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QUEENS CROSS HOUSING ASSOCIATION LIMITED

RSL Accounts

Registered Number: SP1860RS

Report and Financial Statements

For the year ended 31 March 2026

Docusign Envelope ID: C04A587A-56B5-886B-8155-B4CB25A3BAF9

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report and Financial Statements

For the year ended 31 March 2026

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Registration information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered number SP1860RS
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered number 172
Registered Scottish Charity	SC036434

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Board, Executives and Advisers

Board of Management – elected

Andrew Burns	Chair
David Horner	
Sadie Gordon	Vice Chair
Margaret Glass	
Anne Ramsey	Vice Chair
John McIntyre	
Matthew Millar	
John Dunn	
Chibuzo Eheize	
Lorraine Duncan (co-opted 31.03.2026)	

Executive Officers

Shona Stephen	Chief Executive
Neil Manley	Director of Finance and Corporate Support
Heather Anderson	Director of Neighbourhood Services
Philip Daws	Director of Property and Placemaking

Registered Office

45 Firhill Road
Glasgow
G20 7BE

Auditor

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

Bankers

Virgin Money
1 Woodside Crescent
Charing Cross
Glasgow
G3 7UL

Solicitors

T C Young
7 West George St
Glasgow
G2 1BA

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QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Board of Management (incorporating the Strategic Report)
For year ended 31 March 2026

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

Overview

Queens Cross Housing Association Limited is a social landlord and registered charity operating in north west Glasgow predominantly in the Queens Cross, Woodside, Westercommon/Hamiltonhill and Dundasvale neighbourhoods. The Association was formed in 1976 with the aim of providing high quality social housing and is parent organisation of the Queens Cross Group. The group refers to Queens Cross Housing Association Limited, Queens Cross Factoring Limited, Queens Cross Workspace Ltd, Q.C. Consultants & Project Managers Limited and the charitable grant giving body, Queens Cross Community Foundation. The association's fully owned factoring subsidiary company Queens Cross Factoring Limited provides a factoring service to over 2,673 owners of property in the area. Queens Cross Workspace Limited promotes economic regeneration in the area through the development of rented commercial space and through the provision of training and other financial support. Each subsidiary produces their own annual accounts statement.

The Housing Association's main business is the provision of long term affordable rented housing, the provision of housing support for those who need additional help, property management for property owners and the rental of mid-market housing properties. The housing support service is currently funded by a combination of Supporting People grant, self-directed support personalisation budgets from Glasgow City Council and service charge income.

The association owned outright 4,392 properties as at 31 March 2026 and manages the tenancies for the majority of these homes. The association also has a share in 31 shared ownership units. Within this total stock the association leases 127 units/bed spaces to other care providers who manage these tenancies. Of the total stock over 400 units are dedicated to the provision of supported housing to care groups such as older people, people experiencing mental health related issues and young people.

The association, since its incorporation in 1976, has increased its housing stock through both construction, funded through grant and loan finance, and by stock transfer from other bodies such as Scottish Homes, Glasgow City Council (GCC) and Glasgow Housing Association Limited (GHA). The association completed two stock transfers from Glasgow Housing Association Limited in 2011 and 2012 with over 1500 homes transferring. The Association continues to have an active development programme with 309 new homes built in a mix of affordable tenures in recent years. As part of its vision and values the association aims to contribute to the development of the area in social, economic and environmental terms. The association secures Wider Action funding from a variety of sources for this work. Over and above this the Association funds specific wider action work from its own resources if it is seen as contributing to its overall objectives.

Objectives and Strategy

Queens Cross Group has in the last year published a new business plan with strategic objectives for the period up to 2030 with each company in the Group also producing its own business plan and strategic objectives approved by the relevant Board of Management.

The Group vision is *Excellent Housing in Vibrant Communities* and our shared Group values are *respect*, *integrity* and *aspiration*.

The housing association's strategic objectives in the latest plan are:

1. To keep rents affordable
2. To invest in improving the quality of our tenants' homes
3. To maintain safe and attractive neighbourhoods
4. To involve our customers in decisions that affect them
5. To attract and develop our future workforce

Below the strategic objectives, key departmental priorities are laid out in the internal management plan. As part of this plan, actions and desired outcomes have been identified.

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Report of the Board of Management (incorporating the Strategic Report)
For year ended 31 March 2026

Performance of Business

Key Performance Indicators are reported to the Board quarterly across a range of performance, satisfaction and financial indicators and reported annually to the Scottish Housing Regulator via the Annual Return on the Charter and other key financial returns including this annual report. The association has also chosen to be a member of Housemark, a cost and outcomes benchmarking club as a means of promoting and evidencing value for money.

The following are the results in 2025/26 for specific key performance indicators.

Housing

The average property re-let period was 21.1 days in 2025/26 which was on target and a slight improvement from 21.5 in 2024/25 building on the performance and processes changes from the prior year. Total void rent loss was £322,811 in 2025/26 compared to £277,632 in 2024/25 although these figures included rent loss for properties in longer term redevelopment which can be excluded from specific ARC targets.

The net current tenant rent arrears is 1.05% compared to 0.95% in **2024/25**. The small increase is seen against the backdrop of the cost-of-living crisis and utility cost increases with the work of housing staff supporting tenants in applying for qualifying benefits and manage their rent accounts. Comparisons with peer groups still show an overall excellent arrear performance. Former tenant's arrears valued of £140,178 was written off compared to £83,444 in **2024/25**.

At the end of March 2026 there were 8,676 applicants on the housing list (an increase of 1,453 since March 2025) and 521 tenancy offers were made in 2025/26, compared to 638 in 2024/25. The demand for our properties continues to increase although the rate of new applications has slowed with 28 new applications each week in 2025/26 , compared to 35 per week the year before.

Asset Management

There were 14,177 reactive maintenance jobs in the year (20,040 in 24/25) with 97% completed right first time against a target of 92%. This equates to an average of 3.2 repairs per property (4.5 2024/25) in the year at an average full cost including overheads of £355 per reactive repair. The reduction in numbers from last year in the total number of repairs can perhaps be seen as a settling out of repair requests after the post-covid increase. Of the total 4,459 repairs were classified as emergencies and all were attended to within 4 hours, whilst urgent repairs have a target of 2 days, and routine repairs are within 5 days. Our performance to these response targets is detailed here:

	Actual	**Target**
Emergency	100%	100%
Urgent	100%	96%
Routine	100%	97%

In the year to 31st of March 2026 one gas safety check was completed outside the required timeframe due to an administrative oversight whilst 20 EICR (electrical checks) have not been undertaken through multiple access failures or because the stock is in abeyance. The association resolved 149 cases of reported damp and mold in the year.

The association changed its main repair contractor to Wright Kerr on the 1st of April 2023 following a re-procurement exercise and the association continues to develop the repair service processes and customer service The delivery of the major repairs programme remains very challenging due the construction market, high tender costs and a continuing shortage of labour and materials. There has been continued progress in the year however with fabric improvements carried out to properties at Westercommon Drive/ Road and Dundasvale Court. Significant environmental improvements were also carried out within the Woodside area.

