

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED
REPORT and FINANCIAL STATEMENTS
For the year ended 31 March 2026

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HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2026

Contents	Page
Members of the Management Committee, Executives and Advisers	2
Report of the Management Committee	3 to 10
Report by the Auditors on Corporate Governance Matters	11
Report of the Auditors	12 to 14
Statement of Comprehensive Income	15
Statement of Financial Position	16
Statement of Cash Flows	17
Statement of Changes in Equity	18
Notes to the Financial Statements	19 to 32

HILLHEAD HOUSING ASSOCIATION 2000 Limited

MANAGEMENT COMMITTEE, EXECUTIVES and ADVISERS

Year ended 31 March 2026

Management Committee

John Jamieson
Karen McIntyre
Stuart Niven
Amanda McIntyre
Robert Smith
Mary Docherty
Claire Taylor
Gary Jackson
Peter O'Connell
Cllr Pamela Marshall
Helen Bremner
Allan Coll
Provost Gillian Renwick
Cllr Calum Smith
Robert Gray
Jack Dunsmore

Chairperson
Vice Chairperson
Treasurer
Secretary

Appointed 6 August 2025
Resigned 2 September 2025
Resigned 15 August 2025
Appointed 7 May 2025
Appointed 7 May 2025, resigned 6 August 2025
Co-opted 4 March 2026
Co-opted 1 October 2025

Executive Officers

Catherine McKiernan
Stephen Tait

Director
Depute Director

Registered Office

2 Meiklehill Road
Hillhead
Kirkintilloch
Glasgow
G66 1LA

External Auditors

CT Audit Limited
Chartered Accountants and
Statutory Auditor
Edinburgh
EH3 6NL

Internal Auditors

WBG
168 Bath Street
Glasgow
G2 4TP

Bankers

RBS
116 Cowgate
Kirkintilloch
Glasgow
G66 1JX

Finance Agents

FMD Financial Services

Solicitors

Brechin Tindall Oats
48 St Vincent Street
Glasgow
G2 5HS

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2026

The Management Committee presents its report and the Financial Statements for the year ended 31 March 2026.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 2562R(S). The Association is governed under its Rule Book. The Association is a registered Scottish Charity with the charity number SC029908.

Principal Activities

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

REVIEW OF BUSINESS

Context

Hillhead Housing Association is a community based housing association in the Hillhead area of Kirkintilloch. We own and manage 871 properties, 808 in Hillhead, 41 in Waterside and a further 22 at Braes o'Yetts.

We have an office based in the heart of the Hillhead community which is open to the public 34 hours per week Monday to Friday and appointments are not required.

Our main income source is rents, in 2025/26 our rent roll was £4.804m. Although the actual amount charged in rent is lower allowing for times when properties are void.

Following a rent increase of 3.3% in 2025/26, we consulted on a rent increase for 2026/27 of CPI + 2% over the winter, based on the October 2025 CPI figure. Thereafter, the Management Committee approved a rent increase of 5.6% which took effect on 28 March 2026.

We continue to face an extremely challenging external economic environment, not least the after effects of high inflation, and high prices for goods, materials and services.

Hillhead Housing Association made an operating surplus of £1.276m during the year to 31 March 2026. Our financial operations remain stable, and we continue to be supported by a Loan Facility from RBS (Royal Bank of Scotland). Our funding requirements are reviewed regularly, and we seek to balance prudence, longer term certainty and value for money in our funding arrangements.

The net cost of housing assets at 31 March 2026 is £29.920m.

The net cost of other fixed assets is £901,000.

Cash balances at 31 March 2026 amount to £3.201m, a large decrease from the previous year, as the Fauldhead Road development was completed.

Long-term creditors are £12.715m and deferred income is £15.112m. The value of the defined benefits pension scheme is now -£115,000, leaving the Association a general reserve of £4.115m.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2026

Structure, governance, and management

The members of the Management Committee and the Executive Officers are listed on page 2. Our governing body is our Management Committee, which is responsible to the wider membership.

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers 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 Management Committee.

It is the responsibility of the Management Committee to devise the strategy and set the overall direction of the Association. They also monitor the operational activities of the Association. The members of the Management Committee are unpaid.

The members of the Management Committee are also Trustees of the Charity. Members of the Management Committee are appointed by the shareholding membership at the Annual General Meeting.

Good governance is integral to all of the Association's activities. We have a robust framework in place to ensure that we are compliant with all of our Regulatory requirements, including the Regulatory standards set by the Scottish Housing Regulator and our responsibilities in relation to tenant and resident health and safety. This is monitored throughout the year by both the Audit Sub-Committee and the Management Committee. Our assurance mapping and consideration of evidence to support the Annual Assurance Statement submission is a continuous activity.

