Milnbank Housing Association

Annual Report and Group Financial Statements

For the year ended 31 March 2026

Registered Social Landlord No. 161

FCA Reference No. 1818 R(S)

Scottish Charity No. SCO39891

MILNBANK HOUSING ASSOCIATION

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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MILNBANK HOUSING ASSOCIATION

YEAR ENDED 31 MARCH 2026

Board

Allan Scott	Chair
John O'Donnell	Vice Chair
Rose Tinney	Treasurer
Josephine Donaghy	
May Hutchison	Secretary
Georgina O'Hara	
Alex Young	
Maggie Smith	
Anne Strachan	
Linda Marshall	Appointed 18 September 2025
Susanne Richards	Appointed 18 September 2025
Nick Halls	Resigned 1 August 2025
Ellen Conwell	Resigned 18 September 2025
Gemma Hay	Resigned 14 April 2026
Anne Jenkins	Resigned 20 January 2026

EXECUTIVE OFFICERS

Paul Martin	CEO
Linda Sichi	Deputy CEO
Keith Notman	Director of Finance - Resigned 17 April 2025
Jim Gourlay	Director of Finance - Appointed 23 July 2025
Mark Smith	Director of Asset Management
Craig Boyle	Director of Housing & Community Initiatives Appointed July 2026
Chris Chalk	Director of Housing & Community Initiatives - Resigned June 2026

REGISTERED OFFICE
53 Ballindalloch Drive
Dennistoun
Glasgow
G31 3DQ

EXTERNAL AUDITORS
Azets Audit Services
Statutory Auditors
Titanium 1
Kings Inch Place Renfrew
PA4 8WF

INTERNAL AUDITORS
Cameron Audit
Ground floor
4 Grosvenor Gardens
Edinburgh
EH12 5JU

INTERNAL AUDITORS
TC Alexander Sloan
180 St Vincent Street
Glasgow
G2 5SG

BANKERS
Bank of Scotland
1195 Duke Street
Glasgow
G31 5NJ

BANKERS
Nationwide BS
Kings Park Road
Moulton Park
Northampton
NN3 6NW

BANKERS
GB Social Housing PLC
Future Business Centre
Kings Hedges Road
Cambridge
CB4 2HY

SOLICITOR
TC Young
7 West George Street
Glasgow
G2 1BA

SOLICITORS
BTO
48 St Vincent Street
Glasgow
G2 5HS

MILNBANK HOUSING ASSOCIATION

REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2026

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

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No.1818 R(S)), the Scottish Housing Regulator as a registered social landlord (No.161) and as a registered Scottish Charity with the charity number SCO39891. In addition, MHA is a charity registered with the Office of the Scottish Charity Regulator under the Charity and Trustee Investment (Scotland) Act 2005".

Principal Activities

The Group consists of Milnbank Housing Association Limited and Milnbank Property Services Limited. The principal activity of the Association is the provision of social rented accommodation. The principal activity of Milnbank Property Services Limited is the provision of factoring services, including the provision of repair and maintenance services.

The Group's primary objective is to provide low cost high quality housing to its tenants and actively engage in improvement of the community.

Review of Business and Future Developments

The 2025/26 financial year has been another successful year for Milnbank Housing Association and marks the end of our three-year Business Plan cycle covering the period May 2023 to May 2026. Over the course of the plan, we have continued to perform strongly against our strategic objectives and key performance indicators, with performance information published regularly on our website. The successful delivery of most of our Business Plan objectives provides a strong foundation as we move into our new Business Plan period for 2026–2029.

Improving customer service and digital access has remained a key priority throughout the Business Plan period. During the year, we continued to modernise our customer-facing services, particularly within our reception area, ensuring that tenants and service users can engage with MHA in a way that best suits their needs. Staff have supported these changes and continue to play a key role in delivering high-quality services.

MHA's performance against the Scottish Housing Regulator's Annual Return on the Charter indicators demonstrates continued strong service delivery. Overall, tenant satisfaction with services remains high at 89.8%, while 98.2% of tenants feel well-informed about services and decisions. Satisfaction with opportunities to participate in decision-making increased by 3.8 percentage points to 98.7%, reflecting our commitment to tenant engagement.

Compliance with the Scottish Housing Quality Standard improved significantly, rising 6.4 percentage points to 81.5%, which highlights the benefits of the ongoing investment in our housing stock. Repairs completed right first time improved from 87.7% to 97.0%, with emergency repairs completed within an average of 2.8 hours. Rent lost through empty properties remained low at 0.48%.

Review of Business and Future Developments (Continued)

A significant achievement during the year has been the progress made in relation to the long-term maintenance of our traditional tenement stock. Our pilot stonework restoration project at 134 Cardross Street was completed, providing valuable information and learning for future stonework projects. As part of the project, triple-glazed windows were installed on the front elevation.

The Board's commitment to developing a long-term stonework strategy reflects the importance of protecting and maintaining our heritage housing stock. The Board has also placed a strong emphasis on increasing investment in our homes through an increased capital investment programme. This key objective has been successfully achieved, with £392,958 invested in kitchen replacements and £166,981 invested in boiler renewals during the year. These investments are helping to improve the quality, energy efficiency and sustainability of our housing stock.

Understanding the condition of our housing stock remains a strategic priority. Our rolling programme of stock condition surveys, carried out by our consultants Brown and Wallace, continues to provide detailed information to support future investment decisions and ensure resources are targeted where they are needed most. The continued use of asset management data within our housing management system has been crucial in helping MHA understand our future investment requirements. This work is also helping to inform the development of our wider Asset Management Strategy. In addition, drone surveys of our pre-1919 properties continue to provide valuable information on stonework, roofs and other building elements while reducing health and safety risks associated with traditional inspections.

Tenant and resident safety has remained a key priority during the year. We have continued to monitor compliance across key areas, including gas safety, electrical safety, fire safety, asbestos, legionella, damp and mould, and wider property safety obligations. This work supports our commitment to providing homes that are safe, secure and well-maintained.

Our commitment to supporting tenants and the wider community remains at the heart of everything we do. Through our Income Maximisation Service, we have continued to support tenants in accessing benefits and other financial assistance, generating substantial additional income. At a time when many households continue to face financial pressures, this support has proven increasingly important. We have also continued to operate our food pantry and other community support initiatives, helping tenants and residents access practical assistance when required.

Looking to the future, we are progressing plans to improve and modernise the Ballindalloch Community Hall. This investment will increase community engagement and provide improved facilities for community groups, tenants and local residents. The community hall improvements are part of our wider commitment to supporting sustainable communities and ensuring our services remain accessible to all.

Despite ongoing economic pressures and the continuing cost-of-living challenges facing many households, rent arrears reduced further during the year. We remain extremely grateful to tenants who continue to prioritise the payment of their rent. Maintaining strong rental income allows the Association to continue investing in homes, delivering essential services and supporting our ambitious capital investment programme.

A major milestone was also reached during the year with the commencement of construction at the former Haghill Primary School site at Marwick Street. This new development will deliver 48 new affordable homes for social rent, helping to meet significant housing demand within the local community. We anticipate that the development will be completed by the end of 2027.

