GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MARCH 2026

RSL NO 267

FCA NO 2435R(S)

CHARITY NO SC031874

GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2026

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GLEN HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS

for the year ended 31st March 2026

MEMBERS, EXECUTIVE AND ADVISERS

Board of Directors

Graham Ross – Chairperson
Barry Allan – Vice Chair (Resigned 20/08/25)
Shane Garrloch – Vice Chair
Isobel Muirhead– Secretary (Resigned 20/08/25)
Josephine Smith
John McArthur
Alison Crook (Resigned 20/08/25)
Pat Milne
Pamela Hunter (Appointed 03/01/26)
Trevor Newman
Shirley Cuthbertson – Secretary
Stuart Thomson

Director
Anne Dickie

Registered Office

28 Heimdal Gardens
Glenrothes
KY7 6TZ

External Auditor

Findlays Audit Limited
Chartered Accountants
11 Dudhope Terrace
Dundee
DD3 6TS

Internal Auditor

Cameron Audit
GF 4 Grosvenor Gardens
Edinburgh
EH12 5JU

Principal Bankers

The Royal Bank of Scotland
Drummond House
1 Redheughs Avenue
Edinburgh
EH12 9JN

Solicitors

TC Young
Melrose House
69A George Street
Edinburgh
EH2 2JG

Report of the Board of Directors
The Board of Directors present their report and the audited financial statements for the year ended 31 March 2026.

Principal Activities
Glen Housing Association ("the Association") aims to provide housing solutions to meet the needs of local communities and to serve the interests of our current and future tenants.

Board of Directors
The Board of Directors are as detailed on page 1 of the financial statements.

Operating Financial Review
The Association provides a range of sustainable housing solutions, develops social and economic opportunities and strives to provide an effective and efficient service to its customers. The Board of Management have been following the strategic direction set by their 2023 – 2026 Business Strategy and remain confident that we are well placed to continue to meet the challenges ahead. We have a robust long term financial model in place which is based on prudent assumptions to maintain viability, address our planned maintenance programme as well as look to invest in net zero activities where at all feasible. We have ensured all our financial covenants with lenders are achieved with sufficient headroom built in as a contingency. During the period April 2025 to March 2026, we completed our 2-year programme of replacement triple glazed windows and doors to over 300 of our properties. We also carried out bathroom replacements to 95 properties, all this contributing to the Association achieving the aims and objectives of our asset management strategy and helping to ensure that all our homes are sustainable and remain fit for purpose in the short, medium and long term. Additional major retrofitting works to 30 properties were started during the first few months of 2026 following the award of Net Zero Heat Fund grant from the Scottish Government. This includes EWI, PV panels and battery storage and Air Source Heat Pumps. All of the above assists us in following an integrated approach to asset management and will protect the interests of our current and future tenants. We will also continue to ensure that we meet all our obligations on tenant and resident safety. The Association remains confident that we have the resources in terms of finances, people, systems and homes to allow us to meet our strategic objectives going forward.

1 Financial / Treasury Management

1.1 In the financial year 2025/26 the Association made an operating surplus of £567,726 (2025 - £494,637). After accounting for interest receivable and payable, and recognising the revaluation of the housing stock, the total surplus for the year was £2,000,127 (2025 - £97,877).
The Association participates in a multi-employer pension scheme, SHAPS, and under FRS 102, is required to include its share of net assets / liabilities in the financial statements. Each year, actuaries will update the Association's share of net assets / liabilities and the actuarial gain or loss must be included in the Statement of Comprehensive Income. The movement between 1 April 2025 and 31 March 2026 was reported as a gain of £46,000 (2025 - £21,000 Gain) and this has increased the total surplus to £2,046,127 (2025 - £118,877).
The Association's revenue reserves now sit at a balance of £19,440,079 (2025 - £17,393,997) being carried forward to 2026/27.

1.2 Finances are managed through the yearly budget process and ongoing development of key performance targets.

1.3 The Association continues to invest in the existing stock and the five-year financial projections detail how resources are deployed to meet business needs, including key assumptions and trends. All financial plans are subject to scenario planning and sensitivity testing to ensure robustness.

1.4 A full risk appraisal is undertaken on all large scale capital projects, which gives a detailed record of all identified risks; this review is presented to the Board for a full discussion before formal approval is given by the Board.

1.5 Treasury Management includes the managing of all short- and medium-term cash flow requirements, withdrawing funds and managing assets' security. In protecting financial resources it is ensured that investment decisions are properly assessed and that appropriate financial returns are delivered.