Committee Members

Our Committee is led by John Jamieson who was re-elected Chair for a fifth year following our AGM in September 2025. We have had a small number of changes in the make up of our Management Committee during the year. We were delighted to welcome two new co-optees, Jack Dunsmore and Rob Gray. Rob is a tenant of the Association bringing the tenant complement on the Management Committee to four.

Any vacancies on the Management Committee are filled from members of the community who are interested in the Association's aims and objectives for the area and come from a range of backgrounds. Induction training is provided for all new committee members. Ongoing training is provided to all Committee members and all members take part in an annual appraisal process designed to ensure effectiveness and minimise skills gaps.

Details of our Management Committee are kept updated on our public website
<https://www.hillheadhousing.org/our-management-committee/>

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2026

Corporate Issues

Tenant engagement and participation is one of our strategic aims, and we encourage and offer a variety of opportunities for tenants to get involved in the Association's work. We conducted our 3 yearly large scale Tenant Satisfaction Survey during the autumn of 2024. During 2025/26 we have been working with TIS to develop our Tenant Scrutiny activities. The group are currently scrutinising all aspects of our service in relation to managing anti-social behaviour.

We continue to offer staff a form of hybrid working where appropriate and promote staff health and well-being through a variety of initiatives. During the year work was done to develop a new Staff Wellbeing Policy, this received Committee approval in May 2026.

Business Plan

Developing our new business plan to run from April 2026 to March 2031 was an important focus of work during the year. We worked with Allpark Consultants to ensure a comprehensive and robust process. The iterative development of the new plan involved extensive consultation with staff, Management Committee members, tenants, shareholding members and external stakeholders.

Management Committee receive regular progress reports relating to the achievement of the strategic objectives contained within the business plan.

Risk management

The Association has an active risk management process, with policies, risk registers and a business continuity plan. All major risks are considered so mitigating action can be planned.

Our main internal risks include, loss of key staff or committee, governance failures, fraud, and health & safety failures. These are mitigated by robust plans, policies, procedures, and a range of audits. External risks include, economic and social impact of the cost-of-living crisis and energy costs, changes in regulatory requirements, data loss/cyber-security issues and current macro-economic forces including inflation, interest rates and material and labour shortages. These all are having an impact on our business. We aim to mitigate these by close attention to external information and advice, active membership of representative bodies and obtaining best practice advice on IT security and data protection matters.

Cybercrime remains a key business risk for the Association and we were pleased to successfully renew our Cyber Essentials accreditation in June 2025 and our Cyber Essentials+ reaccreditation in September 2025. This provides robust testing of all our cyber security measures. We plan to seek reaccreditation in 2026.

Performance Management and Service Delivery

Performance management and service delivery are high priorities for the Association, and we strive for excellence in all areas of the business. Tenant and resident health and safety is a key focus at all times.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2026

The staff team continues to work extremely hard to achieve the outcomes in the Scottish Social Housing Charter and we continually assess our performance in all areas of service delivery throughout the year.

Performance in arrears management is closely monitored as many of our tenants continue to be impacted by the ongoing cost of living crisis, high cost of essential items and persistent inflation. Despite these pressures, we have sustained an ongoing reduction in the level of gross rent arrears to 2.58% at the end of March 2026, down from 2.97% the previous year. This is the seventh consecutive year in which our level of gross arrears has fallen. We believe this is partly attributable to our ethos of fostering supportive relationships with tenants, and to our proactive tenancy sustainment and welfare rights activities

Our repairs response times continue to be among the best in the country and tenant satisfaction with the repairs service remains high.

We continue to submit all statutory and regulatory returns as due and our low level of engagement with the Scottish Housing Regulator continues.

Best use of resources

We regularly conduct risk assessments and take any action necessary to reduce or limit risk. We have an up-to-date life cycle costing plan which is incorporated into our longer-term financial projections. Given the current economic environment, we continue to review these plans annually and we meet regularly with our funder, RBS, and keep them updated with our financial and strategic plans.

Our Asset Management Strategy and Damp & Mould Strategy will be reviewed and updated during 2026.

Development Issues

Hillhead has a strong track record in development activity and continues to seek development opportunities in the area as they arise.

During the year we took handover of 41 new homes at the Fauldhead Road site in Kirkintilloch. This was our first new build development since 2019 and provided much needed additional affordable homes for the local community. The development is comprised of 13 houses, 4 cottage flats and 24 tenement flats. The properties were built to a high specification by McTaggart Construction and the incoming tenants are all delighted with the quality of their new homes. The development was part funded by the Scottish Government via an Allia bond, with private finance raised to fund the remaining costs.

We are currently identified as the affordable housing provider for an adjacent site at Fauldhead Road within the Council's Strategic Housing Investment Plan. This additional site will provide a further 16 social rented homes, although we have yet to enter a formal development agreement for this site.