Review of Business and Future Developments (Continued)

The Board has continued to provide strong governance and oversight throughout the year, supported by regular performance reporting, financial monitoring, risk management and assurance work. The Association remains focused on meeting regulatory requirements, maintaining effective internal controls and ensuring that decisions are informed by robust evidence and long-term financial planning.

As we move into our new Business Plan period covering 2026–2029, our focus will remain on delivering excellent customer service, investing in existing homes, progressing our stonework strategy, completing the Haghill development and completing our community hall refurbishment.

The strong progress we have made over the last three years gives Milnbank a great platform to build on, and we look forward to continuing to make a positive difference for our tenants, residents and the wider community.

Our Strategic Aims

Milnbank Housing Association's mission statement outlines its commitment to the local community and supports its strategic aims. By providing excellent homes and services in a thriving community, we will always strive to make sure that people living in Dennistoun and Haghill:

- have warm, safe and affordable homes, and receive excellent services from MHA;
- live in neighbourhoods that are clean and well cared for, with real community pride; and
- have access to opportunities and services that promote a good quality of life.

Annual Report and Group Financial Statements

1. Working together and valuing each other
2. Aiming for excellence and continuous improvement
3. Getting things right first time
4. Working as "One Milnbank" to provide consistent, high-quality services and housing
5. Always putting customers and the community first
6. Taking a "can-do" approach in everything we do
7. Being accountable to residents and the community
8. Working in a creative and innovative way

Governance and Organisational Management

MHA will maintain compliance with regulatory standards and guidance while working to retain and attract local residents to serve on the Board and on the board of its subsidiary, Milnbank Property Services. Ongoing efforts will promote board membership and other forms of community involvement through a successful programme of meetings and activities.

Review of Business and Future Developments (Continued)

Value for Money (VFM)

MHA's organisation-wide VFM Strategy will continue to be monitored to ensure that VFM objectives are robustly pursued in all business areas. Conversations with tenants will continue to better understand their needs and priorities, guiding decisions on where to provide better value for money. Milnbank will build upon its improved performance on VFM indicators while keeping firm control over running costs and reducing non-essential expenditure. The MHA rent harmonisation strategy will be further implemented to ensure rents are fairer and more consistent. A financial plan will be developed to balance MHA's operating costs with the funding required for housing stock investment. This plan will include future rent increases to bring rents to a sustainable level while maintaining value for tenants. Rent affordability will be tested against the MHA benchmark to ensure that working households do not spend more than 30% of their net earnings on rent, with all rents passing this test comfortably for 2025/26.

Milnbank's organisational objectives, as outlined in the Business Plan, will be achieved through work plans developed for each service area. These work plans are informed by the Tenant Satisfaction Survey, ongoing feedback from tenants and owners, and the priorities identified through Milnbank's wider business planning process.

Risks and Uncertainties

MHA recognises the risks and uncertainties that it faces and maintains a comprehensive Risk Audit Register covering all aspects of its operations. The register is reviewed regularly, with a rating system applied to categorise each risk. Key risks identified as high-scoring areas are monitored by the Audit and Risk Committee and then reported to the MHA Board. The major risks remain around the severe deterioration in external economic conditions, including the increased cost of living and the conflicts in Ukraine and Iran; the loss of rental income and higher rent collection costs due to Universal Credit and other factors; and ensuring MHA complies with the various legal and regulatory requirements.

Financial review

Group

Turnover for the year increased in the year to £8,206,697 from £7,626,646 (as restated) due to an increase in rental income by Milnbank Housing Association, countered by a reduction in revenue by Milnbank Property Services Limited since this is not showing income on a agency basis and does not now include rechargeable repairs within income. The Group and Association continue to monitor costs and this has meant the surplus for the year after actuarial movements of £200,894 compared to a surplus in the previous year of £1,065,078. This reduction is attributed to significant planned and reactive maintenance costs incurred in the year.

Annual Report and Group Financial Statements

In line with the performance of the Group, the turnover for the Association has increased to £8,142,897 from £7,537,426, in the prior year with a healthy surplus after actuarial movements of £254,159 (2025: £1,042,114).

Milnbank Property Services Limited

Turnover increased from £231,020 (as restated) to £243,800. For the current year a decision was taken to change the basis for recognition of rechargeable repairs income & expenditure to an agency basis. As a result, a prior year restatement has been made to the 2025 figures to ensure comparability. Note 29 covers this in more detail. The company made a loss for the year of £30,301, (2025: restated profit £31,295)

MILNBANK HOUSING ASSOCIATION

REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2026

Board and Executive Officers

The members of the Board and the Executive Officers are listed on Page 1.

Each member of the Board holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in theAssociation's share capital and, although not having the legal status of Directors, the act as Executives within the authority delegated by the Board.

The members of the Board are also Trustees of the charity. Members of the Board are appointed by the members at the Association's Annual General Meeting.

Statement of Board's Responsibilities

The Co-operative and Community Benefit Act 2014 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 surplus or deficit of the Association for that period. In preparing those Financial Statements, the Board is required to:-

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Going Concern

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

REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2026

Statement on Internal Financial Control

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

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

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

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Group's assets;
- Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance
- forecasts and budgets are prepared which allow the management team and the Board to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board;
- the Board receives reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Group is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

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

Donations

During the year the Association made charitable donations amounting to Nil (2025 - Nil).

Disclosure of Information to the Auditor

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

Auditors

A resolution to reappoint the Auditors, Azets, Audit Services, will be proposed at the Annual General Meeting. The audit is due for tender and will be completed after the AGM and the successful auditor will be appointed in line with our procurement policy.

REPORT OF THE BOARD
FOR THE YEAR ENDED 31 MARCH 2026

By order of the Board

May Hutchison
Secretary
8 September 2026



MILNBANK HOUSING ASSOCIATION

REPORT BY THE AUDITORS TO THE MEMBERS OF MILNBANK HOUSING ASSOCIATION ON CORPORATE GOVERNANCE MATTERS

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

Basis of Opinion
In our opinion the Statement on Internal Controls on page 7 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes 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.

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

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

Azets Audit Services

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

Date: 10 September 2026

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILNBANK HOUSING ASSOCIATION

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and 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, and Community Benefit Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements issued by the Scottish Housing Regulator.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Group's or 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.

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 is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILNBANK HOUSING ASSOCIATION (Continued)

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

As explained more fully in the Statement of Board's Responsibilities as set out on page 6, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board 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 Group and 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 Group or 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.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILNBANK HOUSING ASSOCIATION (Continued)

Auditor's responsibilities for the audit of the financial statements (continued)
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 Group and the Association, their activities, their control environment, and likely future developments including in relation to the legal and regulatory framework applicable and how the Group and the Association are complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Group and 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 Group and the Association through discussions with the Board members and the senior management team, and from our knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and the Association, including the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 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 Leadership team and the Board 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 Board and relevant sub-committees;
- enquiring of the senior management team and the Board as to actual and potential litigation and claims;
- reviewing legal and professional fees paid in the year for indication of any actual and potential litigation and claims; and
- reviewing any correspondence with HMRC, the Scottish Housing Regulator, OSCR and the Group's and the Association's legal advisors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILNBANK HOUSING ASSOCIATION (Continued)

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

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

- making enquiries of the Leadership team and the Board 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

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

Date: 10 September 2026

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

MILNBANK HOUSING ASSOCIATION

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

	Notes		2026		2025
		£	£	£	£
					As restated
Revenue	2		8,206,697		*7,626,646*
Operating costs	2		(7,607,740)		*(6,051,224)*
OPERATING SURPLUS			*598,957*		*1,575,422*
Interest receivable and other income		200,459		*219,587*	
Interest payable and similar charges	7	(689,522)		*(810,931)*	
			(489,063)		*(591,344)*
Surplus on ordinary activities before	8		109,894		*984,078*
Tax on surplus on ordinary activities			-		-
SURPLUS FOR THE YEAR			**109,894**		***984,078***
Other comprehensive income					
Actuarial gains/(losses) on defined benefit pension plan	19		91,000		*81,000*
TOTAL COMPREHENSIVE INCOME			**200,894**		***1,065,078***

The results relate wholly to continuing activities.

