



LANARKSHIRE HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

LANARKSHIRE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Members, Executive and Advisers

Management Committee

Liam Donnachie – Chair
Barry Farrell – Vice Chair
Allan Forsythe (resigned 17 June 2025)
Linzi Brunton – Treasurer
Martin Ritchie – Secretary
Shaun Alexander (resigned 24 June 2025)
Gordon Anderson
Laurie Boles (appointed 22 April 2025)
Mayra Nunes (appointed 22 April 2025)
Martine Nolan (appointed 22 April 2025, resigned 24 February 2026)
Gerrad McParland (appointed 22 April 2025)
Joliane Philip (appointed 22 April 2025, resigned 23 September 2025)
Paul Lennon (appointed 22 April 2025)
Anne O'Donnell (appointed 22 April 2025, resigned 17 June 2025)

Executive Officers

Henry Coyle – Chief Executive
Janet Naphthine – Finance & Corporate Services Director
(appointed 13 January 2026)

Mark Quigley - Property Services Director
Liz White – Housing Services Director
Ann Marie Collins - Corporate Services Director (retired 31 December 2025)
Tracey Winters – Planning & Research Manager (retired 31 March 2026)
Irene Savage – Housing Manager
Deborah Stapleton – Corporate Services Manager
Alan Semple – Finance Manager (resigned 31 October 2025)

Registered Office

191 Brandon Street
Motherwell
ML1 1RS

Auditors

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

Bankers

Bank of Scotland
Bellshill Branch
207 Main Street
Bellshill
Lanarkshire
ML4 1AJ

Solicitors

TC Young
7 West George Street
Glasgow
G2 1BA

Brechin Tindal Oatts
48 St Vincent Street
Glasgow
G2 5HS

Brodies
110 Queen Street
Glasgow
G1 3BX

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Registration information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered number 1941 R (S)
The Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered number HAL202
Office of the Scottish Charity Regulator	Scottish Charity number SC042523

LANARKSHIRE HOUSING ASSOCIATION LIMITED

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

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

Legal Status

Lanarkshire Housing Association is a registered non-profit making organisation under the Co-operative and Community Benefits Societies Act 2014 No 1941R(S). The Association is a registered Scottish charity, SC042523.

The Association is registered with the Scottish Housing Regulator as Social Landlord No: 202 and under Property Factors (Scotland) Act 2011 as No: PF000275.

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefits Society, The Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord.

Principal Activity

The principal activities of the Association are to provide:

- Housing for social rent;
- Management and maintenance services to tenants; and
- Community initiatives and support wider role activities.

Corporate & Governance

In June 2024, the Association was notified that an ongoing legal case against the Association had been dismissed, and efforts therefore turned towards defending new appeals to this decision. The appeals process continued through 2025/26 and finally settled in LHA's favour in April 2026. Further detail on the case and the process undertaken to conclusion is included in Note 30 of the Financial Statements.

The Management Committee has complied with all its statutory and regulatory requirements throughout the year and approved its Annual Assurance Statement in October 2025. This Statement was submitted to the Scottish Housing Regulator and has been made available to all tenants and stakeholders.

LHA also has an approved Assurance Improvement Plan, which details the areas of the Regulatory Framework that can be upgraded from simple compliance to achieving best practice. The Management Committee receives regular reports on the Improvement Plan, via the Audit & Assurance Sub-Committee.

As the Management Committee was at nine members in March 2026 and to ensure the Committee maintains the correct mix of skills and abilities available to it, a recruitment exercise was conducted in June 2026, through which it is intended to recruit six new members to be appointed at the AGM on 16 September 2026. It is anticipated that these new Members will contribute significantly to the effectiveness of the Management Committee.

In March 2026, the Scottish Housing Regulator published LHA's Engagement Plan for 2026/27, confirming that LHA's status is Compliant.

In April 2025, LHA identified an issue with cladding on one building in Motherwell and one building in Bellshill. Having received the results of Fire Risk Assessments of External Walls (FRAEWs) and a Single Building Assessment (SBA), a number of recommendations were made and LHA is working through these actions and providing the Regulator with monthly progress updates on its plans to address tenant safety issues.

Corporate & Governance (continued)

Other principal highlights of the year include:

- There were changes in the LHA Executive Team during 2025/26 with the resignation of the Finance Manager, the retirement of the Corporate Services Director and the Planning & Research Manager, and the appointment of a new Finance and Corporate Services Director;
- A review of the Factoring service is ongoing with the aim of delivering a more efficient and transparent service to owners;
- We are working towards obtaining Cyber Essentials accreditation;
- We completed the triennial Tenant Satisfaction Survey, with positive gains in Satisfaction with LHA's Management of the Neighbourhood; Satisfaction with Repairs carried out in the last year; and Satisfaction with the Quality of the Home;
- An action plan to improve those Key Performance Indicators that have not improved since 2022 is underway. These include Tenant Satisfaction with being kept informed about services and decisions; Satisfaction with opportunities to participate in decision making; and Rent as very good or fairly good value for money;
- A Stock Condition Survey was completed in December 2025 which covered 42% of the housing stock which was a significantly higher survey level than previously at 10%;
- The Housing Management Software system HomeMaster was purchased in December 2025 and work is ongoing on this for implementation in December 2026. The new system will provide a range of process and service improvements; and
- A new five year Strategic Plan was developed for 2026-2031 for implementation from 1st April 2026.

Management Committee Members Induction and Training

Most members of the Management Committee are already familiar with the practical work of LHA. Where new members are elected, information is supplied regarding the obligation of Management Committee members, details of the Association's main documents and up to date financial statements. In addition, a formal training and induction programme is provided for any new member of the Management Committee.

In July 2025, Committee Members attended a Strategic Away Day to agree LHA's strategic direction and contribute to the creation of the new 5-year Strategic Plan. In December 2025, Members were independently appraised and Committee has discussed Share's subsequent feedback report. All Members now have a personal development plan and some have represented LHA at training sessions, seminars and conferences.

The Management Committee and Executive Officers

The Management Committee and executive officers of the Association are listed on the first page of the financial statements. Each member of the Management Committee holds one fully paid share of £1 in the Association. The executive officers of LHA hold no interest in LHA's share capital and although not having the legal status of directors they act as executives within the authority delegated by the Management Committee.

Statement of the Management Committee's Responsibilities

The Management Committee is responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation 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 income and expenditure of the Association for that period. In preparing these financial statements, the Management Committee is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;

LANARKSHIRE HOUSING ASSOCIATION LIMITED

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

- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time LHA's financial position and to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 as issued by the Scottish Housing Regulator.

The Management Committee has general responsibility for taking reasonable steps to safeguard the assets of LHA and to prevent and detect fraud and other irregularities.

Related Party Transactions

LHA's subsidiary company, Lanarkshire Initiatives Limited, is now dormant and there were no transactions with the company during the year.