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Report of the Board of Management (incorporating the Strategic Report)
For year ended 31 March 2026

Operating and Financial Review

As of the 31st of March 2026, 95% of our stock is assessed as meeting the Scottish Housing Quality Standard (SHQS), with 99% of our properties meeting EESSH - the required Energy Efficiency standard - up from 95% the previous year. Whilst 4% of stock are exempt and 1% in abeyance.

Customer satisfaction.

The association has a framework of engagement surveys across the range of its services. From the most recent survey 89% of customers were satisfied by our overall service and 83% were satisfied with the standard on their home when moving in. The percentage of tenants satisfied with management of the neighbourhood they live in was 93% whilst 88% said that their rents represented good value for money,

Overall, 82% of tenants were satisfied with the repair service they received which is seeing an improvement with the new contractor in place. 97% of tenants responded positively to a question on our communication on decisions and services, whilst the figure for tenants satisfied with their opportunities to participate in decision making is 98%.

Financial and non-financial key performance indicators

The association's key objectives include the achievement of sound finances and value for money in the delivery of its services. Central to this is ensuring the Association continues to demonstrate its financial viability through its 30-year cash-flow. The association completes this 30-year plan using the BRIXX financial model. This model, the key assumptions within it and the key business risks for the association are reviewed, validated and approved by the Board each year. It is the Board's view that these financial assumptions are prudent and realistic and should ensure that we can continue to deliver affordable rents. The key risks incorporated into the model are detailed in the risk assessment section. The association's financial plan and cash forecast, the projection of operating surpluses and the major repairs and maintenance expenditure retained reserves and borrowing assumptions behind them are central to the organisation's business plan. It is this business plan which projects the future flows of resources in and out of the association and against which any new developments or activities are assessed. This assessment measures the benefits of new activity against any impact on the financial objectives described above.

Within the 2025/26 budget setting process the Board reviewed the impact of the proposed rent increase on a range of family types using the SFHA's rent affordability tool which demonstrated that the proposed increase maintained rents at affordable levels per the definitions used within this model for appropriate house types. Balanced against this the association needs to ensure sufficient resources are available to meet its investment obligations on its existing stock and retain the breadth of its tenancy management and support services. The association has continued to experience significant cost pressures across a range of key areas of expenditure, on Investment and Repair costs, Insurance and Utilities and these present a significant challenge in maintaining a service delivery to a certain quality standard whilst keeping rents affordable.

The Association is a member of the Housemark benchmarking club which provides the association with a scorecard for its services in terms of their costs, quality, quantity and overall effectiveness of the services provided compared to a selected peer group.

The Housemark results for the 2024/25 year, the latest data available shows that the organisation continues to be in the upper quartile for performance measured by both arrear management and performance against time to complete targets in its repairs services performance with repairs taking an average of 4 days against the peer group of 6. Overall responsive repair costs per property of £764 are above the median of the UK peer group which was £636, partly driven by a higher number of repairs per property 4.5 compared to the Uk peer group figure of 3. 5. Within Housing services our performance on rent arrear recovery as a percentage of total income is well within the top quartile, at 0.95% against a Scottish peer average of 2.2% arrear expressed from total income. Our housing management cost of £458 per property per year are lower against the UK median of £501. Overheads per unit at £1037 per annum are below the UK peer average of £1,173.

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Financial and non-financial key performance indicators (continued)

The association has a web-based purchase order system to support better and controlled procurement and, in line with new procurement legislation, has procurement policies and procedures which outline the required routes to market. These outline thresholds where the use of appropriate frameworks and/or procurement portals, such as Public Contracts Scotland, are required and suggests where social benefits should be included in any tendering exercise. It is continuing to review and re-procure its services and contracts on an on-going basis. In 2024/25 the Association participated in Scotland Excel's Continuous Improvement Programme and Assessment for Procurement (CIPP) and actions arising from this are being taken forward.

The association continues to review its pension schemes for their affordability in line with each schemes' valuation cycle. For the SHAPS scheme the association has now adopted full FRS102 disclosure of the liability and the consequential deficit changes are incorporated within these results. In discussion with its auditors the association agreed not to recognise the FRS102 surplus on its other SPF pension scheme to the extent that this gain is unlikely to be recognisable in the medium term.

There continues to be uncertainty in relation to funding for supported housing programmes delivered both by the association and by partners based in our properties. We have reviewed our funding streams and increased the level of service charges for our supported housing projects to maximise secure income whilst balancing affordability. We have also undertaken a full review of our leased properties to mitigate the potential risk of funding changes for partner care providers.

The association wants to be in a position to take advantage of any development opportunities that arise. This is done by the accumulation of sufficient reserves over the business cycle, the prudent use of borrowing against assets when necessary, and the accessing of available funding opportunities to cover service and support costs. The level of major repairs work is determined from the 30-year asset lifecycle work-plan. The table below illustrates this point.

Association's results	**2025/26**	**2024/25**	**2023/24**	**2022/23**	**2021/22**
	£000's	**£000's**	**£000's**	**£000's**	**£000's**
Turnover	28,823	27,669	26,929	25,134	24,963
Operating expenditure	(27,471)	(27,042)	26,220	23,241	21,237
Operating surplus	1,352	657	708	1,893	3,725
Capitalised major repairs	5,729	4,858	7,592*	2,050	1,633

***Includes work supported by Direct Grants and owner contributions**

The association is required to meet financial covenants in respect of its borrowings which are linked to the level of surplus each year and so future commitments on major repairs spend must be affordable through retained surpluses.

The association is on site with projects that enable us to meet the Scottish Housing Quality Standard, and this expenditure is incorporated into the budget plan. A stock condition survey is currently being carried out which will help inform the associations investment plans going forward. Over the next five years, the Association has significant investment ambitions for capital repairs to its housing stock and is looking to have informed discussions with its lenders once the stock condition information is available. The association has prioritised regeneration investment in key areas of its stock and is working with several contractors in accessing ECO funding to supplement the association's investment plans and provide enhanced specifications in the works with the aim of making it easier and cheaper to heat our homes.

The association sees its wider contribution to the economic and social development of the area as very important. Whilst the association's care work has been supported through supporting people income, our wider action activities benefit from other grant funding sourced by the Social Regeneration section. These services aim to be self-financing over the long term and make appropriate contributions to the support costs that help service them, however the association has in the past contributed to them to ensure continuity of service provision. Given the current changes to the sector, the ability to do this going forward may be more limited. The business plan and risk strategy have

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highlighted the significance of this income in overall financial objectives, and this is an area where significant changes are likely to affect the association in the future.

Strategic Alliance

Since 2024 the Association has delivered a number of projects in partnership with neighbouring Maryhill Housing Association, including a joint online choice based lettings allocations system, Find My Home, jointly securing funding for continuation of our Energy Advice Service and completing the jointly commissioned work with John Gilbert Architects to consider how to improve affordable warmth in our homes and address Net Zero.

Due to the successful track record of joint working, both Association's Boards took the decision in March 2024 to form a strategic alliance called North West Partners, which will see the two independent organisations continuing to develop joint working to the benefit of customers and staff. This collaborative relationship has continued in the 2025/26 financial year.