The notes on pages 22 to 47 form an integral part of these financial statements.

MILNBANK HOUSING ASSOCIATION

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

	Notes		2026		2025
		£	£	£	£
Revenue	2		8,142,897		*7,537,426*
Operating costs	2		(7,513,639)		*(5,993,299)*
OPERATING SURPLUS			*629,258*		*1,544,127*
Interest receivable and other income		200,459		*219,587*	
Interest payable and similar charges	7	(689,522)		*(810,931)*	
Gift aid from subsidiary		22,964		*8,331*	
			(466,099)		*(583,013)*
SURPLUS FOR THE YEAR			**163,159**		***961,114***
Other comprehensive income					
Actuarial gains/(losses) on defined benefit pension plan	19		91,000		*81,000*
TOTAL COMPREHENSIVE INCOME			**254,159**		***1,042,114***

The results relate wholly to continuing activities.

The notes on pages 22 to 47 form an integral part of these financial statements.

MILNBANK HOUSING ASSOCIATION

GROUP STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	£	2026 £	£	2025 £
NON-CURRENT ASSETS					**Restated**
Housing properties - depreciated cost	10		35,250,753		*34,675,510*
Other tangible assets	10		865,233		*869,373*
Investment properties	11		52,500		*52,500*
			36,168,486		*35,597,383*
CURRENT ASSETS					
Stock and work in progress	15	6,325		-	
Receivables	12	1,467,963		*843,065*	
Cash and cash equivalents	14	2,355,713		*2,288,160*	
Investments	13	5,100,000		*5,098,391*	
		8,930,001		*8,229,616*	
CREDITORS: Amounts falling due within one year	16	(4,019,801)		*(3,193,322)*	
NET CURRENT ASSETS			4,910,200		*5,036,294*
TOTAL ASSETS LESS CURRENT LIABILITIES			41,078,686		*40,633,677*
CREDITORS: Amounts falling due after more than one year			(19,685,488)		*(20,084,145)*
DEFERRED INCOME					
Social housing grants	20	(4,610,182)		*(3,911,502)*	
			(4,610,182)		*(3,911,502)*
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	19	(481,000)		*(551,000)*	
Strathclyde pension fund		3,000		*17,000*	
			(478,000)		*(534,000)*
NET ASSETS			**16,305,016**		***16,104,030***
EQUITY					
Share capital	21		684		*592*
Revenue reserves			16,304,332		*16,103,438*
			16,305,016		***16,104,030***

The financial statements were approved by the Board and authorised for issue and signed on their behalf on 8 September 2026

Allan Scott	Rose Tinney	May Hutchison
Chairperson	**Treasurer**	**Secretary**

The notes on pages 22 to 47 form an integral part of these financial statements.

MILNBANK HOUSING ASSOCIATION

PARENT STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
NON-CURRENT ASSETS					
Housing properties - depreciated cost	10		35,250,753		*34,675,510*
Other tangible assets	10		865,233		*869,373*
			36,115,986		*35,544,883*
INVESTMENTS					
Investment in subsidiaries	11	1		*1*	
Investment properties	11	52,500		*52,500*	
			52,501		52,501
CURRENT ASSETS					
Stock and work in progress	15	6,325		-	
Receivables	12	1,055,250		*806,583*	
Cash and cash equivalents	14	2,186,424		*2,092,732*	
Investments	13	5,100,000		*5,098,391*	
		8,347,999		*7,997,706*	
CREDITORS: Amounts falling due within one year	16	(3,412,659)		*(2,989,536)*	
NET CURRENT ASSETS			4,935,340		*5,008,170*
TOTAL ASSETS LESS CURRENT LIABILITIES			41,103,827		*40,605,554*
CREDITORS: Amounts falling due after more than one year	17		(19,685,488)		*(20,084,145)*
DEFERRED INCOME					
Social housing grants	20	(4,610,182)		*(3,911,503)*	
			(4,610,182)		*(3,911,503)*
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	19	(481,000)		*(551,000)*	
Strathclyde pension fund	19	3,000		*17,000*	
			(478,000)		*(534,000)*
NET ASSETS			**16,330,157**		***16,075,906***
EQUITY					
Share capital	21		684		*592*
Revenue reserves			16,329,473		*16,075,314*
			16,330,157		***16,075,906***

The financial statements were approved by the Board and authorised for issue and signed on their behalf on 8 September 2026

Allan Scott — **Chairperson**

Rose Tinney — **Treasurer**

May Hutchison — **Secretary**

The notes on pages 22 to 47 form an integral part of these financial statements.

MILNBANK HOUSING ASSOCIATION

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

	Notes	£	2026 £	£	2025 £
Surplus for the Year			109,894		*984,078*
Adjustments for non-cash items:					
Depreciation of tangible fixed assets	10	1,056,171		*875,129*	
Amortisation of capital grants	20	(79,217)		*(70,477)*	
Share capital written off	21	-		*(148)*	
			976,954		*804,504*
			(200,459)		*(219,587)*
Interest payable plus finance charges			689,522		*810,931*
Operating cash flows before movements in working capital			1,575,911		*2,379,926*
Change in stock		(6,325)		-	
Change in debtors		(305,331)		*226,594*	
Change in creditors		781,654		*(182,977)*	
			469,998		*43,617*
Net cash inflow from operating activities			2,045,909		2,423,543
Investing Activities					
Acquisition and construction of properties		(1,564,695)		*(971,792)*	
Purchase of other fixed assets		(62,579)		-	
Social housing grant received		585,489		*351,580*	
Changes on short term deposits with banks		(1,609)		*(798,391)*	
Net cash outflow from investing activities			(1,043,394)		(1,418,603)
Financing Activities					
Interest received on cash and cash equivalervhicl		200,459		*219,587*	
Interest paid on loans		(872,374)		*(890,854)*	
Loan principal repayments		(263,139)		*(247,642)*	
Share capital issued	21	92		*36*	
Net cash outflow from financing activities			(934,962)		*(918,873)*
Increase in cash	22		67,553		*86,067*
Opening cash & cash equivalents			2,288,160		*2,202,093*
Closing cash & cash equivalents			**2,355,713**		***2,288,160***
Cash and cash equivalents as at 31 March					
Cash	22		2,355,713		*2,288,160*
			2,355,713		***2,288,160***

The notes on pages 22 to 47 form an integral part of these financial statements.