Curb are acting as our Development Advisors.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2026

Wider Role

Our tenants, like those elsewhere, are facing the challenges of the increased cost of living with high levels of inflation and ongoing high energy costs. We continue to engage with tenants to signpost them in the direction of financial advice and support. Our in-house welfare rights, income maximisation and tenancy support services are key activities that we fund out of our own rental income. We also continue to sell our Welfare Rights service to Caledonia Housing Association and East Dunbartonshire Food Bank for a small number of hours each week.

Demand for our welfare rights service increased by 24% on the previous year, the service dealt with 294 cases and generated annual additional client financial gains amounting to £1,033,594. This is the first time that the service has generated over £1million in a year, and marks a significant achievement in supporting community members to live dignified lives.

We held a community Gala Day in June 2025 to celebrate the Association's 21st birthday. Our key contractors provided welcome financial support to the event, which was attended by many of our community partners. The day was a great success and showcased the positive spirit of the Hillhead community.

We continue to promote and support community-based activities where these are relevant to the Association. Thanks to the work done the previous year, our Community Garden is once again a vibrant space which welcomes local schools, community groups, and individuals. Our membership of the Dolly Parton Imagination Library is ongoing, this provides books to pre-school children and is supported with funding from our reactive repairs' contractor. Our Chair's Fund supported a number of local Primary 7 pupils to attend their residential school trip. We also organised successful litter picks and estate walkabouts.

Investment

Appraisal

All capital expenditure is regulated by budgetary process and authorisation levels. For expenditure beyond specified levels, detailed written proposals must be submitted to the Committee. Reviews are carried out during the development period, to monitor expenditure and performance.

Internal Financial Control

The Management Committee is responsible for establishing and maintaining the Association's system of internal control. Internal control systems are designed to meet the needs of the Association and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The Association has procedures in place which the Management Committee has established with a view to providing effective internal financial controls.

General Reserves Policy

The Committee members have reviewed the reserves of Hillhead Housing Association. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. During the year £547,000 was added to the Association's reserves. The Committee seeks to ensure that the budgeting of the Association's results continues to maintain the reserves above a satisfactory level.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2026

Budgetary Process

Each year the Management Committee approves the annual budget, 5-year financial projections and a rolling 30-year financial plan. Key risk areas are identified. Performance is monitored and relevant action taken.

Throughout the year through quarterly reporting to the Management Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure, and treasury management.

Treasury Management

The Association has an active treasury management function, which operates in accordance with the Treasury Management Policy approved by the Management Committee. In this way the Association manages its borrowing arrangements to ensure that it is always able to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

Employee Involvement and Health & Safety

The Association encourages employee involvement in all Health and Safety initiatives. The Association monitors its Health and Safety work closely. Health & Safety now has greater prominence including a particular emphasis on staff well-being. During the year we instituted a staff wellbeing group which meets regularly to consider policy and practice.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards, subsequent training courses, and annual appraisals. High quality personnel are seen as an essential part of the control environment and the ethical and performance standards expected are communicated through the senior staff and Management Committee.

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Act 2014 require the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those Financial Statements, the Management Committee is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- 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 Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements – 2024. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2026

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:

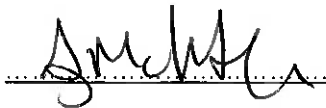
- there is no relevant audit information (information needed by the Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and
- the Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant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

Donations

During the year the Association made charitable donations amounting to £73 (2025 - £100).

The Report of the Management Committee has been approved on behalf of the Management Committee by:

Amanda McIntyre
Secretary

A handwritten signature in black ink, appearing to read 'A. McIntyre', is written over a horizontal dotted line.

5 August 2026

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2026

Statement on Internal Financial Control

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

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

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

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2026. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

BY ORDER OF THE MANAGEMENT COMMITTEE



Amanda McIntyre
Secretary

5 August 2026

**REPORT by the AUDITORS to the MEMBERS OF
HILLHEAD HOUSING ASSOCIATION 2000 LIMITED
On CORPORATE GOVERNANCE MATTERS**



In addition to our audit of the Financial Statements, we have reviewed your statement on page 10 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements relating to corporate governance matters within the Financial Reporting Council's Bulletin 2006/5. 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 reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 10 has provided the disclosures required by the relevant Regulatory Standards within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the 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 within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

A handwritten signature in blue ink that reads "CT Audit". The signature is written in a cursive, flowing style.

**CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL**

5 August 2026

Opinion

We have audited the financial statements of Hillhead Housing Association 2000 Limited (the 'Association') for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the 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 prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 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 Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

We have nothing to report in this regard.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED (continued)**Matters on which we are required to report by exception**

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

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

Responsibilities of the Management Committee

As explained more fully in the Statement of Management Committee's Responsibilities as set out on Page 8, the Management Committee 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 Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

As a result of these procedures, we consider that the most significant laws and regulations that have a direct impact on the financial statements were, but not limited to, FRS 102, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements 2024, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland Act) 2010. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures against the requirements of the relevant financial reporting standards.