Capital Structure

At the year-end borrowings totalled £67,283,946 (2025: £68,624.951). In 2018/19 the association prepared for the significant development project at Hamiltonhill by refinancing its loan portfolio. It secured two private placement bonds of £25m and £15m respectively through M&G finance. These two bonds have terms of 22 and 30 years respectively with the £25m bond being amortising over the last 5 years of its term. This bond finance is supplemented by two revolving credit facilities from Virgin Money and the Royal Bank of Scotland. The association sought approval in 2023 from the RBS to extend the availability period of their credit facility for a further period which was agreed with less than £2m of this facility still underdrawn.

	Fixed/Capped	**Floating/Callable**
	£	**£**
Private placement bond	40,000,000	-
Royal Bank of Scotland	-	7,663,701
Virgin Money	4,403,939	15,216,306
Total	44,403,939	22,880,007

As part of the refinancing the banking covenants have been aligned to the revised business plan and updated to reflect current accounting rules. The association has agreed revisions with its lenders recently to accommodate this "catch up" investment and put in place a covenant structure to allow greater capital investment. This has been informed by new stock condition information and aims to accommodate the impact over recent years of high inflation on the investment programme.

Cash reserves continue to be placed on deposit with the Association' main banker, Virgin Money and the Royal Bank of Scotland and with the Charities Aid Foundation. Going forward the Board have agreed a deposit and investment strategy that allows short term credit to be repaid where possible to ensure interest costs are minimised. In the forward financial plan, the current cash balance is forecast to fall as the development programme at Hamiltonhill commences and the major repair programme continues its investment in existing stock.

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Development

The association has led work with Glasgow City Council and Scottish Canals to develop a masterplan for the site at Hamiltonhill as part of a wider regeneration of the Forth and Clyde Canal corridor. The masterplan contains proposals for the development of 670 units across this extensive site in a mix of tenures. This will include up to 350 units for sale, to be delivered by an identified preferred Developer/Contractor through the Robertson Group in partnership with QCHA. The regeneration of the Hamiltonhill area as part of the wider canal strategy with Glasgow City Council and Scottish Canals presents a number of potential development opportunities for the association and will be the central focus for the association in the next few years. The overall site is fully in association ownership with planning permission in principle granted for the masterplan, to be delivered in 4 separate phases of housing. Advanced works packages have been completed with ground consolidation of the whole site and a sustainable drainage system linking the site to the Canal, all 100% grant funded at this time, as well as green/blue infrastructure works to service the full site. The first phase of 208 units (178 for rent) has been on site since late 2022 and the first houses for rent were due for completion in the summer 2025 and the last houses expected to be delivered by the end of 2025.There has been slippage against this plan and the final homes in this phase are now set to be delivered in 2026/27.

A Planning application was lodged in May 2025 for Phase 2 of the proposals, to provide 71 units for social rent and 93 unts for private sale but a start date has yet to be agreed on this phase.

Social Regeneration Initiatives

Our vision at Queens Cross Housing Association is to ‘create excellent housing in vibrant communities.’ Our work in Social Regeneration is key to achieving this vision, and during the year we delivered a busy programme of community-based activity with opportunities for all ages. The Social Regeneration Team was involved in a wide variety of work throughout our communities, making a strong contribution to the wellbeing focus of our business.

Quality, meaningful activities that are available locally and free to access, allows us to bring people together to improve a sense of wellbeing, strengthen community cohesion and tackle social isolation.

The ongoing cost-of-living crisis has been challenging for people in our communities, and the funding climate for third sector organisations has been similarly challenging. Nevertheless, the team had a busy and productive year, delivering a range of projects and activities in our communities. This included providing people with access to warm spaces and community meals during the colder winter months. The team worked with the Queens Cross Community Foundation which provided targeted grants for community organisations, implemented the John Gray Bursary scheme for the fourth year running, and delivered a sponsored walk event in May 2025.

The team operated a programme of activity, six days per week with, an impressive range themed around health and wellbeing, digital inclusion and youth work. During the period, the team also coordinated the allocation of 14 new allotments, secured grant funding for installation of a polytunnel and organised clear ups at all community garden sites. Also, during the year, the team accessed £30,000 of LEZ funding to pay for much needed playground improvements and new native trees to be planted at Dunard Street and Wester Common Road.

Each year, the team delivers free Easter and summer holiday programmes for young people across two separate sites. The programme supports around 75 young people during the Easter holidays and around 75 during the summer holidays with funding support from Glasgow City Council and QC Group.

806 people took part in regular activities organised by the team in 2025 / 2026. In addition to the regular programme, the team organised various one-off events including Christmas events, consultation activities, a sponsored walk for community groups and a summer gala day with a record turnout of around 2,500 people. The team also organised a series of rights themed sessions for people attending our regular women’s group. Support from the Queens Cross Group alongside external funding and partnership working helps us to deliver our range of community activities at Queens Cross. During the year, we received funding from Glasgow City Council, National Lottery, Wright Kerr, Scottish Procurement Alliance, Lintel Trust, Urban Union and Allied Vehicles.

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Queens Cross Factoring Ltd

The subsidiary company providing factoring services to owners continues to see growth. The Factoring company now provides services 2,744 owned properties across north Glasgow.

In the year the company worked with the association in supporting a number of projects which covered owned stock and supported the recovery of repair and investment costs undertaken. In the year it generated £47,367 surplus which supports a gift aid payment to the housing association.

Queens Cross Workspace Ltd

The subsidiary company managing commercial properties ran at an average of 97% occupied. In the year it generated a turnover of £1,085,333 and a profit of £493,937.

2026 saw a year of high occupancy with the properties remaining over 90% let throughout the year. There were three new properties acquired, renovated, and let out bringing the total number of managed commercial properties to 77. Queens Cross Workspace invested the accrued surplus into a few schemes focussed on providing training and employment opportunities for young people.

Risk and Uncertainties

As part of the business planning process the Association has put into place an enhanced risk review policy. Risks are defined as events that will impact on the achievement of the business plan objectives. Arising from these processes the key risks are identified and scored for their impact and probability. Strategies to address these risks have been drawn up.

Significant risks that were identified from the process were:

- Increasing arrears because of the continuing cost of living crisis, utility cost rises, welfare benefit changes and the knock-on impact of the pandemic and the war in the Ukraine. The association aims to monitor performance carefully in this area and has made specific adjustments to forward budget forecasts, service delivery and communication to tenants through the welfare reform strategy. It has also invested in Rent Connect, a software application to assist arrears management.

- The association continues within its financial planning to limit the assumption of rent growth over and above inflation. Our aim is, where possible, to ensure that our rents continue to be affordable as shown by the SFHA rent affordability tool. However, in the face of substantial increases in the price of repair and construction costs amongst others this is increasingly difficult to sustain.

- significant Inflationary pressures, over and above those factored into the current business plan, on maintenance and major repairs expenditure are an area of real concern. Changes to National Insurance rates and a forthcoming pension revaluation will impact staff costs.

- Contractor and component availability may continue to be an issue. The impact of Covid 19 and Brexit has had a significant effect in this area. The business plan does make prudent estimates on the prospects for cost and income growth. The association has also moved to a new repair provider in 2023 and this transition and new relationship will come with some risks that will need to be managed.