During the year 2025/26 there were two members of the Management Committee who are tenants, one was a Management Committee member until June 2025 and the other joined in April 2025. Their tenancies are based on the LHA's standard tenancy agreement, and they are unable to use their position to gain any advantage. LHA has a policy on Conflicts of Interest which all Management Committee members comply with. Transactions with the Management Committee are shown in Note 29.

LHA's Strategic Objectives during 2025/26

During 2025/26 LHA had the following strategic objectives:

- To meet or exceed the requirements of the Scottish Social Housing Charter (the Charter) and deliver fair, accessible, and responsive customer services
- To ensure all of our homes meet or exceed the Scottish Housing Quality Standard (SHQS) and the Energy Efficiency Standard for Social Housing (ESSH)
- To improve our consultation opportunities to tenants on key measures to regularly maintain and improve the standard and quality of their homes
- To improve the energy efficiency of our business operations and reduce associated carbon emissions
- To examine prospects for organic growth of the business through affordable development and acquisition opportunities
- Achieve our Corporate and Social Responsibilities (CSRs) through excellence in governance and financial management, linked to ethical codes of practice

LHA's Strategic Objectives 2026/27 to 2030/31

The strategic objectives for LHA in its five year Strategic Plan 2026-2031 (effective from 1st April) are the following objectives:

- Maintaining, improving and growing our Customer Experience
- Maintaining, improving and growing our Assets
- Retaining, improving and growing our People
- Maintaining, improving and growing our Financial Wellbeing
- Maintaining, improving and growing our Connections

To achieve our strategic objectives, we will work with our strategic partners at a national, local authority and community level ensuring that our decision making, and direction of the business demonstrate consistency and added value to underpin the advancement of social housing principles and community development.

Future Prospects

The key objectives for 2026/27 were considered by the Management Committee in 2025, and included in the 2026-2031 Strategic Plan. "Maintaining, Improving, and Growing":

- Implementation of the new Strategic Plan which clearly states LHA's mission, vision and values and sets out an action plan to deliver on each of LHA's five new corporate strategic objectives as described above
- Further investment in tenants' homes and consideration of an appropriate Growth Strategy
- To continue to support community engagement initiatives and work with partners to promote social inclusion and cohesion
- To continue to deliver high quality and effective management and maintenance services that meet the needs and expectations of our tenants, and work towards Customer Service Excellence accreditation
- Full compliance with all regulatory and statutory duties
- Implement People and Wellbeing Strategies and work towards Investors in People Gold accreditation

Property Services

The operational objectives of Property Services are to:

- Achieve the Scottish Social Housing Charter's standards and outcomes;
- Meet our repairs and maintenance responsibilities and obligations, particularly compliance with the Scottish Secure Tenancy Agreement, and other key legislation; and
- Carry out responsive repairs, together with cyclical and planned programmes of work, keeping our housing stock in good condition, in demand and performing well.

LHA continues to provide reactive maintenance performance comparable with previous years. During 2025/26, the following average repair completion times were achieved;

- | | |
|--|------------|
| • Average length of time taken to complete emergency repairs | 1.71 hours |
| • Average length of time taken to complete non-emergency repairs | 5.07 days |

LHA continued to deliver its annual compliance programme, including gas safety, electrical inspections, water hygiene, lift servicing, roof anchor testing, fire detection checks and fire risk assessments. Compliance expenditure across the reporting year is £91,000. Wider cyclical maintenance of the building fabric and groundworks accounts for £100,000 across landscapes maintenance and gutter cleaning.

In 2025/26 LHA invested approximately £530,000 across two major component renewal programmes. Through tendering and agreed rates, the Association delivered the following planned works:

- Jewel Estate, Bellshill: Energy efficient window and door renewals for 57 flats and 34 houses
- Liberty Road, Bellshill: Energy efficient boilers for 21 properties

In addition to these planned investment programmes, the Association undertook further capitalised component replacement works and medical adaptations in tenants' homes, bringing total housing stock investment during the year to £665,000.

These investment works will improve the energy efficiency, condition and sustainability of our housing stock whilst enhancing tenant comfort and reducing future maintenance requirements. LHA's planned works programme for 2026/27 shows continued focus in both improvements and compliance with a focus on:

- Dalziel Street, Motherwell: Cladding remediation
- Liberty Road, Bellshill: Kitchens for 27 properties.

Historically we have plans in place confirming that our housing and neighbourhoods are well maintained. These are supported by independently produced stock condition surveys and updates to our life cycle costing exercise. The latest, a 42% survey in December 2025, concluded that our stock is considered to be in good condition and comparable with the sector average for Scottish Housing Quality Standard (SHQS) compliance which is the Scottish Government's main measure of housing quality. 30% stock condition survey planned for 2028.

Property Services (continued)

SHQS compliance at March 2026 was 88.36%. Whilst this remains below LHA's longer-term target, planned investment programmes and component replacement works have been prioritised to address outstanding failures. Progress continues to be monitored through the Housing Services Sub-Committee, with a target of 94.17% compliance set for March 2027.

Housing Services

During the year, the Housing Services Team focused on maintaining, improving and growing key areas of service delivery, including: -

- Our tenant engagement activities
- Support for our tenants, focusing on those who are most impacted by the challenging financial environment
- Customer satisfaction levels, following on from our tenant satisfaction survey in 2025
- Our information technology by implementing a new housing management system

Tenant Information Service (TIS) continues to work closely with our Tenant Scrutiny Group, whose members have provided valuable input into several policy reviews during the year. TIS will also support LHA in increasing membership of both the Tenant Focus Group and the Tenant Scrutiny Group, whilst continuing to raise staff awareness of the important role these groups play in sharing and improving our services.

Our partnership with the Advice for Tenants and Resident (AFTAR) project remains an important source of support for tenants and residents. Weekly advice surgeries continue to provide access to information and guidance on income maximisation, welfare benefits, debt management and utility advice. We have also been making referrals to the Wise Group enabling tenants to access support through their Relational Mentoring Scheme and HEAT (Home Energy Advice Team).

Housing Officers continue to undertake an annual home visit to every tenant. These visits provide an opportunity to explain our services, assess the condition of the property, identify any repairs or compliance issues and confirm tenancy/household information. They also enable staff to offer practical tenancy support including advice on rent, benefits and adaptations to homes, whilst promoting tenant wellbeing and identifying any additional support needs.

LHA completed the purchase of a new housing management system and has been working with HomeMaster on implementation and staff training. The system is expected to go live in December 2026 and will streamline our processes across the organisation, improving efficiency and supporting enhanced service delivery. As part of this development an online tenant portal will be introduced, providing tenants with greater access to services and supporting LHA's digital by choice approach.