We also performed audit procedures to inquire of management, and those charged with governance whether the Association is in compliance with these laws and regulations, inspected correspondence with regulatory authorities including mandatory submissions to the Regulator, reviewed minutes of meetings of the Management Committee and relevant sub-committees, and reviewed available online information.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 Community 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.



CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

5 August 2026

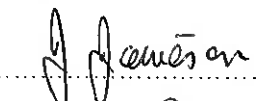
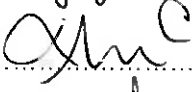
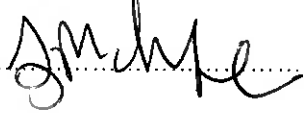
HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

STATEMENT of COMPREHENSIVE INCOME

For the year ended 31 March 2026

	Notes	£	2026 £	£	2025 £
Revenue	2		5,338,631		4,969,267
Operating costs	2		(4,062,714)		(3,701,036)
Operating surplus			1,275,917		1,268,231
Interest receivable and other income		62,630		79,547	
Interest payable and similar charges	7	(835,387)		(749,783)	
Other finance charges		(9,000)		(9,000)	
			(781,757)		(679,236)
Surplus before other comprehensive income	8		494,160		588,995
Other comprehensive income					
Actuarial gain in respect of pension scheme	21		53,000		27,000
Total comprehensive income			547,160		615,995

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf by:

Chairperson – John Jamieson 5 August 2026

Committee Member – Karen McIntyre 5 August 2026

Secretary – Amanda McIntyre 5 August 2026

The notes on pages 19 to 32 form part of these financial statements.

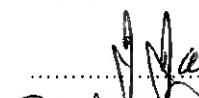
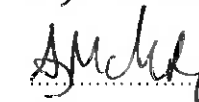
HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

STATEMENT of FINANCIAL POSITION

As at 31 March 2026

	Notes	£	2026 £	£	2025 £
Non-current assets					
Housing properties – depreciated cost	10(a)		29,919,863		27,775,714
Other non-current assets	10(b)		901,069		885,448
			<u>30,820,932</u>		<u>28,661,162</u>
Current assets					
Receivables	12	164,853		205,860	
Cash at bank and in hand		3,201,532		5,983,511	
			<u>3,366,385</u>	<u>6,189,371</u>	
Creditors: amounts falling due within one year	13	(2,129,120)		(2,093,694)	
Net current assets			<u>1,237,265</u>	<u>4,095,677</u>	
Total assets less current liabilities			<u>32,058,197</u>	<u>32,756,839</u>	
Creditors: amounts falling due after more than one year	14		(12,715,500)		(13,444,000)
Deferred income					
Social Housing Grants	16	(14,775,091)		(15,236,955)	
Other grants	16	(337,007)		(348,462)	
			<u>(15,112,098)</u>	<u>(15,585,417)</u>	
Provisions for liabilities					
Pension – defined benefit liability	21		(115,000)		(159,000)
Net assets			<u>4,115,599</u>	<u>3,568,422</u>	
Equity					
Share capital	17		71		54
Revenue reserves			4,230,528		3,727,368
Pension reserves			(115,000)		(159,000)
			<u>4,115,599</u>	<u>3,568,422</u>	

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf by:

 Chairperson – John Jamieson 5 August 2026
 Committee Member – Karen McIntyre 5 August 2026
 Secretary – Mandy McIntyre 5 August 2026

The notes on pages 19 to 32 form part of these financial statements.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

STATEMENT of CASH FLOWS

For the year ended 31 March 2026

	Notes	2026	2025
		£	£
Net cash inflow from operating activities	15	1,687,643	2,832,602
Investing activities			
Acquisition and construction of properties	(3,288,826)	(5,435,868)	
Purchase of other fixed assets	(58,056)	(2,404)	
Grants Received	-	4,597,611	
Net cash outflow from investing activities		(3,346,882)	(840,661)
Financing activities			
Interest received on cash and cash equivalents	62,630	79,547	
Interest paid on loans	(835,387)	(749,783)	
Loan principal repayments	(350,000)	(3,009,000)	
Loans Received	-	5,299,000	
Share capital issued	18	6	
Cancelled shares	(1)	(3)	
Net cash inflow from financing activities		(1,122,740)	1,619,767
(Decrease)/increase in cash		(2,781,979)	3,611,708
Opening cash and cash equivalents		5,983,511	2,371,803
Closing cash and cash equivalents		3,201,532	5,983,511
Cash and cash equivalents at 31 March 2026		3,201,532	5,983,511