MILNBANK HOUSING ASSOCIATION

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

	Notes	£	2026 £	£	2025 £
Surplus for the Year			163,159		*961,114*
Adjustments for non-cash items:					
Depreciation of tangible fixed assets	10	1,056,171		*875,129*	
Amortisation of capital grants	20	(79,217)		*(70,477)*	
Share capital written off	21	-		*(148)*	
			976,954		*804,504*
			(200,459)		*(219,587)*
Interest payable plus finance charges			689,522		*810,931*
Operating cash flows before movements in working capital			1,629,176		*2,356,962*
Change in stock		(6,325)		-	
Change in debtors		70,899		*285,615*	
Change in creditors		378,298		*(262,026)*	
			442,872		*23,589*
Net cash inflow from operating activities			2,072,048		2,380,551
Investing Activities					
Acquisition and construction of properties		(1,564,695)		*(971,792)*	
Purchase of other fixed assets		(62,579)		-	
Social housing grant received		585,489		*351,580*	
Changes on short term deposits with banks		(1,609)		*(798,391)*	
Net cash outflow from investing activities			(1,043,394)		(1,418,603)
Financing Activities					
Interest received on cash and cash equivalents		200,459		*219,587*	
Interest paid on loans		(872,374)		*(890,854)*	
Loan principal repayments		(263,139)		*(247,642)*	
Share capital issued	21	92		*36*	
Net cash outflow from financing activities			(934,962)		*(918,873)*
Increase in cash	22		93,692		*43,075*
Opening cash & cash equivalents			2,092,732		*2,049,657*
Closing cash & cash equivalents			**2,186,424**		***2,092,732***
Cash and cash equivalents as at 31 March					
Cash	22		2,186,424		*2,092,732*
			2,186,424		***2,092,732***

The notes on pages 22 to 47 form an integral part of these financial statements.

MILNBANK HOUSING ASSOCIATION

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2026

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 31 March 2024	*704*	*15,038,360*	*15,039,064*
Issue of shares	*36*	-	*36*
Cancellation of Shares	*(148)*	-	*(148)*
Other comprehensive income	-	*81,000*	*81,000*
Surplus for the year	-	*984,078*	*984,078*
Balance as at 31 March 2025	***592***	***16,103,438***	***16,104,030***
Turnover for the year increased in the year	592	16,103,438	16,104,030
Issue of Shares	92	-	92
Other comprehensive income	-	91,000	91,000
Other movements	-	-	-
Surplus for the year	-	109,894	109,894
Balance as at 31 March 2026	**684**	**16,304,332**	**16,305,016**

The notes on pages 22 to 47 form an integral part of these financial statements.

MILNBANK HOUSING ASSOCIATION

PARENT STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2026

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 31 March 2024	*704*	*15,033,200*	*15,033,904*
Issue of shares	*36*	-	*36*
Cancellation of Shares	*(148)*	-	*(148)*
Other comprehensive income	-	*81,000*	*81,000*
Surplus for the year	-	*961,114*	*961,114*
Balance as at 31 March 2025	***592***	***16,075,314***	***16,075,906***
Turnover for the year increased in the year	592	16,075,314	16,075,906
Issue of Shares	92	-	92
Other comprehensive income	-	91,000	91,000
Surplus for the year	-	163,159	163,159
Balance as at 31 March 2026	**684**	**16,329,473**	**16,330,157**

The notes on pages 22 to 47 form an integral part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

The Association is registered under The Co-operative & Community Benefit Societies Act 2014. These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019. The Association is a registered social landlord in Scotland and its registered number is 161. The registered address is 53 Ballindalloch Drive, G31 3DQ. They comply with the Determination of Accounting Requirements 2024. A summary of the principal accounting policies is set out below.

The presentation currency is pounds sterling.

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.

Basis of consolidation

The Group Financial statements incorporate the financial statements of the Group's parent, Milnbank Housing Association, and its subsidiary, Milnbank Property Services Limited.

Revenue

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

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

Government grants are recognised using the accruals model which means the Group recognises the grant income on a systematic basis over the period in which the Group recognises the related costs for which the grant was intended to compensate. 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 receiveable. A grant that imposes specific future performance related conditions on the recipient is recognised as a revenue only when the performance related condition is met. A grant received before revenue recognition criteria is satisfied is recognised as a liability.

Milnbank Property Services Limited

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

Going Concern

On the basis that the Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, the Group has adopted the going concern basis of accounting in preparing these financial statements.
On an annual basis, the Association produces long-term financial forecasts, extending for 30 years. These forecasts are based on the most up to date and accurate information available. The projections include the Life Cycle Costsing model which was prepared by using the results from the latest stock condition survey.

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

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. Housing under construction and land are not depreciated.
Shared ownership units are depreciated over 100 years.

Component	*Useful Economic Life*
Land	Not depreciated
Structure	Over 100 years
Internal walls	Over 20 years
Kitchens	Over 15 years
Bathrooms	Over 30 years
Boilers	Over 20 years
Central Heating/ Fixtures	Over 20 years
Windows	Over 30 years
Rewires/ Electrics	Over 20 years
Common doors	Over 30 years
Smoke detectors	Over 10 years

Depreciation and Impairment of Other Tangible Assets

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

Asset Category	*Depreciation Rate*
Office & Storage Units	Over 50 years
Nursery	Over 50 years
Furniture and equipment	20% reducing balance
Motor vehicles	20% reducing balance

The carrying values of non-current assets are reviewed for impairment at the end of each reporting period. The nursery was rented out to a third party who continues to use the premises as a nursery. The nursery is viewed as being a community asset and the provision of the nursery, via this third party, is still considered to meet the charitable objectives of the Group in respect of ensuring the provision of a nursery service to the benefit of the community. Thus the nursery is held at cost less depreciation within other fixed assets rather than an investment property at fair value. Investment properties relate to lock ups which are held at their fair value at each year end.

Social Housing Grants and Other Capital Grants

Social housing grants and other capital grants are accounted for using the Accruals Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which they relate

Social housing grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

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

Taxation

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Interest receivable
Interest receivable is recognised in the Statement of comprehensive income when the Group is entitled to it.

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.

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

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

Current asset investment

Current asset investments are represented by long term deposits with financial institutions repayable after more than 3 months.

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.

Retirement Benefits

The Group participates in the Scottish Housing Associations' Defined Benefit Pension Scheme (SHAPS) pension scheme and the Strathclyde Pension Fund (SPF) they are multi-employer defined benefit schemes. Retirement benefits to employees of the Group are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Group accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102.
Defined benefit schemes are funded, with the assets held separately from the Group in separate trustee administered funds. Full actuarial valuations by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date.

The Group moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

Auto enrolment
The group is also a member of the SHAPS defined contribution scheme and this scheme is used for auto-enrolment. The costs of the employers contribution is charged to the Statement of Comprehensive Income on an accruals basis

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

Impairment
The Group assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.

Where the carrying value of non-current assets is less that their recoverable amounts the shortfall is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service potential.

Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Leases/Leased Assets

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

Works to Existing Properties

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

Capitalisation of Development Overheads

Directly attributable development administration costs relating to ongoing development activities are capitalised.