- The association saw a considerable increase in its pension scheme contributions to the SHAPS pension scheme in 2016/17 because of the triennial pension valuation. It was decided in 2016 to close the final salary scheme and transfer staff into a CARE 1/80th closed scheme and offer the CARE 1/120th scheme to new members of staff. The association also offers a defined contribution scheme which it is using to meet its pension auto enrolment obligations. The most

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- recent valuation has indicated that the association will have to reinstate pension deficit payments from April 2026.
- The association worked with Social Work Services on reworking the model of care for older people and is now delivering through an Older People's Service model but again funding has been reduced, and the association has had to review the structure and resourcing of the service.
- Reductions in levels of capital grant for securing progress on development plans which would increase the need for private finance to facilitate new schemes; and
- Interest rate increases which would have an interest cost impact for the Association. The Association is actively managing this risk through a rate hedging strategy covered in more detail in the Capital Structure section (page 7) and accessing long term bond finance.
- Asset quality issues and the increased awareness of issues like dampness and mould at a time when repair and investment costs are rising above inflation will present both a cost pressure and service delivery risk for the Association.
- The association has always had a robust approach to fire safety. Following the Grenfell Tower fire and the subsequent and on-going reviews there may be a requirement for additional investment, with a yet unidentified financial impact. The forward financial plan makes provision to install an integrated fire and smoke detection system in all our properties over the next couple of years.

In addition to the embedded risk policy, specific risks are also considered within the internal management plan with mitigating actions drawn up.

Future Plans

The association continues to identify other future potential sites that it would like to develop and will consider these in line with its development strategy and an assessment of each one's financial viability and cash-flow calculation and funding availability. In addition to Hamiltonhill the association has sites at Glenfarg Street and Burnbank Gardens where it is on site and is working up plans for these sites. Going forward the association would be interested in developing homes on the site of the old Woodside Health Centre.

Over and above the core housing business, the association will continue to seek and secure external funding for its wider role activities in pursuance of its charitable aims.

Accounting Policies

The accounting policies applied by the Association are detailed in the notes to the accounts. It is useful here to note the key policies that affect the figures in the annual report. Property is recorded at the historical cost of construction and has been split between its major component parts. Each major component is depreciated on a straight-line basis over its expected economic useful life. Deferred Capital grant is held as a creditor on the Statement of Financial Position and in line with FRS 102, it is amortised to the Statement of Comprehensive Income over the useful life of the asset.

The Board of Management and Executive Officers

The Board of Management and executive officers of the association are listed on page 2.

Each elected member of the Board of Management holds one fully paid share of £1 in the association. The executive officers of the association hold no interest in its share capital and, although not having the legal status of directors, they act as executives within the authority delegated by the Board of Management.

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Governance

The association is regulated by the Scottish Housing Regulator and managed by an elected Board of Management. The Board of Management has overall responsibility for managing the association's finances and is supported by the Audit Sub-Committee who have specific responsibility for overseeing the financial controls of the association. The Audit Sub-Committee meets quarterly, and the Committee is supported by the work of both the internal and external auditors. The Board of Management is charged with overseeing the management of the association and monitoring its financial and non-financial performance.

Health and Safety

The Board and senior staff of the association and its subsidiaries are aware of their responsibilities with regards to health and safety. The association and its subsidiary prepare detailed policies on health and safety and provides staff training and education on these areas.

Equality and Diversity

Queens Cross is committed to promoting a culture of respect, integrity and understanding. We aim to break down barriers to communication and participation, to eliminate discrimination and give equal opportunity and access for all groups, communities and individuals to employment and services. The Association aims to ensure there will be a consistent approach to promoting equality, diversity and inclusion across all areas. In addition to our statutory responsibility contained in the Housing Scotland Act 2010 we are keen to create safe and inclusive neighbourhoods and an environment where people can live and work without experiencing any form of discrimination or harassment.

Investors in People

The association has Investors in People status and the organisation will continue to put a high priority on establishing standards and systems to support its service delivery. The recruitment, retention and development of high-quality staff who support the aims and values of the organisation will continue to be central to the Association.

Agency Work

We have also been active in providing agency services to other housing associations including property development, clerk of works services, marketing of property for sale, and general housing management.

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Statement on Internal Financial Controls

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

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

It is the Board of Management'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 include ensuring that:

(a) Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the association's assets.

(b) Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance.

(c) Forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set out for the year. During the financial year, regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information. Significant variances from budgets are investigated as appropriate.

(d) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the relevant sub-committees which are comprised of Board of Management members.

(e) The association has appointed a firm of accountants, on a consultancy basis, as internal auditors with the specific responsibility of assessing the adequacy and reliability of the system of internal financial control. The results of such reviews are reported to the Audit Sub-Committee.

(f) The Board of Management reviews reports from the external auditor to provide reasonable assurance that control procedures are in place and are being followed; and

(g) Formal practices have been established for instituting appropriate action to correct weaknesses identified from the reports of the external and internal auditors.

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

Related Party Transactions

Some members of the Board of Management are tenants. Their tenancies are on the association's normal tenancy terms and, in common with other members of the Board of Management, they cannot use their positions to their personal advantage. Details of transactions with Board members can be found at note 30.

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Charitable Donations

During the year the Association made charitable donations to other parties amounting to £16,740 (2025: £22,535) including £15,000 to the QC Community Foundation. A further £24,126 of estimated staffing and meeting room costs were also donated to the QC Community Foundation.

Disclosure of information to the auditor

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

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

Auditor

A formal tender for the provision of external audit services was undertaken in 2022 and Wbg (Audit) Ltd appointed for a period of up to 3 years with the option to extend for a further 2 years.

By order of the Board of Management

Signed by:

Andrew Burns

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Andrew Burns

Chair

Dated: 25th August 2026

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QUEENS CROSS HOUSING ASSOCIATION LIMITED

Statement of the Board of Management's Responsibilities
For the year ended 31 March 2026

Housing Association legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for the year ended on that date. 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; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Association will continue in business.

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

The Board is also responsible for safeguarding the assets of the Association and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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Report of the Auditor to the Members of Queens Cross Housing Association Limited
For the year ended 31 March 2026

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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Report of the Auditor to the Members of Queens Cross Housing Association Limited
For the year ended 31 March 2026

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Responsibilities of the Board of Management

As explained more fully in the Boards' Responsibilities Statement set out on page 14 the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

- Regulations and legislation pertinent to the company's industry operations including compliance with the Scottish Housing Regulator

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

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

Audit response to the risks identified;

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

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

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members,and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of this report

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

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Report of the Auditor to the Members of Queens Cross Housing Association Limited
For the year ended 31 March 2026

Audit response to the risks identified;

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

- Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates including the requirements of the Scottish Housing Regulator;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and legal advisors concerning actual and potential litigation and claims;
- Reviewing correspondence with HMRC; and
- In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments' assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and, evaluating business rationale of any significant transactions that are unusual or outside the normal course of business.