Analysis of Changes in Net Debt

	2025	Cash Flows	Finance Leases	Non-cash Changes	2026
	£	£	£	£	£
Long-term borrowings	(13,444,000)	350,000	-	378,500	(12,715,500)
Short-term borrowings	(690,000)	-	-	(378,500)	(1,068,500)
Total liabilities	(14,134,000)	350,000	-	-	(13,784,000)
Cash and cash equivalents	5,983,511	(2,781,979)	-	-	3,201,532
Total net debt	(8,150,489)	(2,431,979)	-	-	(10,582,468)

The notes on pages 19 to 32 form part of these financial statements.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

STATEMENT of CHANGES in EQUITY

As at 31 March 2026

	Share Capital £	Pension Reserve £	Revenue Reserve £	Total £
Balance as at 1 April 2024	51	(177,000)	3,129,373	2,952,424
Issue of shares	6	-	-	6
Cancellation of shares	(3)	-	-	(3)
Surplus for the year	-	-	589,995	588,995
Pension scheme – movement in pension liability	-	(9,000)	9,000	-
Other comprehensive income – pension scheme	-	27,000	-	27,000
Balance as at 31 March 2025	54	(159,000)	3,727,368	3,568,422
Balance as at 31 March 2025	54	(159,000)	3,727,368	3,568,422
Issue of shares	18	-	-	18
Cancellation of shares	(1)	-	-	(1)
Surplus for the year	-	-	494,160	494,160
Pension scheme – movement in pension liability	-	(9,000)	9,000	-
Other comprehensive income – pension scheme	-	53,000	-	53,000
Balance as at 31 March 2026	71	(115,000)	4,230,528	4,115,599

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2026

1. Principal accounting policies

Statement of compliance

The financial statements of 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' (FRS102) (United Kingdom Generally Accepted Accounting Practice), the Housing SORP 2018 'Statement of Recommended Practice for Registered Housing Providers' and they comply with the Determination of Accounting Requirements 2024, and under the historical cost convention, modified to include certain financial instruments at fair value.

The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102. These financial statements represent the results of the Association only and are presented in Pounds Sterling (GBP).

Going concern

The Association has healthy cash and net current asset position and thus the Management Committee are 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.

Revenue

The Association recognises rent receivable net of losses from voids.

Government Grants are released to income over the expected useful life of the asset to which it relates.

Retirement benefits

The Association participates in the Scottish Housing Associations' Pension Scheme (SHAPS) and retirement benefits to employees of the Association are funded by 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. The Association has moved from the Defined Benefit scheme to the Scottish Housing Association Defined Contribution scheme. All existing and new staff are invited to join this scheme.

It has become possible to identify the share of underlying assets and liabilities belonging to individual participating employers as at 31 March 2019 and the scheme is now accounted for as a defined benefit plan, as opposed to defined contribution, for the benefit of its employees. No new benefits have been introduced and there is no change to the benefits themselves.

A liability for the Association's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

For the year ended 31 March 2026**1. Principal accounting policies (continued)****Valuation of housing properties**

Housing properties are stated at cost less accumulated depreciation. Housing under construction and land are not depreciated. The Association depreciates housing properties by major component on a straight-line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 10. 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 economic life
Structure	50 years
Central heating	15 years
Windows	25 years
Kitchen	15 years
Bathroom	20 years
External doors	25 years
Rewiring	20 years
Environmental Works	20 years
Heat Detectors	10 years

Depreciation and impairment of other non-current assets

Non-current assets are stated at cost less accumulated depreciation. Items costing over £500 are considered for capitalisation. 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
Office premises	2%
Furniture and fittings	33%
Computer and office equipment	33%
Van	33%

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

Social Housing Grant and other grants in advance/arrears

Social Housing Grants and Other 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 be restricted to the net proceeds of sale.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

1. Principal accounting policies (continued)

Estimation uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying the Association's Accounting Policies. The areas requiring a 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.

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.

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.

Capitalisation of development overheads

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

Development interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

Key judgements made in the application of Accounting Policies

(a) The Categorisation of Housing Properties

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

(b) Identification of Cash Generating Units

The 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 Management Committee, 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.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

1. Principal accounting policies (continued)

(d) Pension liability

This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.