Borrowing Costs

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

Stocks

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

Financial Instruments - Basic

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other account receivables and payables, loans from banks and other third parties.
Debt instruments (other than those wholly repayable or receivable within one year), including loans and other account receivable and payable, are initially measured at the present value of the future cashflows and subsequently at amortised costs 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 arrangement of a short-term instrument constitute 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 outright short-term loan not a market rate, the financial asset or liability is measured, initially at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

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

Key Judgements

a) Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Pension Liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme and the Strathclyde Pension Fund. The funds are administered by TPT & Hymans Robertson respectively. TPT & Hymans Robertson have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Group has decided that this method is therefore adopted this valuation method.

Accounting entries in respect of transactions for both schemes within the financial statements are based on the actuary's report on the scheme. The actuary has a number of assumptions in their calculations and details of any key assumptions are included within the notes to the financial statements.

Estimation Uncertainty

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

d) Costs of shared ownership

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

e) Defined pension liability

In determining the value of the Group's share of defined benefit pensin scheme assets and obligations, the valuation prepared by the Scheme actuaries includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

f) Allocation of share assets and liabilities for multi employer schemes

Judgements in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi employer pension schemes and estimations performed by the Pensions Trust in respect of the Scottish Housing Association Pension Scheme and Hymans Robertson for the Strathclyde Pension Fund.

2. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT - GROUP

	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	7,728,194	7,280,312	447,882	*7,206,780*	*5,808,067*	*1,398,713*
Other Activities	4	478,503	327,428	151,075	*419,866*	*243,157*	*176,709*
Total		**8,206,697**	**7,607,740**	**598,957**	***7,626,646***	***6,051,224***	***1,575,422***

3. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES - GROUP

	General Needs Housing	Shared Ownership	2026 Total	*As restated* 2025 Total
	-	-	£	£
Revenue from Lettings				
Rent receivable net of service charges	7,449,939	7,860	7,457,799	*7,132,945*
Service charges receiveable	-	-	-	-
Gross income from rent and service charges	7,449,939	7,860	7,457,799	*7,132,945*
Less: Rent losses from voids	28,659	-	28,659	*37,277*
Income from rents and service charges	7,421,280	7,860	7,429,140	*7,095,668*
Grants released from deferred income	70,738	8,479	79,217	*70,477*
Revenue grants from Scottish Ministers	84,096	-	84,096	*26,532*
Other revenue grants	135,741	-	135,741	*14,103*
Total revenue from affordable letting activities	7,711,855	16,339	7,728,194	*7,206,780*
Expenditure on affordable letting activities				
Management and maintenance administration costs	3,268,920	-	3,268,920	*3,270,125*
Planned and cyclical maintenance, including major repairs	1,751,302	-	1,751,302	*729,080*
Reactive maintenance costs	1,324,910	-	1,324,910	*985,683*
Bad Debts - rents and service charges	(54,298)	-	(54,298)	*8,533*
Depreciation of affordable let properties	980,982	8,496	989,478	*814,646*
Operating costs of affordable letting activities	7,271,816	8,496	7,280,312	*5,808,067*
Operating surplus on affordable letting activities	**440,039**	**7,843**	**447,882**	***1,398,713***
2025	*1,391,244*	*7,469*		

2. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT - PARENT

	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	As restated Operating costs	As restated Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	7,728,194	7,280,312	447,882	*7,206,780*	*5,808,066*	*1,398,714*
Other Activities	4	414,703	233,327	181,376	*330,646*	*185,233*	*145,413*
Total		**8,142,897**	**7,513,639**	**629,258**	***7,537,426***	***5,993,299***	***1,544,127***

3. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES - PARENT

	General Needs Housing	Shared Ownership	2026 Total	As restated 2025 Total
	-	-	£	£
Revenue from Lettings				
Rent receivable net of service charges	7,449,939	7,860	7,457,799	*7,132,945*
Gross income from rent and service charges	7,449,939	7,860	7,457,799	*7,132,945*
Less: Rent losses from voids	28,659	-	28,659	*37,277*
Income from rents and service charges	7,421,280	7,860	7,429,140	*7,095,668*
Grants released from deferred income	70,738	8,479	79,217	*70,477*
Revenue grants from Scottish Ministers	84,096	-	84,096	*26,532*
Other revenue grants	135,741	-	135,741	*14,103*
Total revenue from affordable letting activities	7,711,855	16,339	7,728,194	*7,206,780*
Expenditure on affordable letting activities				
Management and maintenance administration costs	3,268,920	-	3,268,920	*3,270,124*
Planned and cyclical maintenance, including major repairs	1,751,302	-	1,751,302	*729,080*
Reactive maintenance costs	1,324,910	-	1,324,910	*985,683*
Bad Debts - rents and service charges	(54,298)	-	(54,298)	*8,533*
Depreciation of affordable let properties	980,982	8,496	989,478	*814,646*
Operating costs of affordable letting activities	7,271,816	8,496	7,280,312	*5,808,066*
Operating surplus on affordable letting activities	**440,039**	**7,843**	**447,882**	***1,398,714***
2025	*1,391,245*	*7,469*		

Included in depreciation of affordable let properties is the net book value of components disposed of amounting to £140,700 - (2025 £60,152).

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES - GROUP

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover	Other operating costs	Operating surplus / (deficit) 2026	Operating surplus / (deficit) 2025
					As restated		As restated
	£	£	£	£	£	£	£
Wider role activities	-	52,817	131,886	184,703	134,477	50,226	*56,118*
Factoring service Milnbank Property Services Limited	-	-	243,800	243,800	94,101	149,699	*173,095*
Community services	-	-	-	-	98,850	(98,850)	*(114,714)*
Other activities	-	-	-	-	-	-	*12,210*
Carbon Footprint Nursery	-	-	50,000	50,000	-	50,000	*50,000*
Total From Other Activities	-	**52,817**	**425,686**	**478,503**	**327,428**	**151,075**	***176,709***
2025 As restated	-	*79,544*	*340,322*	*419,866*	*243,157*	*176,709*	

Included within wider role expense is dilapidation costs of £37,000, in relation to the settlements agreed for the Bluevale Hall and the Alexandra Park Sports Hub.

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES - PARENT

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover	Other operating costs	Operating surplus / (deficit) 2026	Operating surplus / (deficit) 2025
					As restated		As restated
	£	£	£	£	£	£	£
Wider role activities	-	52,817	131,886	184,703	134,477	50,226	*56,118*
Service level agreement income	-	-	180,000	180,000	-	180,000	*141,800*
Community Services	-	-	-	-	98,850	(98,850)	*(114,715)*
Other activities	-	-	-	-	-	-	*12,210*
Carbon Footprint Nursery	-	-	50,000	50,000	-	50,000	*50,000*
Total From Other Activities	**-**	**52,817**	**361,886**	**414,703**	**233,327**	**181,376**	***145,413***
2025	-	*79,544*	*251,102*	*330,646*	*185,233*	*145,413*	

5. OFFICERS' EMOLUMENTS - GROUP & PARENT

	2026	2025
	£	£
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Board, leadership team member of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	258,432	246,942
Pension contributions made on behalf on Officers with emoluments greater than £60,000	32,072	*23,573*
Emoluments payable to CEO (excluding pension contributions)	100,681	*95,294*
Pension contributions paid on behalf of the CEO	9,512	*8,985*
Total emoluments payable to the CEO	110,193	*104,279*
Total emoluments paid to key management personnel	509,669	*435,697*