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

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would be to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

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

Signed by:

Wbg (Audit) Limited

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Wbg (Audit) Limited, Statutory Auditor
168 Bath Street
Glasgow G2 4TP

Date: 25th August 2026

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QUEENS CROSS HOUSING ASSOCIATION LIMITED

Report of the Auditor to the Board of Management of Queens Cross Housing Association Limited on Corporate Governance Matters
For the year ended 31 March 2026

In addition to our audit of the financial statements, we have reviewed your statements on page 12 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion your Statement on Internal Financial Controls on page 12 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

Signed by:

Wbg (Audit) Limited

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Wbg (Audit) Limited, Statutory Auditor
168 Bath Street
Glasgow G2 4TP

Date: 25th August 2026

Docusign Envelope ID: C04A587A-56B5-886B-8155-B4CB25A3BAF9

QUEENS CROSS HOUSING ASSOCIATION LIMITED

Statement of Comprehensive Income
For the year ended 31 March 2026

	Note	2026 £	2025 £
Turnover	4	28,823,013	27,699,553
Operating expenditure	4	(27,470,581)	(27,042,022)
Operating surplus	4	1,352,432	657,531
Lease termination and dilapidations settlement	32	1,000,000	-
Decrease in the value of investment properties	15	(575,000)	-
Gift aid income		82,500	40,000
Interest receivable and other income	7	766,951	1,442,406
Interest payable and similar charges	8	(2,878,493)	(3,444,729)
(Deficit) for the year		(251,610)	(1,304,792)
Other comprehensive income			
Actuarial (loss)/gain on the defined benefit pension scheme	27	(372,000)	19,000
Total comprehensive(loss) for the year		(623,610)	(1,285,792)

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements.

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QUEENS CROSS HOUSING ASSOCIATION LIMITED

Statement of Changes in Capital and Reserves at 31 March 2026:

	Share Capital	Revenue Reserves	Total Reserves
	£	£	£
Balance at 1 April 2025	80	43,639,550	43,639,630
Share capital issued	15	-	15
Share capital cancelled	(4)	-	(4)
Total comprehensive income	-	(623,610)	(623,610)
Balance at 31 March 2026	**91**	**43,015,940**	**43,016,031**

Statement of Changes in Capital and Reserves at 31 March 2025

	Share Capital	Revenue Reserves	Total Reserves
	£	£	£
Balance at 1 April 2024	**126**	**44,925,342**	**44,925,468**
Share capital issued	7	-	7
Share capital cancelled	(53)	-	(53)
Total comprehensive income	-	(1,285,792)	(1,285,792)
Balance at 31 March 2025	**80**	**43,639,550**	**43,639,630**

The notes form part of these financial statements.

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QUEENS CROSS HOUSING ASSOCIATION LIMITED

Statement of Financial Position
As at 31 March 2026

Tangible fixed assets	**Note**	**2026 £**	**2025 £**
Housing properties	12	180,832,216	173,385,231
Other fixed assets	15	1,795,027	2,451,883
		182,627,243	175,837,114
Investments	16	1	1
		182,627,244	175,837,115
Current assets			
Debtors (amounts falling due after more than one year)	17	387,160	437,160
Debtors (amounts falling due within one year)	17	3,480,266	1,908,384
Investments	18	13,154,490	19,079,059
Cash and cash equivalents	19	11,936,612	11,163,413
		28,958,528	32,588,016
Creditors: amounts falling due within one year	20	(10,403,180)	(8,162,628)
Net current assets		18,555,348	24,425,388
Total assets less current liabilities		201,182,592	200,262,503
Creditors: amounts falling due after more than one year	21	(156,192,561)	(154,698,873)
Pension liability	27	(1,974,000)	(1,924,000)
Net assets		43,016,031	43,639,630
Share capital	24	91	80
Revenue reserve	25	43,015,940	43,639,550
		43,016,031	43,639,630

The financial statements were authorised for issue by the Board of Management on 25th August 2026 and were signed on its behalf by:

Andrew Burns — Signed by: Andrew Burns 1E3F66C14D8241B... — Chair

Anne Ramsey — DocuSigned by: 5E371740EF70490... — Vice Chair

Sadie Gordon — DocuSigned by: Sadie Gordon 1B69EA727BBD4A0... — Vice Chair

The notes form part of these financial statements.

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QUEENS CROSS HOUSING ASSOCIATION LIMITED

Statement of Cash Flows
For the year ended 31 March 2026

	Notes	2026	2025
		£	£
Net cash generated from operating activities	1	6,475,654	3,968,206
Cashflow from investing activities			
Purchase of property, plant and equipment		(14,318,460)	(18,989,496)
Purchase of other fixed assets		(73,150)	(178,462)
Grants received		6,217,117	3,180,179
Repayment of deferred capital government grant		-	(112,773)
Interest received		766,951	1,382,407
		(7,407,542)	(14,678,145)
Cashflow from financing activities			
Interest paid		(2,878,493)	(3,384,730)
Repayment of borrowings		(1,341,004)	(1,334,970)
Maturity of deposits in current asset investments		5,924,569	10,203,273
Issue of share capital		15	7
		1,705,087	5,483,580
Net change in cash and cash equivalents	19	773,199	(5,226,359)
Cash and cash equivalents at 1 April		11,163,413	16,389,772
Cash and cash equivalents at 31 March		11,936,612	11,163,413
		773,199	(5,226,359)

The notes form part of these financial statements.

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QUEENS CROSS HOUSING ASSOCIATION LIMITED

Notes to the Statement of Cash Flows
For the year ended 31 March 2026

1. Net cash generated from operating activities

	2026 £	2025 £
Deficit for the year	(251,610)	(1,304,792)
Adjustments for non-cash items		
Depreciation of property assets	6,690,926	5,926,003
Depreciation of other fixed assets	155,009	213,588
(Increase)/decrease in debtors	(1,521,882)	2,230,549
Increase in creditors	1,578,788	(3,244,938)
SHAPS past deficit movements	(322,000)	(182,000)
Loss on disposal of components	116,422	510,847
Adjustments for investing and financing activities		
Decrease in valuation of investment properties	575,000	-
Interest payable	2,878,493	3,384,730
Interest received	(766,951)	(1,382,407)
Release of deferred capital government grant	(2,656,537)	(2,183,321)
Forfeited share capital	(4)	(53)
Net cash generated from operating activities	6,475,654	3,968,206

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1. General Information

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2014. The principal accounting policies are set out below:

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

The presentation currency is pounds sterling and the financial statements are rounded to the nearest whole number.

The Association is a Co-operative and Community Benefit Society Limited by shares and is incorporated in the United Kingdom. The Association is a registered social landlord in Scotland, and its registered number is 172. The registered address is 45 Firhill Road, Glasgow G20 7BE.

The Association is defined as a public benefit entity and thus the Association complies with all disclosure requirements relating to public benefit entities.

2. Principal accounting policies

Introduction and accounting basis

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.

Going concern

The Association has a healthy cash position, and the Board of Management anticipates a surplus for 2026/27 and 2027/28. The Board is satisfied that there are sufficient resources in place to continue operating for the foreseeable future and meet the planned capital investment programme over the next 5 years with finance facilities in place. Forward cash-flow forecasts have been prepared for the Board to evidence this forward viability. The Board therefore continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents rental and service charge income and fees or revenue grants receivable from Glasgow City Council, the Scottish Government, and other sources. Also included is any income from first tranche shared ownership disposals.