2. Particulars of Turnover, Operating Costs and Operating Surplus or Deficit from Affordable Letting and Other Activities

	2026			2025		
	Turnover	Operating Costs	Operating Surplus/ (Deficit)	Turnover	Operating Costs	Operating Surplus (Deficit)
	£	£	£	£	£	£
Affordable letting activities (note 3)	5,312,370	3,933,299	1,379,071	4,915,850	3,547,071	1,368,779
Other activities (note 4)	26,261	129,415	(103,154)	53,417	153,965	(100,548)
Total	5,338,631	4,062,714	1,275,917	4,969,267	3,701,036	1,268,231
	=====	=====	=====	=====	=====	=====

3. Particulars of Income and Expenditure from Affordable Letting Activities

	General Needs Housing	
	2026	2025
	£	£
Revenue from lettings		
Rent receivable	4,804,839	4,548,568
Gross income from rent and service charges	4,804,839	4,568,568
<u>Less:</u> Rent losses from voids	33,579	32,772
Net rentals receivable	4,771,260	4,515,796
Grants released from deferred income	473,319	370,887
Revenue grants from Scottish Ministers	67,791	29,167
Total turnover from affordable letting activities	5,312,370	4,915,850
Expenditure on affordable letting activities		
Management and maintenance administration costs	1,707,816	1,651,287
Planned and cyclical maintenance, including major repairs	520,936	516,287
Reactive maintenance costs	552,053	454,118
Bad debts – rents	7,817	1,314
Depreciation of affordable let properties	1,144,677	924,065
Operating costs of affordable letting activities	3,933,299	3,547,071
Operating surplus on affordable letting activities	1,379,071	1,368,779
	=====	=====

The figure of £520,936 (2025: £516,287) for planned and cyclical maintenance includes major repairs of £247,344 (2025: £202,379).

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

4. Particulars of Revenue, Operating Costs and Operating Surplus or Deficit from Other Activities

	Grants From Scottish Ministers £	Other Revenue Grants £	Other Income £	Total Turnover £	Operating Costs Other £	Operating Surplus/ (Deficit) 2026 £	Operating Surplus/ (Deficit) 2025 £
Wider role activities	-	-	6,895	6,895	25,836	(18,941)	(18,373)
Welfare Rights	-	-	19,004	19,004	103,217	(84,213)	(82,175)
Agency or management services	-	-	362	362	362	-	-
Total from other activities	-	-	26,261	26,261	129,415	(100,548)	(100,548)
2025	-	-	53,417	53,417	153,965	(100,548)	

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

5. Officers Emoluments

Officers are defined in the Co-operative and Community Benefit Societies act 2014 as the members of the Management Committee, managers and employees of the Association. Key Management Personnel consist of members of the Management Committee and the Executive Officers listed on page 2.

	2026 £	2025 £
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	214,467 =====	143,781 =====
Pension contributions made on behalf of officers with emoluments greater than £60,000	14,926 =====	13,616 =====
Emoluments payable to Chief Executive (excluding pension contributions)	80,397 =====	75,900 =====
Total emoluments paid to key management personnel	229,393 =====	157,397 =====

The number of officers, including the highest paid officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:

	2026 No.	2025 No.
£80,000 to £90,000	-	-
£70,000 to £80,000	1	1
£60,001 to £70,000	2	1
	=====	=====

Management Committee members received £295 (2025 - £116) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

6. Employee information

	2026 No.	2025 No.
The average monthly number of full-time equivalent persons employed during the year was:	24 =====	23 =====
The average total number of employees employed during the year was	25 =====	24 =====
	£	£
Staff costs were:		
Wages and salaries	953,291	893,675
Social Security costs	98,550	82,170
Other pension costs	127,370	79,609
	1,179,211 =====	1,055,454 =====

7. Interest payable and similar charges

	2026 £	2025 £
On bank loans and overdrafts	835,387 =====	749,783 =====

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

8. Surplus/(deficit) for the year

	2026 £	2025 £
Surplus for the year is stated after charging/(crediting):		
Depreciation – tangible owned fixed assets	1,187,112	951,826
Auditors' remuneration – audit services	15,960	15,240
Operating lease rentals – other	4,717	5,449
	=====	=====

9. Tax on surplus/(deficit) on ordinary activities

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

	Housing Properties Held for letting £	Housing Properties in course of con- struction £	Total £
10. Non-current assets			
(a) Housing properties			
Cost			
At 1 April 2025	34,191,271	5,003,793	39,195,064
Additions	998,742	2,290,084	3,288,826
Transfers	7,293,877	(7,293,877)	-
Disposals	(536,089)	-	(536,089)
As at 31 March 2026	41,947,801	-	41,947,801
Depreciation			
As at 1 April 2025	11,419,350	-	11,419,350
Additions	1,144,677	-	1,144,677
Disposals	(536,089)	-	(536,089)
As at 31 March 2026	12,027,938	-	12,027,938
Net book value			
As at 31 March 2026	29,919,863	-	29,919,863
As at 31 March 2025	22,771,921	5,003,793	27,775,714

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

10. Non-current assets (continued)

(a) Housing properties (continued)

Additions to housing properties include capitalised development administration costs of £Nil (2025: £Nil) and capitalised major repair costs to existing properties for £998,742 (2025: £452,926)

Disposals in the year amounted to £536,089 (2025: £253,598). No gains or losses were made on these disposals.

All land and housing properties are heritable.