The Housing & Property Services Teams worked collaboratively to review LHA's Void Management Policy and associated procedures. The revised approach contributed to improved performance during the year, with reductions in both void rent loss and the average time taken to re-let void properties. Relet times reduced from 22.69 days to 16.96 days and void rent loss improved from 0.37% to 0.33%, representing a 10.8% reduction compared with the previous year.

At the year end, rent collection was 100.14% compared with 100.95% in the previous year, representing a reduction of 0.80%. Despite this slight reduction, rent collection performance remained strong. Gross rent arrears increased from 2.47% to 2.87%, a 16.2% relative increase but remained within LHA's corporate benchmark target.

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The annual rent consultation process was completed during the year with a 5% increase approved by our Management Committee. This followed a detailed consultation process with tenants and an affordability assessment using the Scottish Federation of Housing Associations (SFHA) affordability assessment tool.

A comprehensive review of LHA's factoring service was also undertaken. This included an increase to the management fee charged to owners to ensure the service is delivered on a transparent and financially sustainable basis with costs appropriately recovered from service users.

Key Performance Indicators

Rents (taken from ARC)

ARC Indicator	31 March 2026	31 March 2025
Average Weekly Rent Uplift	4.0%	7.0%
As % of total rent due:		
Rent Collected	100.14%	100.95%
Gross Arrears	2.87%	2.47%
Rent loss from empty properties	0.33%	0.37%

Repairs (taken from ARC)

ARC Indicator	31 March 2026	31 March 2025
Time to Complete Emergency Repair (Average)	1.7 hours	1.4 Hours
Time to Complete Non Emergency Repairs (Average)	5.1 days	3.4 days
Repairs Carried Out Right 1 st Time	90.8%	98.8%
No. of Times Didn't Meet Statutory Duty re Gas Safety Servicing	0	1

Tenant Satisfaction (taken from Tenant Satisfaction Survey)

Tenant Satisfaction Level	2024/25 Survey	2021/22 Survey	% Change (+ or -)
On overall service provided	93.2%	95.2%	-2.0%
On keeping you informed about services and decisions	90.0%	98.1%	-8.1%
On level of opportunities given to participate in decision making	83.5%	95.2%	-11.7%
On overall quality of your home	85.9%	79.3%	+6.6%
On repairs and maintenance service over last 12 months	91.4%	92.6%	-1.2%
On management of the neighbourhood you live in	91.1%	85.5%	+5.6%
On how rent level is value for money	81.4%	88.5%	-7.1%

The tenant satisfaction survey is completed every three years with the most recent survey having been completed in February 2025, hence the next survey will be during financial year 2027/28.

Financial Performance

For the financial year ending 31 March 2026, the Association has recorded total comprehensive income of £464,543 (2025: £980,053) and its net assets position has increased to £24,895,250 (2025: £24,430,701). Total comprehensive income for the year 2025/26 decreased significantly from the 2024/25 year end due to a revenue provision of £510,500 having been included in 2025/26 for cladding remedial replacement works at Dalziel Street which are now known to be required following assessments in the year. A rent increase of 4% in 2025/26 has meant that rental income has increased to £4,871,333 (2025: £4,688,619).

Operating expenditure increased significantly to £4,438,834 in 2025/26 from £3,791,542 the previous year which was due to the inclusion of the provision for the cladding remedial works at Dalziel Street as well as some increased legal fees in year relating to the final defence elements of the Watling Street litigation which concluded in LHA's favour in April 2026.

There was a gain in respect of the Strathclyde Pension Fund. The performance returned an actuarial gain of £5,344,000 (2025: £4,627,000). However, the gain was capped to £222k, with a £nil pension asset position recognised in the Statement of Financial Position. The gain of £222k in 2025/26 recognised in total comprehensive income relates to actuarial adjustments.

The Association invested a total of £664,913 in the housing stock during 2025/26. This included approximately £529,000 on major planned component replacement programmes, together with £136,000 of capitalised one-off component replacements and medical adaptations undertaken during the year. These works included window, door, heating and other component renewals across the housing stock.

Statement on Internal Financial Control

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

- The reliability of financial information used within the Association or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or 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 mis-statement or loss. Key elements include ensuring that:

- (a) Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- (b) Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- (c) Forecasts and budgets are prepared which allow the Management Committee and management to monitor the key business risks and financial objectives, and progress towards financial plans set out for the year and the medium term. Regular management accounts are prepared promptly, providing relevant, reliable, and up to date financial and other information. Any significant variance from budget is investigated as appropriate;
- (d) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the relevant sub-committees which are comprised of Management Committee members;
- (e) The Association has appointed a firm of accountants, on a consultancy basis, as its internal auditor with the specific responsibility of assessing the adequacy and reliability of the system of internal financial control. The results of such reviews are reported to the Audit & Assurance Sub-Committee;

Statement on Internal Financial Control (continued)

- (f) The Management Committee reviews reports from the external auditor to provide reasonable assurance that control procedures are in place and are being followed; and
- (g) Formal practices have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Management Committee have reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2026. No weaknesses were found in internal financial control 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.

Auditor

Azets Audit Services have expressed their willingness to continue in office as auditor and an agreement was reached for services to be provided for a further financial year. They will be proposed for reappointment at the Annual General Meeting.

Disclosure of Information to the Auditor

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

- So far as the Committee members are aware, there is no relevant information of which the Association's auditor is unaware; and
- He/she has taken all the steps that he/she ought to have taken as a Committee member in order to make himself/herself aware of any relevant audit information, and to establish that the Association's auditor is aware of the information.

The report of the Management Committee (incorporating the Strategic Report) has been approved by the Management Committee on 8 September 2026.

By order of the Committee



Martin Ritchie
Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANARKSHIRE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the 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 2019 issued by the Scottish Housing Regulator.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANARKSHIRE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Other information (continued)

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

We have nothing to report in this regard.

Group accounts: Section 99(3) of the Co-operative and Community Benefit Societies Act 2014

We agree with the opinion of the Management Committee of the Association that it would be of no real value to the members of the Association to consolidate or include the financial statements of the Association's subsidiary in group financial statements required to be prepared under the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969 for the year ended 31 March 2026, because of the immaterial nature of the subsidiary's transactions in the year, given that it is dormant in both the current year and the prior year.

Matters on which we are required to report by exception

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

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

Responsibilities of the Management Committee

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANARKSHIRE HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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.

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

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

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

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

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

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANARKSHIRE HOUSING ASSOCIATION
LIMITED ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

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

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

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

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

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

Use of our report

This report is made solely to the 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, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 14 September 2026

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

LANARKSHIRE HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITOR TO THE MANAGEMENT COMMITTEE OF LANARKSHIRE HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 MARCH 2026

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 7 and 8 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

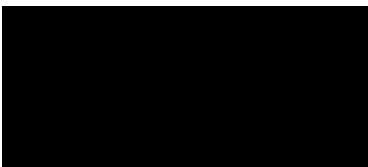
Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on pages 7 and 8 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through our enquiry of certain members of the Management Committee and Officers of the 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 control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control.