2 Reactive / Planned Maintenance

2.1 A key aim for the Association is to ensure that properties meet or exceed national standards. The 30-year planned maintenance programme and cash projections take account of investment in modernising and repairing houses, and in improving the social and physical nature of the community to protect and enhance the assets which underpin the Association's funding.

3 Asset Management

3.1 The Association continues to meet the guidance which indicates the level of standard that homes should meet under the "Scottish Housing Quality Standard" (SHQS). Currently, cyclical and planned maintenance programmes are being undertaken which includes renewals to windows, kitchens, electrical upgrades and cyclical painter work.

3.2 There is a focus to ensure updated and relevant information is held on our planned maintenance database which is key to providing information as to when property components are due to be replaced.

3.3 The asset investment plan, cashflows and 30-year financial models are aligned for consistency in order to ensure that an adequate fundable plan is in place.

4 Future Business Growth

4.1 The Association currently has 498 properties across Fife.

4.2 A full risk appraisal and feasibility study is undertaken on all large-scale projects being presented to the Board for discussion and formal approval.

5 Governance Arrangements

5.1 The Association has completed its review of Governance arrangements to ensure compliance with best practice. As required, the Association completed the Scottish Housing Regulator's Annual Assurance Statement in October 2024, confirming compliance with Regulatory Standards.

5.2 Currently governance operates through the Board of Directors which consists of current and former tenants of the Association and other interested individuals.

6 Provision of Services

6.1 The Association currently employs 14 members of staff on a full and part time basis.

6.2 Looking towards the future, the Association will ensure that the services it provides continue to meet the needs of tenants, customers and the community.

Board of Directors and Chief Executive

The Board of Directors and Chief Executive of the Association are listed on page 1.

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

Statement of the Board's Responsibilities

Housing Association legislation requires the Board 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 income and expenditure of the Association for the year ended on that date. In preparing those financial statements the Board are required to:-

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association.

The Board is 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.

Statement on Internal Financial Controls

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

(i) The reliability of financial information used within the Association or for publication.

(ii) The maintenance of proper accounting records, and

(iii) The safeguarding of assets against unauthorised use or disposition.

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

(i) Formal policies and procedures are in place including the documentation of key systems and rules relating to the delegation of authorities which allow the monitoring of controls and restrict the unauthorised use of the Association's assets. These policies and regulations are reviewed on a regular basis in accordance with a structured programme.

(ii) Experienced and suitably qualified staff take responsibility for important business functions. Their development and performance are monitored through an annual appraisal system and regular one to one meetings.

(iii) Forecasts and budgets are prepared which allow the Board and Management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.

(iv) Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.

(v) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Directors.

(vi) Together with the Audit Committee, the Board of Directors reviews reports from management and from the internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Association.

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

(viii) An annual programme of performance and service review and improvement is approved by the Board with progress regularly reviewed.

The Board of Directors has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2026 and also for the period up to the signing of this report. No significant control weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

In so far as the Board are aware:

(i) 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

(ii) The Board has taken all steps that they ought to have taken to make themselves aware of the relevant audit information and to establish that the Association's auditors are aware of that information.

Auditors

The auditors, Findlays, have expressed their willingness to continue in office. A resolution to re-appoint the auditors will be proposed at the annual general meeting.

By order of the Board

Secretary
24 June 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLEN HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Glen Housing Association Limited for the year ended 31 March 2026 which comprise statements of comprehensive income, financial position, cash flows, changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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, 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'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 Board with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLEN HOUSING ASSOCIATION LIMITED

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

Matters on which we are required to report by exception

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

- the Association has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the Statement of Comprehensive Income and Statement of Financial Position and any other statements to which our report relates are not in agreement with the Association's books of account; or
- we have not obtained all the information and explanations necessary for the purposes our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on page 4, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLEN HOUSING ASSOCIATION LIMITED

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud
Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Association through discussions with directors and other management, and from our knowledge and experience of the social housing sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 , SHR regulatory requirements, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the SHR, Health and Safety Executive, and the company's legal advisors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLEN HOUSING ASSOCIATION LIMITED

Because of the sector which the Association operates we have identified, the following areas which are most likely to have an impact on the financial statements:

Direct impact on the financial statements

- FRS 102/SORP 2018
- Registered social landlords determination of accounting requirements 2024.
- Charity legislation

Indirect impact on the financial statements

- Health and safety at work act
- GDPR
- Employment law
- Money laundering regulations
- Landlord regulations
- Housing (Scotland) Act 2014

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 is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GLEN HOUSING ASSOCIATION LIMITED

Use of our report

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

Findlays is eligible for appointment as auditor of the Association by virtue of its eligibility for appointment as auditor of a company under s 1212 of the companies Act 2006.



