	4,061,234
Debt: Due within one year	(1,495,142)	117,453	-	(1,377,689)
Debt: Due after more than one year	(58,152,231)	1,433,574	-	(56,718,657)
Net Debt	(56,617,359)	2,582,247	-	(54,035,112)

21 Housing Stock

	2026 No.	2025 No.
The number of units in management at 31 March was as follows:		
General Needs	1,675	2,156
Supported Housing	900	423
Shared Ownership	125	125
Other	17	15

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22 Employees

	2026	2025
	£	£
Wages and salaries	3,741,013	3,760,524
Social security costs	442,298	347,139
Other pension costs	276,719	278,274
	4,460,030	4,385,937

The number of persons employed by the Association during the year were as follows:

	No.	No.
Full time equivalent	100	106
Average total number	108	114

	£	£
Emoluments payable to key management personnel earning over £60,000 (excluding NIC and pension contributions)	350,429	259,646
Pension contributions made on behalf of Officers with emoluments greater than £60,000	27,293	20,104
Emoluments payable to the CEO (excluding pension contributions)	109,444	104,696
Pension contributions for the CEO	8,235	7,856
	117,679	112,552
Total emoluments paid to the key management personnel (including NIC and Pension)	425,091	332,423

Emoluments over £60,000 (including pension contributions) paid to key management personnel can be analysed as follows:

	No.	No.
£80,001 - £90,000	3	2
£110,001 - £120,000	1	1

Redundancy payments totalling £24,155 were made to two people during the year (2025: Nil)

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23 Related parties

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102.
Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.
Transactions with Management Committee members (and their close family) were as follows;

	2026 £	2025 £
Rent received from tenants on the Management Committee and their close family members	5,110	5,902
Rental arrears at the year end	34	102
Members of the Management Committee who are tenants	1	2
Members of the Management Committee who are owner occupiers	-	-

Dumfries & Galloway Homes Limited
During the year, the Association acquired 28 housing properties from Dumfries & Galloway Homes Ltd, a wholly owned subsidiary of the Association, pursuant to a Transfer Agreement entered into between the parties.

The transfer was undertaken in accordance with the terms of the Transfer Agreement and resulted in the properties becoming legally owned by the Association. The properties were transferred for consideration of £1,609,722. The proceeds from the transfer were offset against the intercompany loan balance of £1,588,300 due from Dumfries & Galloway Homes Limited to the Association.

At the year end, amounts due to Dumfries & Galloway Homes Limited were £12,851 (2025: £1,612,143 due from Dumfries & Galloway Homes Limited).

During the year, there were intercompany sales from the Association to the subsidiary of £nil (2025: £282,204) and management fees charged by the Association of £15,892 (2025: £16,479)

There were property management fees charged by the subsidiary to the association of £1,568 (2025: £15,305).

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24 Pension Fund - Scottish Housing Association Pension Scheme

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

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

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

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

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

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

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

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24 Pension Fund - Scottish Housing Association Pension Scheme (continued)

The assumptions that have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rate of increases in salary and pensions. The principal actuarial assumptions at the at the year end were as follows:

	2026	2025
Discount rate	6.2%	5.9%
Inflation (RPI)	3.3%	3.1%
Inflation (CPI)	3.0%	2.8%
Future salary increases	4.0%	3.8%
Allowance for commutation of pension for cash at retirement	75.0%	75.0%

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

	Male (Years)	Female (Years)
Current pensioners	20.7	22.9
Future pensioners	21.9	24.4

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be bourne out in practice.

Fair value of scheme assets by category	2026 £000	2025 £000
Global equity	894	776
Liquid Alternatives	1,295	1,233
Insurance - Linked Securities	13	26
Property	353	332
Infrastructure	-	1
Proivate Equity	15	6
Real Assets	672	799
Private Credit	873	835
Credit	309	285
Investment Grade Credit	284	306
Cash	3	36
Long Lease Property	-	2
Secure Income	92	155
Liability Driven Investment	1,869	1,886
Currency Hedging	-	11
Net current assets	101	9
	6,773	6,698

The present value of the defined benefit obligation is as follows:

	£000
Opening defined benefit obligation	7,579
Expenses	16
Interest expense	439
Actuarial gains due to scheme experience	(206)
Actuarial losses due to changes in demographic assumptions	69
Actuarial gains due to changes in financial assumptions	(141)
Liabilities extinguished on settlements	(271)
Closing defined benefit obligation	7,485

Movements in fair value of plan assets	
Opening fair value of plan assets	6,698
Interest income	387
Experience on plan assets	(57)
Contributions by the employer	16
Benefits paid and expenses	(271)
Closing fair value of plan assets	6,773

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24 Pension Fund - Scottish Housing Association Pension Scheme (continued)

	2026 £000
Defined benefit costs recognised in statement of comprehensive income	
Expenses	16
Net interest expense	52
Defined benefit costs recognised in SOCI	68
Defined benefit costs recognised in other comprehensive income	
Experience on plan assets (excluding amount in interest)	(57)
Experience gains and losses arising on the plan liabilities	206
Effect of changes in the demographic assumption underlying	(69)
Effect of changes in the financial assumptions underlying the present value of the defined benefit obligation	141
Defined benefit costs recognised in OCI	221
Movement in deficit during the year	
(Deficit) at the beginning of the year	(881)
Current service cost	(16)
Losses on settlements or curtailments	(57)
Employer contributions	16
Net interest expense	(52)
Actuarial gain/(losses)	278
(Deficit) at the end of the year	(712)

The amounts recognised in the balance sheet are as follows:

	2026 £000
Present value of scheme liabilities	(7,485)
Fair value of scheme assets	6,773
(Deficit)	(712)

The Association expects to contribute £188,809 to the Scottish Housing Associations Pension Scheme in the coming year.

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25 Commitments under operating leases

At 31 March 2026 the Association had commitments under non-cancellable operating leases as set out below:

	2026	2025
Within 1 year	272,088	272,088
Within 2 - 5 years	415,768	687,856
	687,856	959,944

26 Details of the Association

The Association is a Registered Society with the Financial Conduct Authority under reference 2110R(S) and is domiciled in Scotland.
The Associations principal place of business is 7 Gifhorn House , Shakespeare Street , Dumfries & Galloway.

The Association is a Registered Social Landlord with reference HAL153 and a Scottish Charity with reference SC029917 that owns and manages social housing property in Dumfries & Galloway.

27 Management Committee Member Emoluments

Management Committee Members received £Nil (2025:£nil) in the year by way of reimburstment of expenses. No remuneration is paid to Management Committee members in respect of their durties to the Association.