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Statutory Auditor
Chartered Accountants
Titanium 1
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Renfrew
PA4 8WF

Date: 14 September 2026

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

LANARKSHIRE HOUSING ASSOCIATION LIMITED

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

	Note	2026 £	2025 £
Turnover	4	4,969,208	4,836,770
Less: Operating expenditure	4	(4,438,834)	(3,791,542)
Operating surplus	4	530,374	1,045,228
Gain on disposal of property, plant and equipment		47,434	44,937
Interest receivable	10	327,017	54,672
Interest and financing costs	11	(218,282)	(269,784)
Surplus before taxation		686,543	875,053
Taxation	12	-	-
Surplus for the year		686,543	875,053
Other Comprehensive Income			
Actuarial (loss)/gain in respect of the pension scheme	23	(222,000)	105,000
Total Comprehensive Income for the year		464,543	980,053

The results for the year relate wholly to continuing activities.

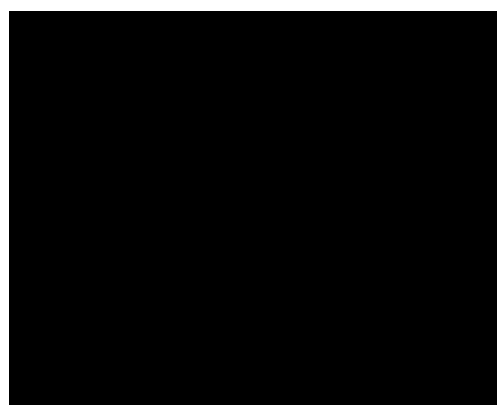
The financial statements were authorised for issue by the Management Committee on 8 September 2026 and signed on its behalf by:

Liam Donnachie Chair

Martin Ritchie Secretary

Barry Farrell Vice-chair

The notes form part of these financial statements.



LANARKSHIRE HOUSING ASSOCIATION LIMITED

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES
AS AT 31 MARCH 2026**

	Share Capital £	Revenue Reserves £	Total Reserves £
Balance at 1 April 2025	88	24,430,613	24,430,701
Total Comprehensive Income	-	464,543	464,543
Issue of share capital	6	-	6
Cancellation of shares	-	-	-
Balance at 31 March 2026	94	24,895,156	24,895,250

**STATEMENT OF CHANGES IN CAPITAL AND RESERVES
AS AT 31 MARCH 2025**

	<i>Share Capital £</i>	<i>Revenue Reserves £</i>	<i>Total Reserves £</i>
Balance at 1 April 2024	<i>91</i>	<i>23,450,560</i>	<i>23,450,651</i>
Total Comprehensive Income	-	<i>980,053</i>	<i>980,053</i>
Issue of share capital	-	-	-
Cancellation of shares	<i>(3)</i>	-	<i>(3)</i>
Balance at 31 March 2025	<i>88</i>	<i>24,430,613</i>	<i>24,430,701</i>

The notes form part of these financial statements.

LANARKSHIRE HOUSING ASSOCIATION LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026**

	Note	2026 £	2025 £
Fixed Assets			
Housing properties	13	27,663,572	27,869,602
Other fixed assets	13	980,411	966,813
		28,643,983	28,836,415
Investment in subsidiary	16	2	2
		28,643,985	28,836,417
Current assets			
Stocks		6,887	6,888
Debtors	17	355,282	289,379
Cash and cash equivalents	18	3,557,724	2,558,056
		3,919,893	2,854,323
Creditors: amounts falling due within one year	19	(1,835,335)	(1,394,378)
Net current assets		2,084,559	1,459,945
Total assets less current liabilities		30,728,549	30,296,362
Creditors: amounts falling due after more than one year	20	(5,322,793)	(5,865,661)
Retirement benefit scheme	23	-	-
Provision	27	(510,500)	-
Net assets		24,895,250	24,430,701
Capital and reserves			
Share capital	22	94	88
Revenue reserve	22	24,895,156	24,430,613
		24,895,250	24,430,701

The financial statements were authorised for issue by the Management Committee on 8 September 2026 and signed on its behalf by:

Liam Donnachie Chair

Martin Ritchie Secretary

Barry Farrell Vice-chair

The notes form part of these financial statements.

LANARKSHIRE HOUSING ASSOCIATION LIMITED

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

	Notes	2026 £	2025 £
Net cash generated from operating activities	27	2,285,273	1,601,566
Cash flow from investing activities			
Purchase of housing properties		(664,913)	(888,830)
Purchase of other fixed assets		(39,709)	(14,754)
Proceeds from sale of fixed assets		62,500	87,250
Government capital grants received		47,744	16,619
Interest received		60,017	54,672
		<u>(534,361)</u>	<u>(745,043)</u>
Cash flow from financing activities			
Interest paid and similar charges		(210,669)	(259,171)
Repayment of borrowings		(540,581)	(529,955)
Issue of share capital		6	-
		<u>(751,244)</u>	<u>(789,126)</u>
Net change in cash and cash equivalents		999,668	67,397
Cash and cash equivalents at 1 April		2,558,056	2,490,659
Cash and cash equivalents at 31 March		3,557,724	2,558,056

(i) Analysis of changes in net debt

	At 1 April 2025 £	Cash flows £	Other non- cash changes £	At 31 March 2026 £
Cash and cash equivalents				
Cash and cash equivalents	2,558,056	999,668	-	3,557,724
Borrowings				
Debt due within one year	(531,136)	540,581	(549,092)	(539,647)
Debt due after one year	(5,045,879)	-	541,479	(4,505,400)
	<u>(5,577,015)</u>	<u>540,581</u>	<u>(7,613)</u>	<u>(5,044,047)</u>
Total	<u>(3,018,959)</u>	<u>1,540,249</u>	<u>(7,613)</u>	<u>(1,486,323)</u>

The notes form part of these financial statements.

1. General information

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

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

These financial statements are presented in Pounds Sterling (GBP), as that is the currency in which the Association's transactions are denominated. They comprise the financial statements of the Association drawn up for the year ended 31 March 2026. These financial statements comprise the results of the Association only.

The Association is a Co-operative and Community Benefit Society limited by shares and is incorporated in the United Kingdom.

The Association's Scottish Charity number is SC042523.

The address of the Association's registered office is:

191 Brandon Street
Motherwell
ML1 1RS

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities. The Association is a registered social landlord in Scotland and its registered number is HAL 202.

2. Accounting policies

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting subject to the revaluation of certain fixed assets and in accordance with applicable accounting standards. The effect of events relating to the year ended 31 March 2026, which occurred before the date of approval of the financial statements by the Management Committee have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2026 and of the results for the year ended on that date.