Sandy Squires, CA (Senior Statutory Auditor)
For and on Behalf of Findlays Audit Limited,
Chartered Accountants and Statutory Auditor,
11 Dudhope Terrace
Dundee
DD3 6TS

Date: 24 June 2026

REPORT BY THE AUDITORS ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the financial statements, we have reviewed your statement on pages 4 & 5 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 issued by the Scottish Housing Regulator

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on pages 4 & 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are 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 Board of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Board of Management'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 Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



Sandy Squires, CA (Senior Statutory Auditor)
For and on Behalf of Findlays Audit Limited,
Chartered Accountants and Statutory Auditor,
11 Dudhope Terrace
Dundee
DD3 6TS

Date: 24 June 2026

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2026 £	2025 £
Turnover	2	2,844,412	2,622,909
Operating expenditure	2	(2,276,686)	(2,128,272)
Other income		-	-
Operating surplus / (deficit)		567,726	494,637
Gain/(loss) on disposal of tangible fixed assets		-	-
Finance income	7	66,256	72,393
Finance costs	8	(434,631)	(469,143)
HAG Income for Developments		-	-
Revaluation of housing properties	11	1,800,776	-
Surplus / (deficit) for the year		2,000,127	97,887
Actuarial gain / (loss) in respect of pension schemes	19	46,000	21,000
Total comprehensive income for the year		**2,046,127**	**118,887**

All amounts relate to continuing activities.

The notes on pages 16 to 41 form part of the Financial Statements

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STATEMENT OF FINANCIAL POSITION

	Notes	2026	2025
Fixed assets		£	£
Tangible fixed assets	11, 12	26,029,055	22,865,762
		26,029,055	22,865,762
Current assets			
Trade and other debtors	13	173,927	168,204
Cash and cash equivalents		2,667,081	3,076,902
		2,841,008	3,245,106
Current liabilities			
Creditors: amounts falling due within one year	14	(1,504,067)	(833,590)
Net current assets / (liabilities)		1,336,941	2,411,516
Total assets less current liabilities		27,365,996	25,277,278
Creditors: amounts falling due after more than one year	15	(7,765,867)	(7,688,281)
Provisions for liabilities			
- Pension defined benefit liability	19	(160,000)	(195,000)
Total net assets		19,440,129	17,393,997
Capital and reserves			
Share capital	16	50	45
Income and expenditure reserve	17	19,440,079	17,393,952
		19,440,129	17,393,997

The financial statements were approved by the Board of Directors on 24 June 2026 and were signed on its behalf by:

S. A. Watt ..... Secretary

J. Smith ..... Board member

Colin Ross ..... Board member

The notes on pages 16 to 41 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

	Share Capital	Income & Expenditure Reserve	Total
	£	£	£
At 1 April 2025	**45**	**17,393,952**	**17,393,997**
Surplus / (deficit) for the year	-	210,351	210,351
Remeasurement gain / (loss) on defined benefit pension plan	-	35,000	35,000
Income from Scottish Government	-	-	-
Revaluation of tangible fixed assets	-	1,800,776	1,800,776
Total comprehensive income	**45**	**19,440,079**	**19,440,124**
Share capital issued/cancelled	5	-	5
At 31 March 2026	**50**	**19,440,079**	**17,440,129**

STATEMENT OF CASH FLOWS

	Notes	2026 £	2025 £
Net cash generated from operating activities	23	**1,995,597**	**1,257,886**
Cash flow from investing activities			
Purchase of tangible fixed assets		(2,133,221)	(1,325,955)
Purchase of investments		-	-
Proceeds of sale of tangible fixed assets		-	-
Grants received		-	-
Grants repaid		-	-
Interest received		66,256	72,393
		(2,066,965)	4,324
Cash flow from financing activities			
Proceeds from issue of shares		5	1
Shares cancelled		-	-
Proceeds from issue of new long-term loans		-	-
Repayment of long term loans		85,172	231,413
Repayment of finance lease liabilities		-	-
Interest paid		(423,631)	(459,143)
Net cash flow from financing activities		(338,454)	(227,729)
Net increase / (decrease) in cash and cash equivalents		**(409,821)**	**(223,405)**
Cash and cash equivalents at 1 April 2025		3,076,902	3,300,307
Cash and cash equivalents at 31 March 2026		2,667,081	3,076,902
Cash and cash equivalents consists of:			
Cash at bank and in hand		1,620,618	2,073,207
Short term deposits		1,046,463	1,003,695
Cash and cash equivalents at 31 March 2026		2,667,081	3,076,902

NOTES TO THE FINANCIAL STATEMENTS

1. Principal Accounting Policies

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice for social housing providers 2018 (SORP 2018) and the Scottish Housing Regulator's Determination of Accounting Requirements 2024.