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2. Principal accounting policies (continued)

Apportionment of management expenses

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

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year in which they are incurred.

Interest receivable

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

Interest payable

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

Lessor

The Association rents out commercial property under formal leases. The rental income is recognised within other activities (note 6) on an accruals basis and when the Association is entitled to that income.

Fixed assets - Housing properties

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

1. Cost of acquiring land and buildings;
2. Development expenditure including administration costs; and
3. Capitalisation of interest during the development phase.

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

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

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

All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale. Any grants received that cannot be repaid from the proceeds of sale are abated.

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2. Principal accounting policies (continued)

Shared equity

On completion of construction, shared equity units are held in stock along with the grant received. On completion of the first tranche sale, the Association's obligation ceases and the cost and grant are de-recognised through the Statement of Comprehensive Income.

Fixed assets – investment properties

Investment properties are initially recorded at cost. Thereafter investment properties are held at market value with any changes in market value recognised in the Statement of Comprehensive Income.

Fixed assets – other fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Association adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Association. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'operating expenditure' in the Statement of Comprehensive Income.

Depreciation

1. Housing properties

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

   Land - not depreciated
   Structure - over 50 years
   Windows/Doors - over 30 years
   Bathroom - over 30 years
   Electrical - over 30 years
   Roofing - over 30 years
   Boiler plumbing - over 15 years
   Kitchen - over 15 years
   Lifts - over 10 years

   In the year of addition, the component is depreciated from the date of addition.

   In the year of disposal, the net book value of the component being replaced is written off and is included in the depreciation charge for the year.

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2. Principal accounting policies (continued)

Depreciation (continued)

2. Other fixed assets

Depreciation is charged on other fixed assets so as to write off the asset cost less any recoverable value over its anticipated useful life. The following rates have been used: -

Leasehold Property	-	Over the lease term
Furniture, Fittings & Equipment	-	15 - 25% on cost
Computer Equipment	-	25% reducing balance

A full year's depreciation is charged in the year of purchase.

No charge is made in the year of disposal.

Development administration costs

Development administration costs relating to development activities are capitalised based on an apportionment of the staff time spent directly on this activity.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to sell.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivables are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Rental arrears

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

Cash and cash equivalents

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

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2. Principal accounting policies (continued)

Current asset investments

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

Financial instruments

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

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

Financial assets are derecognised when contractual rights to the cash flows from the assets expire, or when the Association has transferred substantially all the risks and rewards or ownership.

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

Government capital grants

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

Government revenue grants

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

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2. Principal accounting policies (continued)

Non-government capital and revenue grants

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

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

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

Loans

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

Financial commitments

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

The principal office premises of the Association are held on a full repairing lease. The lease termination date is 2036.

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2. Principal accounting policies (continued)

Pensions (note 27)

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

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

Scottish Housing Association Pension Scheme (SHAPS)
The Association participates in The Scottish Housing Associations' Defined Benefits Pension Scheme (SHAPS) and retirement benefits to employees 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 entities taken as a whole.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience.

Thus, the Scheme is accounted for as a defined contribution scheme. However, the Association has entered into a past service deficit repayment agreement with the Pension Trust and per FRS 102, this discounted past service deficit liability has been recognised in the Statement of Financial Position.

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

Estimate	Basis of estimation
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case-by-case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.
The obligations under the SHAPs pension scheme and the Strathclyde pension scheme	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.
The valuation of investment properties	The investment properties were valued by an appropriately qualified surveyor using market data at the date of valuation.

4. Particulars of Turnover, Operating Expenditure and Operating Surplus/(Deficit)

	2026			2025		
	Turnover	Operating Expenditure	Operating Surplus/ (Deficit)	Turnover	Operating Expenditure	Operating Surplus/ (Deficit)
	£	£	£	£	£	£
Social Lettings (Note 5)	26,604,555	(23,798,314)	2,806,241	25,505,070	(23,160,316)	2,344,754
Other activities (Note 6)	2,218,458	(3,672,267)	(1,453,809)	2,194,483	(3,881,706)	(1,687,223)
	28,823,013	(27,470,581)	1,352,432	27,699,553	(27,042,022)	657,531

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

	General Needs Housing	Supported Housing Accommodation	Shared Ownership Accommodation	2026 Total	2025 Total
	£	£	£	£	£
Income from rent and service charges					
Rent receivable net of service charges	20,227,198	2,680,161	105,360	23,012,719	22,164,548
Service charges	227,436	1,003,100	-	1,230,536	1,324,278
Gross income from rents and service charges				24,243,255	23,488,826
Less voids	(322,728)	(10,083)	-	(332,811)	(277,632)
Net Income from Rents and Service Charges					
Release of Deferred Government Grant	2,345,722	310,815	-	2,656,537	2,183,321
Grants from the Scottish Ministers	37,574	-	-	37,574	110,555
Total turnover from social letting activities.	22,515,202	3,983,993	105,360	26,604,555	25,505,070
Expenditure					
Management and maintenance administration costs	(6,540,070)	(858,199)	(62,168)	(7,460,437)	(7,155,709)
Service charges	(167,286)	(22,166)	-	(189,452)	(283,818)
Planned cyclical maintenance	(3,170,889)	(416,089)	-	(3,586,978)	(2,797,283)
Reactive maintenance costs	(4,984,677)	(654,098)	-	(5,638,775)	(6,403,212)
Bad debts – rents and service charge	(123,777)	(16,401)	-	(140,178)	(83,444)
Depreciation of social housing*	(5,960,232)	(782,112)	(40,150)	(6,782,494)	(6,436,850)
Operating expenditure for social letting activities	(20,946,931)	(2,749,065)	(102,318)	(23,798,314)	(23,160,316)
Operating surplus on letting activities, 2026	1,586,271	1,234,928	3,042	2,806,241	
Operating surplus on letting activities, 2025					2,344,754

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Notes to the Financial Statements
For the year ended 31 March 2026

*This is made up of £6,690,926 (2025: £5,926,003) depreciation charge per note 12 and the loss on disposal of components of £91,568 (2025: £510,847) included in depreciation in accordance with the SORP as per note 12. Depreciation of £155,009 (2025: £213,589) in relation to other fixed assets per note 15 is included as an administration costs.

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6. Particulars of turnover, operating expenditure and operating surplus / (deficit) from other activities

	Grants from Scottish Ministers	Other revenue grants	Supporting people and Wellbeing income	Other income	Total Turnover		Other operating expenditure		Operating surplus/(deficit)	
					2026	2025	2026	2025	2026	2025
	£	£	£	£	£	£	£	£	£	£
Wider role activities #	19,860	119,938	-	31,395	171,193	152,555	(807,946)	(808,430)	(636,753)	(655,875)
Development and construction of property activities	-	104,117	-	-	104,117	88,952	(434,691)	(618,867)	(330,574)	(529,915)
Support activities.	-	-	839,166	-	839,166	778,399	(1,769,540)	(1,839,340)	(930,374)	(1,060,941)
Agency/management services for RSLs	-	-	-	675,473	675,473	629,273	(660,090)	(615,071)	15,383	14,202
Other agency / management services							-	-		
Other activities	-	-	-	89,802	89,802	165,982	-	-	89,902	165,982
Car park income	-	-	-	27,865	27,865	82,314	-	-	27,865	82,314
							-	-	-	-
RHI Energy Payments	-	-	-	310,842	310,842	297,008	-	-	310,842	297,008
Total from other activities, 2026	19,860	224,055	839,166	1,135,377	2,218,458	-	(3,672,267)	-	(1,453,809)	-
Total from other activities, 2025	-	-	-	-	-	2,191,483	-	(3,881,706)	-	(1,687,223)

Undertaken to support the community, other than the provision, construction, improvement and management of housing. The deficit is a result of both overheads and our commitment to fund areas like youth employability even when the grant funding declines. There is a specific action plan in place to tackle this deficit.