Consolidation

The Association and its subsidiary undertaking, Lanarkshire Initiatives Limited, comprise a group. The Financial Conduct Authority has granted exemption from preparing group financial statements on the basis the financial results of the subsidiary are immaterial, which they are as the company is dormant. These financial statements therefore represent the results of the Association and not of the group.

Going concern

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

2. Accounting policies (continued)

Turnover

Turnover represents rental and service charge income, factoring service income, and fees or revenue grants receivable from local authorities and from The Scottish Government. Also included is any income from first tranche shared ownership disposals. Turnover is recognised when the Association is entitled to it, the amount of revenue can be measured reliably and its probable the economic benefits of the transaction will flow to the Association.

Government revenue grants

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

Non-government capital and revenue grants

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

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

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

Government capital grants

Government capital grants, at amounts approved by the Scottish Government or local authorities, are paid directly to the Association as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income in accordance with the accrual model over the useful life of the asset it relates to on completion of the development phase. The accrual model requires the Association to recognise income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

Apportionment of management expenses

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

Pensions (Note 23)

The Association operates a defined benefit scheme in respect of its employees. The assets of the scheme are held in external funds managed by professional investment managers.

In accordance with FRS 102 section 28, the operating and financing costs of pension and post retirement schemes (determined by a qualified actuary) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise.

The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in the Statement of Comprehensive Income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

Interest receivable

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Interest payable

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

Fixed assets - Housing properties

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

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

These costs are either termed "qualifying costs" by the Scottish Government for approved social housing grant or are considered for mortgage loans by private lenders or are met out of the Association's reserves.

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

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

New components to be capitalised must have a gross book value equal to or greater than £1,000.

Depreciation - Housing properties

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

Land - not depreciated
Structure – over 60 years
Roof – over 60 years
Windows – over 20 years
Kitchen – over 20 years
Central heating – over 20 years
Bathroom – over 20 years

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal. A de-minimums capitalisation level of £1,000 is applied.

Other fixed assets

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

The following rates have been used: -

Computer equipment	- 20% on cost
Office equipment	- 20% on cost
Furniture and fittings	- 10% on cost
Office premises	- 2% on cost
Motor vehicles	- 25% on cost

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

2. Accounting policies (continued)

Investment properties

Investment properties are properties held for commercial lettings. These properties are held at their fair value and are thus not depreciated. The fair value of each property will be considered at each reporting date and any changes will be recognised in the Statement of Comprehensive Income.

Debtors

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

Rental arrears

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 17.

Cash and cash equivalents

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

Investments

This is monies held on deposits of more than three months with the Association's banks.

Creditors

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

Loans

Mortgage loans are advanced by Private Lenders or the Scottish Government under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval by the Scottish Government.

Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitutes a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

2. Accounting policies (continued)

Financial commitments

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

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

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

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

- The categorisation of housing properties as property, plant, and equipment in line with the requirements of the SORP;
- The amount disclosed as 'operating surplus' is representative of activities that would normally be regarded as 'operating'; and
- The identification of a cash-generating unit for impairment purposes.

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

Estimate

Valuation of housing properties

The main components of housing properties

Recoverable amount of rental and other trade receivables

The obligations under the Strathclyde pension scheme

Basis of estimation

Housing properties are held at deemed cost which is based on existing use valuations at the date of transition to FRS 102 of 1 April 2014. Additions after this date are held at historical cost. The assumptions used to form the basis of the existing use valuation were reviewed and were considered reasonable and appropriate.

The cost of housing properties is split into separately identifiable components and depreciated over the expected useful life. These components were identified by knowledgeable and experienced staff members. Government grants relating to the purchase of identifiable components are amortised over the expected useful life.

Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.

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

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

Estimate

The valuation of investment properties

Basis of estimation

The investment properties were valued by an appropriately qualified surveyor using market data at the date of valuation.

LANARKSHIRE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

4. Particulars of turnover, operating expenditure and operating surplus

	2026			2025		
	Turnover £	Operating Expenditure £	Operating Surplus £	Turnover £	Operating Expenditure £	Operating Surplus £
Income and Expenditure From lettings						
Social Lettings (Note 5)	4,918,078	(4,438,834)	479,244	4,769,556	(3,738,853)	1,030,703
Other activities (Note 6)	51,130	-	51,130	67,214	(52,689)	14,525
	<u>4,969,208</u>	<u>(4,438,834)</u>	<u>530,374</u>	<u>4,836,770</u>	<u>(3,791,542)</u>	<u>1,045,228</u>

LANARKSHIRE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

5. Particulars of turnover, operating expenditure and operating surplus from social letting activities

	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership Accommodation £	2026 Total £	2025 Total £
Income from rent and service charges					
Rent receivable net of service charges	4,233,727	429,698	97,824	4,761,249	4,581,204
Service charges	119,775	11,882	-	131,657	126,591
Gross income from rents and service charges	4,353,502	441,580	97,824	4,892,906	4,707,795
Less voids	(21,573)	-	-	(21,573)	(19,176)
Net income from rents and service charges	4,331,929	441,580	97,824	4,871,333	4,688,619
Release of deferred government capital grants	46,745	-	-	46,745	44,355
Other revenue grants	-	-	-	-	36,582
Total turnover from social letting activities	4,378,674	441,580	97,824	4,918,078	4,769,556
Expenditure					
Management and maintenance administration costs	(1,925,256)	(199,164)	(82,413)	(2,206,833)	(1,871,493)
Service charges	(109,646)	(10,382)	-	(120,028)	(107,359)
Planned cyclical maintenance including major repairs	(549,136)	(54,475)	-	(603,611)	(328,763)
Reactive maintenance costs	(543,840)	(53,950)	-	(597,790)	(523,565)
Bad debts – rents and service charges	(34,374)	-	-	(34,374)	(24,622)
Depreciation of social housing	(751,894)	(76,719)	(21,474)	(850,087)	(836,254)
Impairment of social housing	-	-	-	-	-
Exceptional costs* - legal fees	(26,111)	-	-	(26,111)	(46,797)
Operating expenditure for social letting activities	(3,940,257)	(394,690)	(103,887)	(4,438,834)	(3,738,853)
Operating surplus on letting activities, 2026	438,417	46,890	(6,063)	479,244	
Operating surplus on letting activities, 2025	927,547	93,793	9,363		1,030,703

* These exceptional costs are legal fees incurred in regard to the ongoing legal case in respect of Watling Street – please see note 30.