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of Accounting

Glen Housing Association Limited meets the definition of a public benefit entity under FRS 102.

Glen Housing Association Limited is a Registered Social Landlord, incorporated in Scotland within the United Kingdom. The address of the registered office is given in the Association information page of these financial statements.

The financial statements are presented in sterling which is the functional currency of the Association.

Turnover

Turnover represents rental and service charge income, fees, grants receivable and other income.

Mortgages

Mortgage loans are advanced by private lenders under the terms of individual mortgage deeds in respect of each property. Advances are available only in respect of those developments which have been given approval for Social Housing Grant by the Scottish Housing Regulator.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Tangible Fixed Assets

Tangible fixed assets (including social housing properties) are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended such as the cost of acquiring land and buildings, developments costs, interest charges on loans during the development period and expenditure on improvements. Expenditure on improvements will only be capitalised when it results in incremental future benefits such as increasing rental income, reducing maintenance costs or resulting in a significant extension of the useful economic life of the property.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost (or valuation), less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Land	Not depreciated
Housing Properties	80 years
Property plant and equipment	15 - 60 years
Fixtures and fittings	3 - 6 years
Motor vehicles	4 years

Housing properties under construction are not depreciated until they are in use.

Major components of housing properties, such as roofs, windows, bathrooms, kitchens and heating, have been accounted for and depreciated separately from the connected housing property, over their expected useful economic lives and are included in property plant and equipment.

The useful economic lives of all tangible fixed assets are reviewed annually.

Valuation movements for Housing Properties Held for Letting are allocated to land and structure in accordance with SORP 2018. The Board of Directors believe the valuation of all other components is reasonably equal to the depreciated historical costs (net of grants) of such components.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Works to Existing Properties

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the property, thereby enhancing the economic benefits of the assets, are capitalised as improvements. Works to existing properties which do not result in the enhancement of economic benefits are charged to the Statement of Comprehensive Income.

Capitalisation of Development Overheads

Costs which are directly attributable to bring assets into working condition are included in housing properties cost during development and component replacement. Directly attributable costs include direct labour costs of the Association and incremental costs which would have been avoided only if the development or component replacement was not taking place. All other development costs are written off to the Statement of Comprehensive Income in the period in which it occurs.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income in other administrative expenses.

Housing Association Grants (HAG)

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where a grant is received from government and other bodies as a contribution towards a capital cost, it is recognised as income using the performance model in accordance with the SORP 2018. Prior to satisfying the performance conditions such grants are held as deferred income on the Statement of Financial Position.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a financing transaction, it is measured at present value.

Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. The level at which an impairment is assessed is considered is at the cash generating unit (CGU) level. The Board of Directors believe that housing properties held for letting represent one CGU.

The key indicators of impairment considered are changes in demand, changes in use, economic performance worse than expected, significant decline in market value, plans to regenerate, demolish or replace existing components, higher than expected costs of development, and other changes in technology, market, economy and legislation.

If such indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

Provisions for liabilities

Pensions

The Association participates in the Scottish Housing Association Pension Scheme (SHAPS). Retirement benefits for 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 now accounts for this as a defined benefit scheme in accordance with FRS 102.

Leases

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

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

Accruals and Deferred Income

Non-government grants in relation to capital expenditure are written off to the Statement of Comprehensive Income in the year in which they are receivable.

Significant Estimates

The preparation of financial statements requires the use of certain accounting judgements and estimates. It also requires the Board of management to exercise judgment in applying the Association's accounting policies. The areas requiring the use of significant estimates are disclosed below.

Rent Arrears – Bad Debt Provision

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

Useful life of Properties, Plant and Equipment

The Association estimates the useful life of properties, plant and equipment, as well as components thereof, and estimates an annual charge to be depreciated.

Defined Pension Liability

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

Going Concern

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

The Association's financial projections demonstrate that the Association has sufficient financial resources to ensure that it meets its commitments in the short, medium and longer term. Therefore, the Board of Directors believe that the Association is well placed to manage its business risks successfully despite the current uncertain economic outlook.