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7. Interest receivable and other income

	2026 £	2025 £
Interest receivable on deposits	742,221	1,414,062
Interest receivable from subsidiary loan	24,730	28,344
	766,951	1,442,406

8. Interest payable and similar charges

	2026 £	2025 £
On private loans	3,025,493	3,504.729
Defined benefit finance credit (note 27)	(147,000)	(60,000)
	2,878,493	3,444,729

9. Directors' Emoluments

The directors are defined as the members of the Board of Management, the Chief Executive and any other person reporting directly to the Chief Executive or the Board of Management. No emoluments were paid to any member of the Board of Management during the year. The Association considers key management personnel to be the Board of Management and the senior management team (the Executive Officers as per page 2) of the Association only.

	2026 £	2025 £
Emoluments of Chief Executive (excluding pension contributions)	139,649	133,998

Pension contributions in respect of the Chief Executive including past service deficit payments totalled £32,398 in the year. (2024/25 £31,087) with 50% being made via a salary sacrifice contribution from the gross salary. This salary sacrifice of £16,199 (2024/25 £15,544) was made by the Chief Executive to the pension scheme. This is included within emoluments and included within the employers' pension contribution figure disclosed.

	2026 £	2025 £
Emoluments payable to highest paid director (excluding pension contributions)	139,649	133,998

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9. Directors' Emoluments (continued)

The emoluments (excluding pension contributions and salary sacrifice) of key management were in the following ranges:

	2026	2025
	No of Key Mgt	No of Key Mgt
£60,000 to £70,000	3	-
£70,001 to £80,000	2	-
£80,001 to £90,000	2	1
£90,001 to £100,000	3	2
£110,001 to £120,000	1	-
£130,001 to £140,000	1	1

	2026 £	2025 £
Total emoluments (excluding pension contributions) paid to those earning more than £60,000 and key management	388,401	368,509
Pension contributions of directors earning more than £60,000 for future accrual	84,362	80,232
Pension contributions of directors earning more than £60,000 for past service deficit	-	-
Total expenses reimbursed to directors in so far as not chargeable to United Kingdom income tax	-	938

During the year a salary sacrifice of £42,181 (2024/25: £40,118) was made by key management personnel to the pension scheme. This is not included within emoluments but is included within the employers' pension contribution figure disclosed.

10. Employee Information

	2026 No	2025 No
The full time equivalent number of persons employed during the year was:	209	212
Split as:		
Admin	32.5	41.5
Finance	5	5
Housing and Housing Support and Social Regeneration	130.5	123
Maintenance, Investment and Subsidiary teams	37	38.5
Development	4	4
	209	212

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	2026 £	2025 £
Staff costs (including Directors' Emoluments):		
Wages and salaries	7,520,240	7,599,326
Social security costs	967,476	740,471
Pension costs	992,714	872,267
Defined benefit pension credit (note 27)	(175,000)	(122,000)
	9,305,430	9,090,064

Included in wages and salaries is £24,818 (2025 £101,810) of agency staff costs.

11. Operating Surplus

	2026 £	2025 £
Operating surplus is stated after charging:		
Depreciation (note 5)		
- social housing	6,690,926	5,926,003
- net loss on disposed components	91,568	510,847
- other fixed assets	155,009	213,588
Auditor's remuneration		
- In their capacity as auditor - audit	19,794	19,218

12. Tangible Fixed Assets – Housing Properties

	Housing Properties Held for Letting	Completed Shared Ownership Properties	Housing Properties Under Construction	2026 Total	2025 Total
	£	£	£	£	£
Cost					
As at 1 April 2025	203,037,162	1,434,204	49,215,012	253,686,378	236,363,130
Additions during year	-	-	8,589,010	8,589,010	14,091,018
Component accounting additions	5,726,674	2,776	-	5,729,450	4,858,478
Disposals – property	-	-	-	-	-
Disposals – components	(568,348)	-	(24,857)	(593,205)	(1,478,633)
Non-amortising Capital Grant (Note 1)	(64,124)	-	-	(64,124)	(147,615)
Transfers	19,912,071	-	(19,912,071)	-	-
As at 31 March 2026	228,043,435	1,436,980	37,867,094	267,347,509	253,686,378
Depreciation					
As at 1 April 2025	79,496,904	804,243	-	80,301,147	75,342,930
Charge for year	6,675,070	15,856	-	6,690,926	5,926,003
Disposals – property	-	-	-	-	-
Disposals – components	(476,780)	-	-	(476,780)	(967,796)
Transfers (Note 1)	-	-	-	-	-
As at 31 March 2026	85,695,194	820,099	-	86,515,293	80,301,147
Net book value at 31 March 2026	142,348,241	616,881	37,867,094	180,832,216	
Net book value at 31 March 2025	123,540,258	629,961	49,215,012		173,385,231

Note 1: Total cost of components capitalised for the year amounted to £5,729,450 (2025 £4,858,478) and includes £783,138 of expenditure funded by Scottish Government Grant. The amount spent on maintenance of housing properties held for letting can be seen in Note 5.
Additions to Housing Properties during the year includes £nil capitalised interest (2025 - £nil) and £nil capitalised administration costs.
All housing properties are freehold. Components with a cost of £568,078 2025 (£1,478,633) and aborted project costs of £24,857 and accumulated depreciation of £476,780 (2025: £967,786) have been disposed of for £nil (2025: £nil) net proceeds.

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13. Housing Stock

	Units in management	
	2026	2025
The number of units of accommodation in management was as follows:-		
General needs housing	3,881	3,848
Supported housing accommodation	511	511
Shared ownership accommodation	31	31
	4,423	4,390

14. Accommodation managed by others

	2026	2025
Women's Aid	17	17
Barnardos	6	6
Aspire	11	11
Key Housing	20	20
Glasgow Council	2	1
Glasgow Council TFF	52	52
Mears	2	2
NASS	0	0
P&D	0	0
Refugee Survival Trust	2	2
Richmond Fellowship	13	13
Scottish Autism	2	2
Kerr and Taggart	1	1
	128	127

15. Tangible Fixed Assets – Other Tangible Assets (continued)

	Leasehold Property £	Furniture, Fittings & Equipment £	Commercial Investment Properties £	2026 Total £	2025 Total £
Cost					
At start of year	1,886,894	713,346	1,135,000	3,735,240	3,662,146
Additions during year	-	73,150	-	73,150	
Disposals	-	(378,808)	-	(378,808)	178,462
Impairment on revaluation	-	-	-	-	(105,371)
	-	-	(575,000)	(575,000)	-
At end of year	1,886,894	407,668	560,000	2,854,582	3,735,237
Depreciation					
At start of year	820,367	462,987	-	1,283,354	1,175,137
Charge for year	75,168	79,841	-	155,009	213,588
Write off on disposal	-	(378,808)	-	(378,808)	(105,371)
At end of year	895,535	164,020	-	1,059,555	1,283,354
Net book value at 31 March 2026	991,359	243,668	560,000	1,795,027	
	1,066,528	250,355	1,135,000		2,451,883

The Association's commercial investment properties were revalued at 14 June 2026 (by DM Hall Chartered Surveyors).