LANARKSHIRE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

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

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	2026 Total Turnover £	2025 Total Turnover £	Operating costs - bad debts £	Other operating costs £	2026 Operating Surplus £	2025 Operating Surplus £
Wider role activities	-	-	-	-	-	-	-	-	-	-
Care and repair of property	-	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	3,732	3,732	5,894	-	-	-	1,274
Insurance Income	-	-	-	-	-	-	-	-	-	-
Development and construction of property activities	-	-	-	-	-	-	-	-	-	-
Support activities	-	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-	-
Agency/management services for RSLs	-	-	-	-	-	-	-	-	-	-
Other agency / management services	-	-	-	-	-	-	-	-	-	-
Developments for sale to RSLs	-	-	-	-	-	-	-	-	-	-
Development and improvements for sale to non RSLs	-	-	-	-	-	-	-	-	-	-
Commercial rent	-	-	-	47,398	47,398	61,320	-	-	-	13,251
Misc income	-	-	-	-	-	-	-	-	-	-
Total from other activities, 2026	-	-	-	51,130	51,130	-	-	-	-	-
Total from other activities, 2025	-	-	-	67,214	-	67,214	-	(52,689)	-	14,525

Undertaken to support the community, other than the provision, construction, improvement, and management of housing

LANARKSHIRE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

7. Employees

	2026	2025
	£	£
Staff costs (including Directors' Emoluments) consist of:		
Wages and salaries	1,009,782	974,946
Social security costs	124,677	110,214
Pension costs	82,309	63,450
Defined benefit pension adjustment (Note 23)	45,000	102,000
	1,261,768	1,250,610
	2026	2025
	Number	Number
The number of full-time equivalents employed by the Association during the year was:	22	18

8. Directors' emoluments

The directors are defined as the members of the Management Committee, the Chief Executive and any other person reporting directly to the Chief Executive or the Management Committee. No emoluments were paid to any member of the Management Committee during the year (2025: £nil).

	2026	2025
	£	£
Emoluments of the current Chief Executive (excluding pension contributions)	89,115	19,654
Emoluments of the former Chief Executive (excluding pension contributions)	-	81,223
	89,115	100,877

The Association's pension contribution for the current Chief Executive in the year amounted to £10,465 (2025: £2,286) and for the former Chief Executive amounted to £nil (2025: £2,574).

	2026	2025
	Number	Number
Numbers of Directors whose emoluments (excluding pension contributions) exceed £60,000 during the year were as follows: -		
£100,000 - £109,999	-	-
£90,000 - £99,999	-	-
£80,000 - £89,999	3	1
£70,000 - £79,999	1	3
£60,000 - £69,999	1	1
	£	£
Emoluments (excluding pension contributions) to those earning more than £60,000	392,252	364,511

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**8. Directors' emoluments (continued)**

Total employer pension contributions to directors and other staff whose emoluments exceeded £60,000 were £31,966 (2025: £27,337). No enhanced or special terms apply to membership and the directors have no other pension arrangements to which the Association contributes.

	£	£
Total expenses reimbursed in so far as not chargeable to U.K. Income Tax	-	-

The Association considers key management personnel to be the Management Committee and senior management team (listed on the first page of the financial statements).

Total emoluments (including employers NI) paid to the key management personnel of the Association amounted to £603,464 (2025: £631,988). Pension contributions on behalf of the key management personnel amounted to £46,205 (2025: £41,203).

9. Auditor's remuneration

	2026 £	2025 £
The remuneration of the auditor for the year in respect of audit services (excluding VAT)	22,845	22,428
Amounts paid to the auditor by the Association in respect of non-audit services (excluding VAT)	1,025	600

10. Interest receivable

	2026 £	2025 £
Bank interest	60,017	54,672
Defined benefit pension adjustment (Note 23)	267,000	-
	327,017	54,672

11. Interest payable and similar charges

	2026 £	2025 £
Bank loans	210,669	259,171
Amortisation of loan arrangement fees	7,613	7,613
Defined benefit pension adjustment (Note 23)	-	3,000
	218,282	269,784

12. Taxation

The Association is a registered charity and as a result no corporation tax is due on any surplus generated from charitable activities. No corporation tax is due on its non-chargeable activities.

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

13. Tangible fixed assets	Housing properties held for letting £	Completed shared ownership housing properties £	Office premises £	Computer equipment, office equipment & furniture and fittings £	Investment properties - Commercial properties £	Total £
Cost or valuation						
At 1 April 2025	32,996,753	1,168,113	658,864	50,295	595,000	35,469,025
Additions – components	664,913	-	-	-	-	664,913
Additions – property	-	-	-	-	-	-
Additions – other fixed assets	-	-	-	39,709	-	39,709
Disposals – components	(119,183)	-	-	-	-	(119,183)
Disposals – other fixed assets	-	-	-	-	-	-
Disposals – property	-	(25,311)	-	-	-	(25,311)
At 31 March 2026	<u>33,542,483</u>	<u>1,142,802</u>	<u>658,864</u>	<u>90,004</u>	<u>595,000</u>	<u>36,029,153</u>
Depreciation						
At 1 April 2025	6,088,771	206,493	310,779	26,567	-	6,632,610
Provided for year	772,543	21,474	12,417	13,694	-	820,128
Disposals – components	(63,113)	-	-	-	-	(63,113)
Disposals – other fixed assets	-	-	-	-	-	-
Disposals – property	-	(4,455)	-	-	-	(4,455)
At 31 March 2026	<u>6,798,201</u>	<u>223,512</u>	<u>323,196</u>	<u>40,261</u>	<u>-</u>	<u>7,385,170</u>
Net Book Value						
At 31 March 2026	<u>26,744,282</u>	<u>919,290</u>	<u>335,668</u>	<u>49,743</u>	<u>595,000</u>	<u>28,643,983</u>
At 31 March 2025	<u>26,907,982</u>	<u>961,620</u>	<u>348,085</u>	<u>23,728</u>	<u>595,000</u>	<u>28,836,415</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**13. Tangible fixed assets (continued)**

The depreciation charge for housing stock in the year was £794,017 (2025: £767,141). The net book value of disposed components was £56,070 (2025: £69,113) and has been included in depreciation of social Housing in note 5 in accordance with the SORP giving a total depreciation of social housing of £850,087 (2025: £836,254).

Additions to housing property include no capitalised interest (2025: £nil) and no capitalised administration costs (2025: £nil). All housing properties are freehold. Properties with a cost of £25,311 (2025: £50,376) and accumulated depreciation of £4,455 (2025: £8,063) have been disposed in the year for proceeds of £62,500 with a grant to be repaid of £nil (2025: £87,250 with a grant repaid of £nil).

The housing properties were revalued on an existing use value as at 1 April 2014 (by Jones Lang LaSalle Limited) and this value was used as the deemed cost from that date in accordance with FRS 102. The commercial properties were valued at 14 March 2022 (by Jones Lang LaSalle Limited).

As at 31 March 2026, housing properties used as security for loans reported a net book value of £19,555,412 (2025: £19,604,771).

Included within housing properties is land with a carrying value of £5,582,537 (2025: £5,597,612).