For the year ended 31 March 2026 the Board of Directors have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future which is defined as 12 months after the date of these financial statements. For this reason, the going concern basis has been adopted in these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2. Particulars of Turnover, Cost of Sales, Operating Costs & Operating Surplus

		2026 Turnover	Operating Costs	Operating Surplus/ (Deficit)
		£	£	£
Social Lettings	Note 3	2,792,931	(2,276,105)	516,826
Other activities	Note 4	51,481	(581)	50,900
Total		2,844,412	(2,276,686)	567,726

		2025 Turnover	Operating Costs	Operating Surplus/ (Deficit)
		£	£	£
Social Lettings	Note 3	2,588,185	(2,124,174)	464,011
Other activities	Note 4	34,724	(4,098)	30,626
Total		2,622,909	(2,128,272)	494,637

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. **Particulars Of Income & Expenditure From Social Letting Activities**

	General Needs Housing	Supported Housing	Shared Ownership	2026 Total	2025 Total
	£	£	£	£	£
Income from Letting					
Rent Receivable net of Service Charges	2,702,582	-	-	2,702,582	2,574,786
Service Charges	-	-	-	-	-
Gross Income From Rents and Service Charges	2,702,582	-	-	2,702,582	2,574,786
LESS: Rent Losses from Voids	(3,802)	-	-	(3,802)	(10,026)
Net Income from rents and service charges	2,698,780	-	-	2,698,780	2,564,760
Government grants taken to income	94,151	-	-	94,151	23,425
Other revenue grants	-	-	-	-	-
Total Turnover from Letting Activities	**2,792,931**	**-**	**-**	**2,792,931**	**2,588,185**
Expenditure on Social Letting Activities					
Management	(655,826)	-	-	(655,826)	(651,986)
Services	(76,594)	-	-	(76,594)	(70,867)
Planned and Cyclical Maintenance	(94,252)	-	-	(94,252)	(75,220)
Reactive Maintenance:	(592,959)	-	-	(592,959)	(635,746)
Operating costs for social letting activities	(94,151)	-	-	(94,151)	(23,425)
Rent Losses from Bad Debts	(17,091)	-	-	(17,091)	(6,071)
Depreciation of affordable let properties	(745,232)	-	-	(745,232)	(660,859)
Total Operating Costs	**(2,276,105)**	**-**	**-**	**(2,276,105)**	**(2,124,174)**
Operating Surplus/(Deficit)	**516,826**	**-**	**-**	**516,826**	**464,011**
Operating Surplus/(Deficit) for previous period of account	464,011	-	-	464,011	

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Supporting People Income	Other Revenue Grants	Other Income	Total Turnover	Bad Debts	Other Operating Costs	2026 Operating Surplus/ (Deficit)	2025 Operating Surplus/ (Deficit)
	£	£	£	£	£	£	£	£	£
Wider Role Activities	-	-	-	-	-	-	(581)	(581)	(4,098)
Care and repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency / management services for RSLs	-	-	-	-	-	-	-	-	-
Other agency / management services	-	-	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-
Developments and improvements for sale to non RSLs	-	-	-	-	-	-	-	-	-
Shared equity sales	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	51,481	51,481	-	-	51,481	34,724
Total from other activities	**-**	-	**-**	**51,481**	**51,481**	-	**(581)**	**50,900**	**30,626**
Total from other activities for the previous period of account	**-**	**-**	**-**	**34,724**	**34,724**	-	**(4,098)**		

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Key Management Personnel Emoluments

As per the Scottish Housing Regulator's Determination of Accounting Requirements 2024, disclosure of key management personnel's emoluments exceeding £60,000 per annum is required.

	2026 £	2025 £
Aggregate emoluments payable to key management personnel with emoluments greater than £60,000		
Emoluments excluding employers pension	152,233	77,892
Employers pension contributions	17,324	8,958
Total emoluments payable	169,557	86,850
The emoluments payable to, or received by, the Director amount to :		
Emoluments excluding employers pension	82,340	77,892
Employers pension contributions	9,317	8,958
Employers pension deficit contributions	-	-
Total emoluments payable	91,657	86,850
The emoluments of key management personnel (excluding pension contributions) were within the following ranges :-		
£60,001 to £70,000	1	-
£71,001 to £80,000	1	1
£80,001 to £90,000	-	-

The key management personnel are ordinary members of the Association's pension scheme described in note 20. No enhanced or special terms apply to membership and they have no other pension arrangements to which the Association contributes. No emoluments were paid to any member of the Board during the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Employee Information

	2026 No.	2025 No.
The average monthly number of full time equivalent persons employed during the year was:	14	14

	2026 £	2025 £
Staff costs		
Wages and salaries	525,212	486,143
Social security cost	50,382	39,610
Pension costs	53,362	50,120
Pension deficit contributions	-	-
	628,956	575,873

7. Interest and other finance income

Interest receivable and other income	2026 £	2025 £
Bank Interest receivable	66,256	72,393
	66,256	72,393