Total expenditure on existing properties in the year amounted to £2,071,731 (2025: £1,423,331). The amount capitalised is £998,742 (2025: £452,926) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £998,742 (2025: £452,926) and improvement of £Nil (2025: £Nil).

The Association's lenders have standard securities over Housing Property with a carrying value of £12,961,796 (2025: £12,846,383).

	Office Premises £	Furniture and Equipment £	Van £	Total £
(b) Other tangible assets				
Cost				
At 1 April 2025	1,104,577	410,980	28,784	1,544,341
Additions	-	11,323	46,734	58,057
Disposals	-	-	(28,784)	(28,784)
As at 31 March 2026	1,104,577	422,303	46,734	1,573,614
Aggregate depreciation				
As at 1 April 2025	220,919	409,191	28,784	658,894
Additions	22,092	4,765	15,578	42,435
Disposals	-	-	(28,784)	(28,784)
As at 31 March 2026	243,011	413,956	15,578	672,545
Net book value				
As at 31 March 2026	861,566	8,347	31,156	901,069
As at 31 March 2025	883,658	1,790	-	885,448

11. Commitments under operating leases

At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:

	2026 £	2025 £
Other		
Not later than one year	5,993	4,616
Later than one year and not later than five years	2,551	-

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

12. Receivables: amounts falling due within one-year	2026	2025
	£	£
Arrears of rent and service charges	118,117	115,536
<u>Less:</u> Provision for doubtful debts	(84,000)	(80,000)
	-----	-----
	34,117	35,536
Other receivables	130,736	170,324
	-----	-----
	164,853	205,860
	=====	=====

13. Payables: amounts falling due within one-year	2026	2025
	£	£
Housing loans	1,068,500	690,000
Trade payables	680,054	130,200
Rent received in advance	184,699	144,750
Other taxation and social security	26,757	21,030
Other payables	169,110	1,107,714
	-----	-----
	2,129,120	2,093,694
	=====	=====

At the balance sheet date there were pension contributions outstanding of £11,927 (2025: £10,351).

14. Payables: amounts falling due after more than one-year	2026	2025
	£	£
Housing loans	12,715,500	13,444,000
	=====	=====
Housing loans		
Amounts due within one year	1,068,500	690,000
Amounts due in one year or more but less than two years	728,500	728,500
Amounts due in two years or more but less than five years	4,285,500	3,585,500
Amounts due in more than five years	7,701,500	9,130,000
	-----	-----
	13,784,000	14,134,000
<u>Less:</u> Amount shown in current liabilities	1,068,500	690,000
	-----	-----
	12,715,500	13,444,000
	=====	=====

Housing loans are secured by specific charges on the Association's properties. Lenders have security over 533 of the Association's 871 properties. Loans are repayable at current rates of interest ranging from Sonia +1.5% to a fixed rate of 6.6%. A Scottish government repayable grant of £680,000 is unsecured and repayable in two equal tranches in 2024 and 2034. No repayments have yet been made. No interest is charged on this.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

15. Statement of cash flows

	2026 £	2025 £
Reconciliation of operating surplus to net cash inflow from operating activities		
Operating surplus	1,275,917	1,268,231
Depreciation	1,187,112	951,826
Amortisation of capital grants	(473,319)	(370,887)
Change in debtors	41,021	(10,490)
Change in creditors	(343,088)	993,922
Net cash inflow from operating activities	1,687,643	2,832,602
	=====	=====

	Housing properties held for letting £	Housing properties in course of construction £	Total £
16. Deferred income			
Social Housing Grants			
As at 1 April 2025	15,895,176	4,597,611	20,492,787
Additions	-	-	-
Transfers	4,597,611	(4,597,611)	-
Eliminated on disposal of components and property	(243,508)	-	(243,508)
As at 31 March 2026	20,249,279	-	20,249,279
Amortisation			
As at 1 April 2025	5,255,832	-	5,255,832
Amortisation in year	461,864	-	461,864
Eliminated on disposal	(243,508)	-	(243,508)
As at 31 March 2026	5,474,188	-	5,474,188
Net book value			
As at 31 March 2026	14,775,091	-	14,775,091
As at 31 March 2025	10,639,344	4,597,611	15,236,955
Other Grants			
As at 1 April 2025	548,439	-	548,439
Disposals	-	-	-
As at 31 March 2026	548,439	-	548,439
Amortisation			
As at 1 April 2025	199,977	-	199,977
Amortisation in year	11,455	-	11,455
Disposals	-	-	-
As at 31 March 2026	211,432	-	211,432
Net book value			
As at 31 March 2026	337,007	-	337,007
As at 31 March 2025	348,462	-	348,462

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

16. Deferred income (continued)

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

	2026 £	2025 £
Amounts due within one year	473,319	370,887
Amounts due in one year or more	14,638,7789	15,214,530
	-----	-----
	15,112,098	15,585,417
	=====	=====

17. Share capital

	2026 £	2025 £
Shares of £1 each issued and fully paid		
As at 1 April 2025	54	51
Issued in year	18	6
Cancelled in year	(1)	(3)
	-----	-----
At 31 March 2026	71	54
	=====	=====

Each member of the Association hold 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.