14. Housing stock

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

	2026	2025
General Needs Housing	841	841
Supported Housing Accommodation	87	87
Shared Ownership Accommodation	36	37
	<u>964</u>	<u>965</u>

15. Commercial units

The number of commercial units owned and rented out by the Association was as follows: -

	2026	2025
Commercial Units	<u>7</u>	<u>7</u>

16. Investments

	2026 £	2025 £
Investment in subsidiary undertaking	<u>2</u>	<u>2</u>

Lanarkshire Housing Association Limited owns 2 ordinary £1 shares in Lanarkshire Initiatives Limited. This represents a 100% shareholding in Lanarkshire Initiatives Limited, a company registered in Scotland, whose principal activity is that of general construction of buildings and civil engineering works, however the company was dormant during the current year.

For the year ended 31 March 2026, Lanarkshire Initiatives Limited made a profit after taxation of £nil (2025: £nil). At 31 March 2026, Lanarkshire Initiatives Limited had net assets of £2 (2025: £2).

LANARKSHIRE HOUSING ASSOCIATION LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

17. Debtors	2026 £	2025 £
Gross rent and service charges	139,636	129,906
Less: Bad debt provision	(93,144)	(86,040)
	46,492	43,866
Other debtors	23,133	24,396
Prepayments and accrued income	285,657	221,117
	355,282	289,379

All amounts shown under debtors fall due for payment within one year.

18. Cash and cash equivalents	2026 £	2025 £
Cash at bank and in hand	3,557,724	2,558,056
	3,557,724	2,558,056

19. Creditors: amounts falling due within one year	2026 £	2025 £
Bank loans	539,647	531,136
Trade creditors	506,597	83,813
Rental advances	99,271	76,325
Other taxes and social security	33,266	28,712
Contract retentions	38,000	25,422
Accruals and deferred income	67,185	76,541
Other creditors	124,600	148,048
Amounts due to the Scottish Government	380,026	380,026
Deferred capital grants (see note 21)	46,743	44,355
	1,835,335	1,394,378

Included in accruals is £6,960 of outstanding pension contributions (2025: £3,040).

The bank overdraft and loans are secured as detailed in note 20.

20. Creditors: amounts falling due after more than one year	2026 £	2025 £
Deferred capital grants (see note 21)	818,393	819,782
Bank loans	4,504,400	5,045,879
	5,322,793	5,865,661

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**20. Creditors: amounts falling due after more than one year (continued)**

	2026	2025
	£	£
Bank loans are split:		
Due between one and two years	549,793	539,647
Due between two and five years	1,386,860	1,470,928
Due in five years or more	2,567,747	3,035,304
	<u>4,504,400</u>	<u>5,045,879</u>

The loans together with any bank overdraft from Virgin Money and The Royal Bank of Scotland plc are secured by standard securities over the properties on which the loans were granted. Security is still held over properties by Bank of Scotland on loans repaid within the financial year.

Loans from Nationwide (formerly trading as Virgin Money and Clydesdale Bank) are repayable on a quarterly basis over 15 years inclusive of interest. The current terms are on a 10-year fixed rate arrangement at 2.6% thereafter moving to another fixed or variable rate option in August 2029.

The loans from The Royal Bank of Scotland plc are repayable on a monthly basis over 30 years inclusive of interest. The rate of interest charged is either fixed at 2.775% or variable between 0.45% and 1.5% above bank base rate per annum.

21. Deferred capital grants

	2026	2025
	£	£
Balance at 1 April 2025	864,137	891,873
Additional capital grant received	47,744	16,619
Released to Statement of Comprehensive Income	(46,745)	(44,355)
Balance at 31 March 2026	<u>865,136</u>	<u>864,137</u>
Due:		
< 1 year	46,743	44,355
1-2 years	46,743	44,355
2-5 years	140,229	133,065
>5 years	631,421	642,362
	<u>865,136</u>	<u>864,137</u>

LANARKSHIRE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

22. Share capital and reserves	2026	2025
	£	£
At start of year	88	91
Issued in year	6	-
Redeemed in year	-	(3)
At end of year	94	88

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. Called up share capital on the Statement of Financial Position has been adjusted to reflect the number of shares held by active members.

The revenue reserve includes all current and prior year retained surpluses or deficits.

23. Pensions

Lanarkshire Housing Association Limited participates in the Strathclyde Pension Fund which is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998, as amended.

From 1 April 2015, the local government pension Scheme changed from a final salary 1/60th accrual scheme to a CARE 1/45th accrual scheme. The defined benefit scheme closed to new members on 1 April 2019 but remains open to existing members. During the year, the Association paid employer contributions at a gross rate of 6.5% less 3.13% for ill health liability. From 1 April 2026, the Association will pay contributions at gross rate of 17.5%, less 3.13% for ill health liability, with no service deficit payments due in the year.

An updated accounting valuation of the Strathclyde Pension Fund was performed as at 31 March 2026.

The main financial assumptions used by the Council's Actuary, Hymans Robertson, (these are assumptions specific to the Association which were derived with assistance from Spence and Partners) in their calculations are as follows:

Assumptions as at	31 March 2026	31 March 2025
Pension increases	3.00%	2.75%
Salary increases	3.70%	3.45%
Discount rate	6.30%	5.80%

The average future life expectancies at age 65 are summarised below:

Mortality	2026 Males	2026 Females
Current pensioners	20.4 years	22.7 years
Future pensioners	23.1 years	24.9 years
	2025 Males	2025 Females
Current pensioners	20.0 years	22.5 years
Future pensioners	22.8 years	24.8 years

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**
23. Pensions (continued)

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Sensitivity Analysis	Approximate % increase to Employer Liability	Approximate Monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	112
0.1% increase in the Salary Increase Rate	0%	16
0.1% increase in the Pension Increase Rate	1%	96
1 year increase in member life expectancy	4%	260

The table below compares the present value of the scheme liabilities, based on the Actuary assumptions with the estimates employer assets.

Net Pension Liability as at	31 March 2026 £000	31 March 2025 £000
Estimated Employer Assets (A)	6,512	6,409
Present Value of Scheme Liabilities	6,512	6,409
Present Value of Unfunded Liabilities	-	-
Total Value of Liabilities (B)	6,512	6,409
Net Pension Liability (A) – (B)	-	-
Analysis of the amount charged to operating profit:	Year to 31 March 2026 £'000	Year to 31 March 2025 £'000
Service cost	58	122
Contributions	(13)	(20)
Past service cost	-	-
Curtailment and Settlements	-	-
Decrease in irrecoverable surplus	-	-
Total operating charge	45	102
Net Interest (income)/cost	(267)	3

Analysis of the amount recognised in the Statement of Other Comprehensive Income:

	Year to 31 March 2026 £ 000	Year to 31 March 2025 £ 000
Actuarial (loss)/gain recognised as other comprehensive income	(222)	105

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**23. Pensions (continued)**

	Year to 31 March 2026 £ 000	Year to 31 March 2025 £ 000
Deficit in scheme at beginning of year	-	-
Current service cost	(58)	(122)
Employer contributions	13	20
Other income	-	-
Other outgoings (e.g. expenses, etc.)	-	-
Past service costs	-	-
Impact of settlements and curtailments	-	-
Net interest cost	267	(3)
Actuarial (loss)/gain	(222)	105
	<u>-</u>	<u>-</u>
Surplus/(Deficit) at end of year	<u>-</u>	<u>-</u>

An asset ceiling has been applied which restricts the pension surplus to £nil.