8. Interest payable and similar charges

	2026 £	2025 £
Bank loans and overdrafts	423,631	459,143
Other loans	-	-
Finance charges payable under finance leases	-	-
	423,631	459,143

Other finance costs

Net interest on defined benefit pension liability	11,000	10,000
	434,631	469,143

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Surplus / (deficit) on ordinary activities

Surplus / (deficit) on ordinary activities is stated after charging:-	2026	2025
	£	£
Depreciation of tangible fixed assets		
- housing properties (including accelerated depreciation of		
£53,557 , 2025 - £41,305)	745,232	660,859
- other fixed assets	25,472	25,091
Repairs: Cyclical, day to day	307,859	298,854
Operating lease rentals	9,600	9,633
External Auditors remuneration		
- in their capacity as auditors	10,200	9,798
External Auditors remuneration		
- in their capacity as non-auditors	2,808	3,600
	======	======

10. Taxation

The Association has been recognised by HM Revenue and Customs as a charity for taxation purposes. Provided its income is derived from and applied to charitable purposes, no taxation liability arises.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Tangible Fixed Assets - Housing Properties

	Housing held for Letting £	Housing Properties in the Course of Construction £	Other Properties £	Total £
Valuation				
At 1 April 2025	22,571,529	48	-	22,571,577
Additions	2,122,746	5,317	-	2,128,063
Capitalised wages cost	-	-	-	-
Transfer to completed properties	-	-	-	-
Disposals	(700,759)	-	-	(700,759)
Revaluation	1,706,484	-	-	1,706,484
At 31 March 2026	25,700,000	5,365	-	25,705,365
Depreciation				
As at 1 April 2025	49,820	-	-	49,820
Adjustment for disposals	(647,202)	-	-	(647,202)
Charge for the year	691,674	-	-	691,674
Eliminated on revaluation	(94,292)	-	-	(94,292)
At 31 March 2026	-	-	-	-
Net Book Values				
As at 31 March 2026	25,700,000	5,365	-	25,705,365
As at 31 March 2025	22,521,709	48	-	22,521,757

Component replacement costs of £2,122,746 (2025 - £1,322,568) were capitalised during the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Tangible Fixed Assets - Housing Properties

A desktop valuation was conducted in May 2026 by an independent external valuer, Jones Lang Lasalle. The basis of the valuation was Existing Use Value – Social Housing. The properties held for letting were valued at £25,700,000.

The directors feel that the value at 31 March 2026 of the properties should be recognised as the independent valuation stated above.

Carrying Value

If housing properties held for letting had not been revalued they would have appeared in the balance sheet as:

	2026 £	2025 £
Cost	39,642,936	38,215,632
Accumulated depreciation	(12,134,228)	(12,089,756)
Net book value at 31 March 2026	£ 27,508,708	£ 26,125,876

NOTES TO THE FINANCIAL STATEMENTS (continued)

12 **Tangible fixed assets - other**

	Leasehold improvements	Office Premises	Motor Vehicles	Fixtures & Fittings	Total
Cost	£	£	£	£	£
At 1 April 2025	20,176	471,459	58,577	71,255	621,467
Additions	-	-	-	5,158	5,158
Disposals	-	-	-	-	-
As at 31 March 2026	20,176	471,459	58,577	76,413	626,625
Depreciation					
At 1 April 2025	20,176	153,560	41,073	62,653	277,462
Charge for year	-	9,817	10,425	5,231	25,473
Disposals	-	-	-	-	-
As at 31 March 2026	20,176	163,377	51,498	67,884	302,935
Net Book Value					
At 31 March 2026	-	308,082	7,079	8,529	323,690
At 31 March 2025	-	317,899	17,504	8,602	344,005

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Trade and other debtors

	2026 £	2025 £
Trade debtors (gross social housing rent arrears)	33,289	52,670
Less : provision for doubtful debt	(19,554)	(18,461)
Other debtors	16,473	12,814
Prepayments and accrued income	143,719	121,181
	173,927	168,204

14. Creditors : amounts falling due within one year

	2026 £	2025 £
Amounts falling due within one year:		
Bank loans and overdrafts	458,945	451,358
Rents paid in advance	112,114	103,604
Other tax and social security	13,735	10,649
Other creditors	450,918	138,517
Accruals and deferred income	468,355	129,462
	1,504,067	833,590

The amounts secured are £458,945 (2025 - £451,358).

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. **Creditors : amounts falling due after more than one year**

	2026 £	2025 £
Bank loans and overdrafts	7,765,867	7,688,281
	7,765,867	7,688,281

The amounts secured are £7,765,867 (2025 - £7,688,281).