18. Housing Stock

	2026 No.	2025 No.
The number of units of accommodation in management at the year end was:		
General Needs – built by Association	254	213
General needs – purchased by Association	617	617
	-----	-----
	871	830
	=====	=====

19. Related party transactions

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102.

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

Management committee cannot use their position to their advantage. 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	44,372	43,045
	=====	=====

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

19. Related party transactions (continued)

At the year end, total rent arrears owed by the family of tenant members on the Management Committee were £1,277 (2025: £1,093).

	2026 No.	2025 No.
Members of the Management Committee who are tenants	4	5
	=====	=====
Members of the Management Committee who are local councillors	2	2
	=====	=====

20. Capital Commitments

Capital expenditure which has been contracted for but has not been provided for in the financial statements amounted to £81,311 (2025: £2,342,512).

21. Retirement benefit obligations

General

Hillhead Housing Association 2000 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 Accounting 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 has been put in place to eliminate this deficit, which will run from 1 April 2026 for a period of at least four years to 31 March 2030. This may be extended to 31 March 2032 if the judgement in the court case referenced below results in additional Scheme liabilities. This position will be reviewed at the 2027 valuation.

The Scheme is classified as a "last-man standing arrangement". Therefore, the Association 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. The Association accounts for the Scheme as a defined benefit 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.

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

	2026 £	2025 £
Fair value of plan assets	1,118,000	1,073,000
Present value of defined benefit obligation	(1,233,000)	(1,232,000)
	-----	-----
Defined benefit (liability)/asset to be recognised	(115,000)	(159,000)
	=====	=====

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

21. Retirement benefit obligations (continued)

Reconciliation of opening and closing balances of the defined benefit obligation

	2026 £	2025 £
Defined benefit obligation at start of period	1,232,000	1,355,000
Current service cost	-	-
Expenses	2,000	2,000
Interest expense	72,000	66,000
Actuarial gains due to scheme experience	(28,000)	44,000
Actuarial losses due to changes in demographic assumptions	10,000	-
Actuarial losses due to changes in financial assumptions	(27,000)	(196,000)
Benefits paid and expenses	(28,000)	(39,000)
Defined benefit obligation at end of period	1,233,000 =====	1,232,000 =====

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

	2026 £	2025 £
Fair value of plan assets at start of period	1,073,000	1,178,000
Interest income	63,000	57,000
Exp on plan assets (exc amounts inc in interest income) – gain/(loss)	8,000	(125,000)
Contributions by the employer	2,000	2,000
Benefits paid and expenses	(28,000)	(39,000)
Fair value of plan assets at end of period	1,118,000 =====	1,073,000 =====

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 was £71,000 (2025 - £68,000).

Defined benefit costs recognised in statement of comprehensive income

	2026 £	2026 £
Current service cost	-	-
Expenses	2,000	2,000
Net interest expense	9,000	9,000
Defined benefit costs recognised in statement of comprehensive income	11,000 =====	11,000 =====

Full judgement in the Verity Trustees v Wood court case is still awaited. Should the Court decide that 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 made, although this will be addressed if required by the potential extension of the Recovery Plan referenced above.

HILLHEAD HOUSING ASSOCIATION 2000 LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2026

Defined Benefit Costs Recognised in Other Comprehensive Income (OCI)

	2026	2025
	£	£
Experience on plan assets (exc amounts in net interest cost - gain(loss))	8,000	(125,000)
Experience gains and losses arising on plan liabilities – gain (loss)	28,000	(44,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	(10,000)	
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations – gain (loss)	27,000	196,000
Total actuarial gains (before restriction due to some of the surplus not being recognisable – gain (loss))	53,000	27,000
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) gain (loss)	-	-
Total amount recognised in Other Comprehensive Income – gain (loss)	53,000	27,000

Key Assumptions

	2026	2025
	%pa	%pa
Discount rate	6.18%	5.90%
Inflation (RPI)	3.28%	3.06%
Inflation (CPI)	3.03%	2.80%
Salary Growth	4.03%	3.80%
Allowance for commutation of pension for cash at retirement	75%of max allowance	75%of max allowance

The mortality assumptions adopted as at 31 March 2026 (2025) imply the following life expectancies;

Life expectancy at age 65 (yrs):	
Male retiring in 2026 (2025)	20.7 (20.2)
Female retiring in 2026 (2025)	22.9 (22.7)
Male retiring in 2046 (2045)	21.9 (21.5)
Female retiring in 2046 (2045)	24.4 (24.2)