24. Establishment of Association

The Association is established under the Co-operative and Community Benefit Societies Act 2014 and was incorporated in the United Kingdom and is registered in Scotland.

25. Commitments – capital and repairs

As at 31 March 2026, the Association had commitments in respect of capital and repairs work of:

	2026 £	2025 £
Commitment	<u>22,657</u>	<u>25,420</u>
Approved but not contracted for	<u>155,601</u>	<u>1,120,823</u>
To be funded by:		
Scottish Government Grant	-	-
The Association's reserves	<u>178,258</u>	<u>1,146,243</u>

LANARKSHIRE HOUSING ASSOCIATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

26. Commitments under operating leases

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

	2026 £	2025 £
Operating leases which expire:		
Within one year	20,513	16,610
Between one and two years	10,640	12,142
In two to five years	-	560
	<u>31,153</u>	<u>29,312</u>

27. Provision

	2026 £	2025 £
Balance at 1 April 2025	-	-
Increase in provision	510,500	-
Released to Statement of Comprehensive Income	-	-
	<u>510,500</u>	<u>-</u>
Balance at 31 March 2026	<u>510,500</u>	<u>-</u>

A revenue provision of £510,500 has been included in 2025/26 for cladding remedial replacement works at Dalziel Street which are now known to be required following assessments in the year.

28. Net cash flow generated from operating activities

	2026 £	2025 £
Surplus for the year	686,543	875,053
<u>Adjustments for non cash items:</u>		
Depreciation of tangible fixed assets (including loss on disposal of components)	876,198	845,618
Decrease/(increase) in stocks	1	354
(Increase)/decrease in debtors	(65,903)	43,499
(Decrease)/increase in creditors	430,058	(390,776)
Net book value of tangible fixed asset disposals	20,856	42,314
Release of deferred Government Capital Grant	(46,745)	(44,355)
Non cash movement relating to pension liability	45,000	102,000
Increase in provision	510,500	-
Shares cancelled	-	(3)
<u>Adjustments for investing and financing activities:</u>		
Interest received	(327,017)	(54,672)
Interest payable	218,282	269,784
Proceeds from disposal of housing properties	(62,500)	(87,250)
	<u>2,285,273</u>	<u>1,601,566</u>
Net cash generated from operating activities	<u>2,285,273</u>	<u>1,601,566</u>

29. Related parties

The Association has Management Committee members who are also tenants. The total rent received in the year relating to tenant Management Committee members is £6,033 (2025: £4,108). The total rent arrears relating to tenant Management Committee members included within debtors at the year-end is £nil (2025: £nil). The total rent paid in advance of the year-end was £nil (2025: £11).

30. Watling Street

Some residents in Watling Street, Motherwell raised Court proceedings against LHA and four other co-defendants. The basis of their claim was that LHA had breached tenancy agreements in that the homes were not fit for habitation.

It was claimed that there is a presence of toxic compounds in the indoor air due to inadequate remediation of the site prior to development, and it was agreed that one of the residents' claims would pursue through the Courts as a test case whilst the remaining residents' cases would be sisted until this was determined.

The Management Committee has noted the extensive site investigations previously conducted by North Lanarkshire Council (NLC) over such claims of contaminated land at Watling Street, which concluded that the open space and garden soils were safe. During 2015/16, NLC was released from the action by the pursuers and has no further plans to revisit the conclusions from the site investigation reports.

A Procedural Roll hearing in front of Lord Jones at the Outer House of the Court of Session took place in March 2015. Lord Jones found that the case against LHA should be dismissed, along with another defendant, City Link Development Company Ltd. The case against the final defendant in the case, Scott Wilson Scotland Ltd, was allowed to proceed to a Proof before Answer hearing by Lord Jones.

The pursuers appealed the decision of Lord Jones to dismiss LHA from the action to the Inner House of the Court of Session. This appeal was dismissed by the Inner House of the Court of Session in February 2017 and leave to appeal to the Supreme Court was also denied by the Inner House. The pursuers applied to appeal directly to the Supreme Court and this application was refused in January 2019. In the financial year 2020/21, the Association was awarded £289,000 of costs against the pursuers of which £nil was outstanding at the year-end (2025: £nil).

In relation to those outstanding cases which had been sisted, the pursuers enrolled a Motion to the Court of Session seeking to amend their pleadings in light of the findings of the test case. LHA opposed this Motion, which was heard by Lord Clark in May 2019, who subsequently ruled in LHA's favour and found that the outstanding cases should be dismissed.

The pursuers appealed Lord Clark's ruling and the Inner House of the Court of Session heard this Reclaiming Motion in April 2020, finding in the pursuer's favour, allowing the cases to proceed. These outstanding cases were heard by Lord Clark at the Outer House of the Court of Session in a Proof Before Answer Hearing, concluding in March 2024.

LHA instructed Senior Counsel and independent expert witnesses to prepare and present its defences, incurring exceptional legal costs of £75,598 (2025 £46,797) in respect of these outstanding cases as noted in note 5.

Lord Clark issued his Opinion on 5 June 2024 which found that the pursuers' case failed on the grounds of breach of duty and causation and consequently dismissed the case against LHA. On 25 June 2024, LHA was advised of the pursuer's intention to appeal the decision of Lord Clark and the appeal hearing date was put on hold until the pursuer made individual applications to appeal each of the thirty-three cases.

Following several subsequent administrative errors by the pursuer which led to delays, a procedural hearing was held on 13 June 2025, to discuss the details of the appeal, and the appeal was heard at the Court of Session in December 2025. On 30th April 2026, the Extra Division of the Inner House of the Court of Session refused the appeal.

30. Watling Street (continued)

Lord Doherty, Lady Wise, and Lord Erich upheld an earlier decision that the tenants had not proved either that the landlord breached its statutory obligations or that any alleged contamination caused them harm. The Inner House found no error in the original judgment. The appeal was refused, and similar decisions will follow in the related cases. Brodies has started the process of seeking an award of expenses in LHA's favour. This should be straightforward but will require negotiation and potentially arbitration by the Court to include an additional fee to maximise what can be recovered. This could therefore be a lengthy process. LHA's Management Committee has agreed that Brodies should write up and publish the detail of this case in the meantime.