The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	-	1
£70,001 to £80,000	2	-
£80,001 to £90,000	1	1
£90,001 to £100,000	-	1
£100,001 to £110,000	1	-

6. EMPLOYEE INFORMATION - GROUP & PARENT

	2026	2025
	No.	No.
Average monthly number of full time equivalent persons employed during	43	*46*
Average total number of employees employed during the year	43	*46*
Staff costs were:	£	£
Wages and salaries	1,707,468	*1,748,676*
National insurance costs	197,472	*153,982*
Pension costs	149,708	*148,264*
Temporary, agency and seconded staff	30,088	-
	2,084,736	*2,050,922*

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Group		Parent	
	2026	2025	2026	2025
	£	£		
On bank loans and overdrafts	872,374	*890,855*	872,374	*890,855*
Release of bond Creditor and amortised fees	(217,852)	*(108,924)*	(217,852)	*(108,924)*
	654,522	*781,931*	654,522	*781,931*
Net interest on pension obligation	35,000	29,000	35,000	29,000
Total interest payable	689,522	810,931	689,522	810,931

8. Should the Court decide that the historic benefit changes need to be applied differently, then sor

	Group		Parent	
	2026	2025	2026	2025
Surplus For The Year is stated after charging/(crediting):	£	£	£	£
Depreciation - non-current assets	915,497	*814,977*	915,497	*814,977*
(Loss) on component disposals	140,674	60,152	140,674	60,152
Auditors' remuneration - audit services	35,916	*26,430*	25,716	*18,750*
Auditors' remuneration - other services	11,280	*4,220*	5,640	*635*
Operating lease rentals - land & buildings	98,850	*108,096*	98,850	*108,096*

9. CORPORATION TAX

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities. However, the surpluses from non-charitable activities are subject to taxation. No corporation tax charge arose in the subsidiary in the year (2025: £nil). A gift aid arrangement of £22,964 was made in 2026 (2025 - £8,331).

10. NON-CURRENT ASSETS - GROUP & PARENT

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
COST				
At 1 April 2025	39,420,642	1,075,059	607,631	41,103,332
Additions	1,225,927	338,768	-	1,564,695
Disposals	(224,356)	-	-	(224,356)
At 31 March 2026	40,422,213	1,413,827	607,631	42,443,671
DEPRECIATION				
At 1 April 2025	6,149,323	-	278,499	6,427,822
Charge for Year	840,282	-	8,496	848,778
Disposals	(83,682)	-	-	(83,682)
At 31 March 2026	6,905,923	-	286,995	7,192,918
NET BOOK VALUE				
At 31 March 2026	33,516,290	1,413,827	320,636	35,250,753
At 31 March 2025	*33,271,319*	*1,075,059*	*329,132*	*34,675,510*

	2026		2025	
Expenditure on Existing Properties	*Component replacement* £	*Plannned maintenance* £	*Component replacement* £	*Plannned maintenance* £
Amounts capitalised	636,872	-	597,731	-
Amounts charged to the statement of comprehensive income	-	1,751,302	-	729,080

All land and housing properties are heritable.

Additions to housing properties include capitalised development administration costs of £nil (2025 - £Nil).

The Association's lenders have standard securities over housing property with a carrying value of £22,442,833 (2025 - £20,435,069).

The depreciation charge on housing properties as shown above differs from that per Note 3 due to accelerated depreciation on component replacements.

Included in housing properties held for letting is land with a carrying value of £6,381,393 (2025 (£6,381,393) and included in shared ownership is land with a carrying value of £83,854 (2025: 83,854)

10. NON CURRENT ASSETS (continued)

(b) Other tangible assets - Group & Parent	Office Premises £	Furniture & Equipment £	Nursery £	Motor Vehicles £	Total £
COST					
At 1 April 2025 as restated	978,825	532,266	386,884	98,136	1,996,111
Additions	-	13,088	11,703	37,788	62,579
Eliminated on disposals	-	-	-	-	-
At 31 March 2026	978,825	545,354	398,587	135,924	2,058,690
DEPRECIATION					
At 1 April 2025 as restated	543,136	456,928	85,115	41,559	1,126,738
Turnover is recognised to the e	19,576	17,685	7,972	21,486	66,719
Eliminated on disposals	-	-	-	-	-
At 31 March 2026	562,712	474,613	93,087	63,045	1,193,457
NET BOOK VALUE					
At 31 March 2026	416,113	70,741	305,500	72,879	865,233
At 31 March 2025	*435,689*	*75,338*	*301,769*	*56,577*	*869,373*

Included in opening cost and depreciation is a motor vehicle posted to the income and expenditure account in earlier period which should have been included as an asset. The net book value is nil the cost and depreciation amount to £17,494.

11. FIXED ASSET INVESTMENTS - PARENT

	2026 £	2025 £
Subsidiary undertakings	1	*1*
Investment properties	52,500	*52,500*
	52,501	*52,501*

Subsidiary Undertakings

Milnbank Housing Association has the following wholly owned subsidiary undertakings. The registered office of the subsidiary is 53 Ballindalloch Drive Dennistoun. The relationship between the Association and its subsidiary is set out in an independence agreement between both parties. Milnbank Housing Association Limited owns 1 ordinary share in Milnbank Property Services Limited, a company registered in Scotland, whose principal activity is the provision of factoring services.

	2026		2025	
	Reserves £	*Profit / (Loss)* £	*Reserves* £	*Profit / (Loss)* £
Milnbank Property Services Limited	(25,141)	(30,301)	*28,125*	*31,295*

Investment Properties

	2026 £	2025 £
At 1 April 2025 as restated	52,500	*52,500*
Additions	-	-
	52,500	52,500

Commercial properties were valued by an independent professional adviser JLL Chartered Surveyors in April 2025 in accordance with the appraisal and valuation manual of the RICS. Commercial properties are subject to valuation at least every five years. The Board are satisfied this reflects the fair value at 31 March 2026.

12. RECEIVABLES

	GROUP		PARENT	
	2026	2025	2026	2025 Restated
	£	£	£	£
Gross arrears of rent and service charges	258,078	*334,301*	258,078	*334,301*
Less: Provision for doubtful debts	(140,445)	*(218,665)*	(140,445)	*(218,665)*
Net arrears of rent and service charges	117,633	*115,636*	117,633	*115,636*
Social housing grant receivable	251,660	*50,513*	251,660	*50,513*
Other receivables	1,098,669	*676,916*	260,496	*185,279*
Amounts due from group undertakings	-	-	425,461	*455,153*
	1,467,962	*843,065*	1,055,250	*806,581*

13. CURRENT ASSET INVESTMENTS

	GROUP		PARENT	
	2026	2025	2026	2025
	£	£	£	£
Short term deposits	5,100,000	*5,098,391*	5,100,000	*5,098,391*
	5,100,000	*5,098,391*	5,100,000	*5,098,391*

14. CASH AND CASH EQUIVALENTS

	GROUP		PARENT	
	2026	2025	2026	2025
	£	£	£	£
Cash at bank and in hand	505,713	*438,160*	336,424	*242,732*
Balances held in deposit accounts	1,850,000	*1,850,000*	1,850,000	*1,850,000*
	2,355,713	*2,288,160*	2,186,424	*2,092,732*