Housing Loans are secured by specific charges on the Association's properties and are repayable at varying rates of interest in instalments due as follows:-

Loan Repayment	2026 £	2025 £
Within one year	458,945	451,358
Between one and two years	925,424	458,945
Between two and five years	2,175,880	2,207,508
In five years or more	4,664,563	5,021,828
	8,224,812	8,139,639

16. **Share capital**

	2026 No.	2025 No.
At 1 April 2025	45	44
Issued during the year	5	1
Cancelled during the year	-	-
At 31 March 2026	50	45

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. Reserves

Income and expenditure reserve

The income and expenditure reserve represents cumulative surplus and deficits net of other adjustments.

18. Related party transactions

Information about related party transactions and outstanding balances is outlined below:

Two members of the Board of Directors are also tenants of the Association. The tenancies are on the same terms as for other tenants and no advantage can be gained from the position.

During the financial year, these Directors were charged rent totalling £9,144 (2025 - £8,471). As at 31 March 2026 the amount of £57 (2025 - £51) had been overpaid and was due from the Association to the tenants.

Where members of the Board of Directors are also councillors or employees of related local authorities, there are no transactions to disclose that were not made at arm's length or not made under the normal commercial terms.

No Board members received remuneration however members of the Board of Directors were reimbursed for out of pocket expenses amounting to £1,019 (2025 - £675).

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. Retirement Benefits

Glen Housing Association Limited participates in the Scottish Housing Association Pension Scheme (the Scheme).

The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme. The Association has since moved to a defined contribution structure in the scheme but has a liability for the past service deficit in the defined benefit scheme.

The last valuation of the Scheme was performed as at 30th September 2024 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £689.8m. The valuation revealed a shortfall of assets compared with the value of liabilities of £79.5m (equivalent to a past service funding level of 90%).

The Scheme Actuary prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30th September 2025. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed a decrease in the assets of the Scheme to £626m and a decrease in liabilities to approximately £686m, equivalent to a past service funding level of 91%. The next full actuarial valuation will be for 30th September 2027 and will be finalised later in 2028.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal then the liability of the withdrawing employer is re-apportioned amongst the remaining employers. Therefore, in certain circumstances the Co-operative may become liable for the obligations of a third party.

All employers in the Scheme entered into an agreement to make additional contributions to fund the Scheme's past service deficit to 31 March 2030. The recovery plan has been put in place to eliminate the deficit (depending on funding levels) for the majority of employers – although certain employers have different arrangements. Pension deficit contribution payments of £Nil (2025 - £Nil) were made during the year by the Association as these will commence from 1 April 2026.

Overall, the Association made payments totalling £53,362 (2025 - £50,120) to the pension scheme during the year.

No assets included in the fair value of plan assets are Association's own financial instrument or are properties occupied or used by the Association.

TPT Retirement Solutions (the administering authority) has responsibility for the management of the Scheme. As most of the Scheme's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the Scheme's assets. In order to mitigate this risk, the Scheme holds a diverse investment portfolio with a range of investment managers.

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. **Retirement Benefits (continued)**

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

	2026 £(000's)	2025 £(000's)
Fair value of plan assets	1,306	1,313
Present value of defined benefit obligation	1,466	1,508
Surplus (deficit) in plan	(160)	(195)
Unrecognised surplus	-	-

Reconciliation of the impact of the asset ceiling

	2026 £(000's)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

Reconciliation of opening and closing balances of the defined benefit obligation

	2026 £(000's)
Defined benefit obligation at start of period	1,508
Current service cost	-
Expenses	3
Interest expense	87
Contributions by plan participants	-
Actuarial losses (gains) due to scheme experience	(86)
Actuarial losses (gains) due to changes in demographic assumptions	12
Actuarial losses (gains) due to changes in financial assumptions	(29)
Benefits paid and expenses	(29)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	1,466

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. **Retirement Benefits (continued)**

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

	2026 £(000's)
Fair value of plan assets at start of period	1,313
Interest income	76
Experience on plan assets (excluding in interest income) – gain (loss)	(57)
Contributions by the employer	3
Contributions by plan participants	-
Benefits paid and expenses	(29)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rates changes	-
Fair value of plan assets at end of period	1,306

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2024 to 31 March 2025 was £(60,000).