15. STOCK AND WORK IN PROGRESS

	Group		Parent	
	2026	2025	2026	2025
	£	£	£	£
Stock of maintenance materials	6,325	-	6,325	-
	6,325	-	6,325	-

16. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Parent	
				Restated
	2026	2025	2026	2025
	£	£	£	£
Bank loans	387,009	*350,924*	387,009	*350,924*
Trade payables	701,189	*389,508*	701,189	*377,574*
Rent received in advance	399,072	*318,227*	311,807	*318,227*
Deferred grants due in one year	79,217	*70,477*	79,217	*70,477*
Other taxation and social security	61,777	*38,684*	44,634	*38,684*
Other payables	2,150,819	*1,666,369*	1,658,285	*1,666,369*
Accruals and deferred income	240,718	*359,133*	230,518	*167,281*
	4,019,801	*3,193,322*	3,412,659	*2,989,536*

17. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Parent	
	2026	2025	2026	2025
	£	£	£	£
Bank loans	19,685,488	*20,084,145*	19,685,488	*20,084,145*
	19,685,488	*20,084,145*	19,685,488	*20,084,145*

18. DEBT ANALYSIS - BORROWINGS

	Group		Parent	
	2026	2025	2026	2025
	£	£	£	£
Bank Loans				
Amounts due within one year	387,009	350,924	387,009	350,924
Amounts due in one year or more but less than	396,593	360,924	396,593	360,924
Amounts due in two years or more but less thai	1,037,932	1,082,772	1,037,932	1,082,772
Amounts due in more than five years	18,250,962	18,640,449	18,250,962	18,640,449
	20,072,496	*20,435,069*	20,072,496	*20,435,069*

Lender	*Number of Properties Secured*	*Effective Interest Rate*	*Maturity (Year)*	*Variable or Fixed*
Nationwide BS	689	3.6%	01/06/2042	Fixed
GBSH	611	3.9%	02/02/2038	fixed

Only the Nationwide's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans.

19. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

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

The Association moved to a defined contribution scheme in 1 September 2024 but has a net liability for the past service deficit in the defined benefit scheme.

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

The last triennial valuation of the Scheme was performed as at 30 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%).It is now expected a recovery plan wull be put in place to eliminate the past service deficit from 1 April 2026 to 31 March 2030 for the majority of employer, although certain employers may have different arrangements.

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 reapportioned amongst the remaining employers. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

In 2019 the Pensions Trust, the administrator of the Scheme developed a method of determining the share of assets and liabilities for individual employers. The method was adopted by the Association in 2019 and resulted in an adjustment to the opening pension liability recognised in the statement of financial position.

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

	2026	2025	2024
	£	£	£
Fair value of plan assets	3,677,000	3,676,000	4,021,000
Present value of defined benefit obligation	4,158,000	4,227,000	4,607,000
Surplus / (deficit) in plan	(481,000)	(551,000)	(586,000)
Unrecognised surplus	-	-	-
Defined benefit asset / (liability) to be recognised	(481,000)	(551,000)	(586,000)

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2026	2025
	£	£
Defined benefit obligation at the start of period	4,227,000	4,607,000
Expenses	7,000	7,000
Interest expense	238,000	221,000
Contributions by plan participants	-	-
Actuarial losses (gains) due to scheme experience	(101,000)	45,000
Actuarial losses (gains) due to changes in demographic assumptions	42,000	-
benefits will flow to the company and the revenue can be reliably	(63,000)	(464,000)
Benefits paid and expenses	(192,000)	(189,000)
Defined benefit obligation at the end of period	4,158,000	*4,227,000*

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

	2026	2025
	£	£
Fair value of plan assets at start of period	3,676,000	4,021,000
Interest income	207,000	192,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(21,000)	(355,000)
Contributions by the employer	7,000	7,000
Benefits paid and expenses	(192,000)	(189,000)
Fair value of plan assets at the end of period	3,677,000	*3,676,000*

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 was (£186,000).

Review of historic benefit changes

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

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2026	2025
	£	£
Expenses	7,000	7,000
Net interest expense	31,000	29,000
Defined benefit costs recognised in statement of comprehensive income	38,000	*36,000*

Defined benefit costs recognised in the other comprehensive income

	2026	2025
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(21,000)	(355,000)
Experience gains and losses arising on plan liabilities - gain /(loss)	101,000	(45,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	(42,000)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	63,000	464,000
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	101,000	64,000
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	-	-
Total amount recognised in other comprehensive income - gain (loss)	101,000	64,000

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

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

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2026	2025
	£	£
Global Equity	485,000	*426,000*
Cash	1,000	*20,000*
Infrastructure	-	*1,000*
Insurance-Linked Securities	7,000	*14,000*
Liability Driven Investment	1,015,000	*1,035,000*
Long Lease Property	-	*1,000*
Net Current Assets	55,000	*5,000*
Private Debt	8,000	*3,000*
Property	192,000	*182,000*
Secured Income	50,000	*85,000*
Currency Hedging	-	6,000
Liquid Alternatives	703,000	677,000
Real Assets	365,000	439,000
Private Credit	474,000	458,000
Credit	168,000	156,000
Investment Grade Credit	154,000	168,000
Total assets	3,677,000	3,676,000

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

Key Assumptions

	2026	2025
Discount Rate	6.0%	5.8%
Inflation (RPI)	3.3%	3.1%
Inflation (CPI)	3.0%	2.8%
Salary Growth	4.0%	3.8%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	

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

	Life expectancy (years)
Male retiring in 2026	20.7
Female retiring in 2026	22.9
Male retiring in 2046	21.9
Female retiring in 2046	24.4

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme

The Association operates a defined benefit scheme as an admitted body under the Strathclyde Pension Fund, the assets of which are held in a separate trustee administered fund.

There are 2 employees plus 1 retiree who are members of 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 Scheme (Scotland) Regulations 1998 as amended.

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at 31 March	2026 %p.a.	2025 %p.a.	2024 %p.a.
Price increases	-	-	-
Pension Increase Rate (CPI)	3.0%	*2.8%*	*2.8%*
Salary Increase Rate	3.7%	*3.8%*	*3.5%*
Discount rate	6.2%	*5.8%*	*4.8%*

Members of the Scheme

	2026 No	2025 No	2024 No.
Employee members	2	2	2
Deferred pensioners	1	1	1
Pensioners	1	1	1
	4	4	4

Expected Return on Assets

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the period as follows:

Asset Class	2026 % p.a.	2025 % p.a.	2024 % p.a.
Equities	5.80%	6.00%	0%
Bonds	2.20%	2.30%	0%
Property	1.00%	0.90%	0%
Cash	1.00%	0.80%	0%
Total	10%	10%	0%

Mortality Rates

	Males (Years)	Females (Years)
Current Pensioners	19.8	22.6
Future Pensioners	19.2	24.3

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme (continued)

Net Pension Liability	**2026**	**2025**	**2024**
	£	**£**	**£**
Fair value of employer's assets	603,000	*615,000*	*704,000*
Present value of scheme liabilities	(600,000)	*(598,000)*	*(704,000)*
Surplus/deficit in plan	*3,000*	*17,000*	-
Defined Benefit asset / (liability) to be recognised	*3,000*	*17,000*	-

Reconciliation of fair value of employer assets

	2026	**2025**	**2024**
	£	**£**	**£**
	615,000	*704,000*	*1,013,000*
Expected return on assets	61,000	*50,000*	*47,000*
Contributions by members	2,000	*2,000*	*5,000*
Contributions by the employer	1,000	*1,000*	*10,000*
Actuarial gains / (losses)	37,000	*(13,000)*	*50,000*
Increase in pension ceiling	(82,000)	*(98,000)*	*(347,000)*
Benefits paid	(31,000)	*(31,000)*	*(74,000)*
	603,000	*615,000*	704,000

	2026	**2025**	**2024**
	£	**£**	**£**
Opening defined benefit obligation	598,000	704,000	686,000
Current service cost	6,000	*8,000*	*13,000*
Interest cost	34,000	*33,000*	*31,000*
Contributions by members	2,000	*2,000*	*5,000*
Actuarial gains / (losses)	(9,000)	*(118,000)*	*43,000*
Benefits paid	(31,000)	*(31,000)*	*(74,000)*
	600,000	*598,000*	*704,000*

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

Strathclyde Pension Fund Defined Benefit Scheme (continued)

Actuarial gain / (loss) recognised in other comprehensive income

	2026	2025	2024
	£	£	£
Changes in financial assumptions	(10,000)	*30,000*	*(64,000)*
Resturn on assets excluding amount included in net interest	-	(13,000)	50,000
Cumulative actuarial gains (losses)	(10,000)	*17,000*	*(14,000)*

20. DEFERRED INCOME - GROUP & PARENT

	Social Housing Grants £	Total £
Capital grants received		
At 1 April 2025	4,739,008	4,739,008
Additions in the year	786,636	786,636
Eliminated on disposal	-	-
At 31 March 2026	5,525,644	5,525,644
At 1 April 2025	757,028	757,028
Amortisation in year	79,217	79,217
Eliminated on disposal	-	-
At 31 March 2026	836,245	836,245
Net book value		
At 31 March 2026	4,689,399	4,689,399
At 31 March 2025	3,981,980	3,981,980
Total at 31 March 2026	4,689,399	4,689,399
Total at 31 March 2025	3,981,980	3,981,980

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

	2026 £	2025 £
Amounts due within one year	79,217	*70,477*
Amounts due in more than one year	4,610,181	*3,911,502*
	4,689,398	*3,981,979*

21. SHARE CAPITAL

	GROUP		PARENT	
Shares of £1 each, issued and fully paid	**2026 £**	**2025 £**	**2026 £**	**2025 £**
At 1 April	592	*704*	592	*704*
Issued in year	92	*36*	92	*36*
Cancelled in year	-	*(148)*	-	*(148)*
At 31 March	684	*592*	684	*592*

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.

22. STATEMENT OF CASH FLOWS - GROUP

Reconciliation of net cash flow to movement in net debt	£	2026 £	£	2025 £
Increase in cash	67,553		*86,067*	
Change in liquid resources	1,609		*798,391*	
Non cash movement	99,433		*108,924*	
Cashflow from change in net debt	263,139		*247,642*	
Movement in net debt during the year		431,734		*1,241,024*
Net debt at 1 April		(13,048,518)		*(14,289,542)*
Net debt at 31 March		*(12,616,784)*		*(13,048,518)*

Analysis of changes in net debt	*At 1 Apr 2025* £	*Cashflows* £	*Other Changes* £	*At 31 Mar 2026* £
Cash and cash equivalents	*2,288,160*	67,553	-	*2,355,713*
	2,288,160	67,553	-	2,355,713
Liquid resources	*5,098,391*	1,609	-	5,100,000
Debt: Due within one year	*(350,924)*	263,139	(299,224)	(387,009)
Due after more than one year	*(20,084,145)*	-	398,657	(19,685,488)
Net debt	*(13,048,518)*	332,301	99,433	(12,616,784)

22. STATEMENT OF CASH FLOWS - PARENT

Reconciliation of net cash flow to movement in net funds	£	2026 £	£	2025 £
Increase in cash	93,692		*43,075*	
Change in liquid resources	1,609		*798,391*	
Non cash movement	99,433		*108,924*	
Cashflow from change in net debt	263,139		*247,642*	
Movement in net debt during the year		457,873		*1,198,032*
Net funds at 1st April		(13,243,946)		*(14,441,978)*
Net funds at 31 March 2026		*(12,786,073)*		*(13,243,946)*

Analysis of changes in net funds	*At 1 Apr 2025*	*Cashflows*	*Other Changes*	*At 31 Mar 2026*
Cash at bank and in hand	2,092,732	93,692	-	2,186,424
	2,092,732	93,692	-	2,186,424
Liquid resources	5,098,391	1,609	-	5,100,000
Debt: Due within one year	(350,924)	263,139	(299,224)	(387,009)
Due after more than one year	(20,084,145)	-	398,657	(19,685,488)
Net funds	(13,243,946)	358,440	99,433	(12,786,073)

23. CAPITAL COMMITMENTS - GROUP & PARENT

	2026	2025
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	10,827,557	-

The above commitments will be financed by a mixture of public grant, private finance and the Association's own resources. The split of funding is, Housing Association grant £7,145,768, private finance of £3,200,000, own resources of £481,789.

24. COMMITMENTS UNDER OPERATING LEASES - PARENT

	2026	2025
	£	£
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Land and Buildings		
Expiring in the next year	-	350
Expiring later than one year and not later than five years	-	1,750
Expiring later than five years	-	492
Other		
Expiring in the next year	146,699	146,699
Expiring later than one year and not later than five years	56,998	203,697
Expiring later than five years	-	-

25. DETAILS OF ASSOCIATION

The Association is a Registered Society registered with the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is 53 Ballindalloch Drive Dennistoun.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Dennistoun and Haghill.

26. BOARD MEMBER EMOLUMENTS - GROUP & PARENT

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

27. HOUSING STOCK - GROUP & PARENT

The number of units of accommodation in management at the year end was:-	2026 No.	2025 No.
General needs	1,680	1,676
Shared ownership	7	7
	1,687	1,683

28. RELATED PARTY TRANSACTIONS - GROUP & PARENT

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

Any transactions between the Association and any entity with which a Board member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Board members (and their close family) were as follows:	2026 £	2025 £
Rent received from tenants on the Board and their close family members	54,027	40,781
Factoring charges received from factored owners on the Board and their close family members	2,912	-

At the year end total rent arrears owed by the tenant members on the Board (and their close family) were £nil (2025 - £20).

At the year end total factoring arrears owed by owner occupiers on the Board (and their close family) were £171 (2025 - £3,991).

Members of the Board who are tenants	13	10
Members of the Board who are owner occupiers	2	2
Members of the Board who are local councillors	1	1
Members of the Board who are local authority employees	1	1

29. RESTATEMENT

Milnbank Property Services Limited took the decision to move to an agency basis of reporting rather than gross basis which includes rechargeable repairs in income and expenditure. In order to ensure comparability, the previous year figures have been restated as an agency basis. this results in the income reducing from what was previously reported income figure of £979,012 to £231,020. In addition, rechargeable expenses have been reduced from £889,792 to £141,800.This adjustment had no impact on surplus or on opening or closing reserves.