Defined benefit costs recognised in statement of comprehensive income (SOCI)

	2026 £(000's)
Current service cost	-
Expenses	3
Net interest expense	11
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SOCI)	14

Defined benefit costs recognised in other comprehensive income

	2026 £(000's)
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	(57)
Experience gains and losses arising on the plan liabilities – gain (loss)	86
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	(12)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	29
Total actuarial gains and losses (before restriction due to some of the surplus not being recognised) gains (loss)	46
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)	46

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. **Retirement Benefits (continued)**

ASSETS

	2026 £(000's)	2025 £(000's)
Global Equity	172	152
Absolute Return	-	-
Distressed Opportunities	-	-
Credit Relative Value	-	-
Alternative Risk Premia	-	-
Liquid Alternatives	250	242
Emerging Markets Debt	-	-
Risk Sharing	-	-
Insurance -Linked Securities	3	5
Property	68	65
Infrastructure	-	-
Private Equity	3	1
Real Estate	130	157
Private Debt	-	-
Opportunistic Illiquid Credit	-	-
Private Credit	168	164
Credit	60	56
Investment Grade Credit	55	60
High Yield	-	-
Cash	-	7
Corporate Bond Fund	-	-
Liquid Credit	-	-
Long Lease Property	-	-
Secure Income	18	30
Liability Driven Investment	360	370
Currency Hedging	-	2
Net Current Assets	19	2
Total Assets	1,306	1,313

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. **Retirement Benefits (continued)**

KEY ASSUMPTIONS

	2026 % per annum	2025 % per annum
Discount Rate	6.08	5.82
Inflation (RPI)	3.31	3.10
Inflation (CPI)	3.03	2.79
Salary Growth	4.03	3.79
Allowance for commutation of pension for cash at retirement	75% max allow	75% max allow

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

	Life expectancy At age 65 (Years)
Male retiring in 2024	20.7
Female retiring in 2024	22.9
Male retiring in 2044	21.9
Female retiring in 2044	24.2

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. Legislative Provisions

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

21. Housing Stock

The number of units of accommodation in management at the year end was:-

	2026 No.	2025 No.
General needs	498	498
	498	498

22. Commitments Under Operating Leases

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

Land and Buildings	2026 £	2025 £
Expiry Date		
Within 1 year	2,440	2,440
Between 2-5 years	4,880	7,320
Over 5 years	-	-

Capital Commitments

Housing Properties	2026 £	2025 £
Capital expenditure that has been contracted for but has not been provided for In the financial statements.	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

23.	**Cash flow from operating activities**	**2026** **£**	**2025** **£**
	Surplus / (deficit) for the year	567,726	494,637
	Depreciation and impairment of tangible fixed assets	770,703	685,950
	Non-cash DB Pension adjustment	-	-
	Proceeds of sale of tangible fixed assets	-	-
	Carrying amount of tangible fixed asset disposals	-	-
	(Increase) / decrease in stock	-	-
	(Increase) / decrease in trade and other debtors	(5,724)	(20,187)
	Increase / (decrease) in trade and other creditors	662,892	97,486
	Government grants utilised in the year	-	-
	Net cash flow from operating activities	1,995,597	1,257,886

NOTES TO THE FINANCIAL STATEMENTS (continued)

23 **Reconciliation of net cash flow to movement in net debt**

	2026	2028
	£	£
Increase/(decrease) in cash	(409,821)	(223,405)
Cashflow from change in net debt	(85,172)	(231,463)
	(494,993)	(454,868)
Net debt at 1st April 2025	(5,062,737)	(4,607,840)
Net debt at 31st March 2026	(5,557,730)	(5,062,737)

Analysis of changes in net debt

	At 1st April 2025	Cashflows	Other changes	At 31st March 2026
	£	£	£	£
Cash and cash equivalents	3,076,902	(409,821)	-	2,667,081
Bank overdrafts	-	-	-	-
	3,076,902	(409,821)	-	2,667,081
Debt : due within one year	(451,358)	(150,992)	-	(602,350)
due after more than one year	(7,688,281)	65,820	-	(7,622,461)
Net debt	(5,062,737)	(494,993)	-	(5,557,730)

NOTES TO THE FINANCIAL STATEMENTS (continued)

24. Contingent Liabilities

The Association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the SFHA Scheme based on the financial position of the Scheme as at 30 September 2025 (latest valuation). The estimated employer debt for the Association was £348,955. The Association has no intentions of withdrawing from the scheme and consequently no provision has been made in the financial statements.

We were notified in 2021 by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with the Court's determination expected no earlier than Spring 2026. It is estimated that this could potentially increase the value of the full Scheme liabilities by £27m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

As the Association adopts a policy of holding its housing properties at valuation, government grants are written off to the statement of comprehensive income, using the performance model, in the year in which the conditions of the grant are met. In the case of housing properties, grant conditions are considered to be fully met on completion of the development. Government grants of £23,522,885 have been accounted for under the performance model. Should the Association dispose of property in the future, this could give rise to a relevant event for the purposes of repayment or recycling such grant.