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16. Investments

	2026 £	2025 £
Investment in subsidiary undertaking	1	1

Queens Cross Factoring Limited (company number SC278139) was incorporated on 7 January 2005 and began trading on 1 April 2005. Queens Cross Housing Association Limited acquired 1 ordinary £1 share in Queens Cross Factoring Limited, at par. This represents a 100% shareholding.

Details of transactions during the year with the above company can be found at note 29.

For the year ended 31 March 2026, Queens Cross Factoring Limited recorded a profit of £47,367 (2025: £98,601)

17. Debtors

	2026 £	2025 £
Amounts falling due within one year:		
Rental arrears	299,795	311,045
Less provision for bad debts	(338,823)	(338,823)
	(39,028)	(27,777)
Trade debtors	24,321	45,220
Other debtors and prepayments	426,403	331,451
Dilapidation Settlement (GCC)	1,000,000	
Accrued income	1,444,320	580,733
Amounts owed by the subsidiary (less than one year)	624,303	978,756
Amounts owed by the subsidiary (more than one year)	387,160	437,160
	3,867,426	2,345,544
Debtors due less than one year	3,480,266	1,908,384
Debtors due more than one year	387,160	437,160
	3,867,426	2,345,544

18. Current asset investments

	2026 £	2025 £
Balances held in deposit accounts greater than 3 months	13,154,490	19,079,059

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19. Cash and cash equivalents

	2026	2025
	£	£
Balances held in current accounts	11,936,612	11,163,413

20. Creditors: amounts falling due within one year

	2026	2025
	£	£
Bank loans repayable within one year	1,582,236	1,394,937
Trade creditors	11,921	97,176
SHG repayable on disposals	1,314,331	1,314,331
Other taxes and social security costs	205,516	181,006
Other creditors	4,689,526	3,022,993
Deferred capital grants (note 22)	2,599,650	2,152,185
	10,403,180	8,162,628

21. Creditors: amounts falling due out with one year

	2026	2025
	£	£
Borrowings	65,701,710	67,230,013
Deferred capital grant (note 22)	90,490,851	87,468,860
	156,192,561	154,698,873
Loan analysis as follows:		
Due between one and two years	1,582,236	1,394,937
Due between two and five years	18,137,898	19,084,062
Due in five years or more	45,981,576	46,751,014
	65,701,710	67,230,013

Loans are secured by specific charges on the Association's properties and are repayable at rates of interest between Libor + 1.75% and 6% in instalments over the next 30 years.

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22. Deferred capital grants –

	2026 £	2025 £
Government Capital Grants At 1 April	89,594,045	88,857,576
Grants received in year	6,217,117	3,180,179
Released to income in year	(2,656,537)	(2,183,321)
Release for non -amortising Grant for Component Costs (note 12)	(64,124)	(147,616)
Grants repaid in the year	-	(112,773)
At 31 March 2026	93,090,501	89,594,045
Due in less than one year	2,599,650	2,152,185
Due between one and two years	2,445,008	2,176,916
Due between two and five years	7,319,762	5,943,412
Due in five years or more	80,726,081	79,321,532
At 31 March 2026	93,090,501	89,594,045

23. Financial Instruments

	2026 £	2025 £
Cash and cash equivalents	11,936,612	11,163,413
Investments – deposit accounts	13,154,490	19,079,059
Financial assets measured at amortised cost	411,696	303,673
	25,502,798	30,546,145
Financial Liabilities		
Financial liabilities measured at amortised cost	(73,299,724)	(72,962,274)

Financial assets measured at amortised cost comprise cash and cash equivalents, current asset investments, rental arrears, trade debtors, other debtors, accrued income and amounts owed by the subsidiary.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, SHG repayable on disposals, other creditors and the SHAPS pension deficit.

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24. Share Capital –

Shares of £1 each fully paid and issued	2026	2025
	£	£
At beginning of year	80	126
Issued during the year	15	7
Shares forfeited in year	(4)	(53)
At end of year	91	80

There are no rights to receive dividends attached to the shares, or any ranking in the event of a winding up.

25. Reserves

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

Other reserves
The other reserves include the gain on the revaluation of investment properties less the deferred tax provision in respect of the revaluation gain.

26. Capital Commitments

	2026 £	2025 £
Capital expenditure that has been contracted for but has not been provided for in the financial statements.	5,400,030	4,519,777
This is to be funded by:		
SHG	2,008,259	-
Private Finance	3,392,041	4,519,777
Capital expenditure that has been approved but not contracted for	19,672,395	12,402,521

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27. Pensions

Scottish Housing Association Pension Scheme (SHAPS)

The company participates in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. A Recovery Plan was put in place to eliminate the deficit which runs to 31 March 2030. The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme. For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

PRESENT VALUES OF DEFINED BENEFIT OBLIGATION, FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2026	31 March 2025
	(£000s)	(£000s)
Fair value of plan assets	16,357	15,919
Present value of defined benefit obligation	18,391	18,209
Surplus (deficit) in plan	(2,034)	(2,290)
Unrecognised surplus		-
Defined benefit asset (liability) to be recognised	(2,034)	(2,290)
Deferred tax	*	*
Net defined benefit asset (liability) to be recognised	*	*

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27. Pensions (continued)

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period from 31 March 2025 to 31 March 2026 (£000s)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period ended 31 March 2026 (£000s)
Fair value of plan assets at start of period	15,919
Interest income	917
Experience on plan assets (excluding amounts included in interest income) – gain (loss)	(183)
Contributions by the employer	413
	3
Benefits paid and expenses	(712)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	16,357

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 was £734,000

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27. Pensions (continued)

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)

	Period from 31 March 2025 to 31 March 2026 (£000s)
Current service cost	208
Expenses	31
Net interest expense	128
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	367

	Period ended 31 March 2026 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) – gain (loss)	(183)
Experience gains and losses arising on the plan liabilities – gain (loss)	255
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain (loss)	(182)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain (loss)	320
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain (loss)	210
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) – gain (loss)	-
Total amount recognised in other comprehensive income – gain (loss)	210

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27. Pensions (continued)

Notes to the Financial Statements
For the year ended 31 March 2026

Assets	**31 March 2026**	**31 March 2025**
	(£000s)	**(£000s)**
Global Equity	2,160	1,844
Absolute Return	-	-
Distressed Opportunities	-	-
Credit	746	677
Real assets	1,623	1,900
Liquid Alternatives	3,127	2,931
Investment grade credit	686	728
Private equity	36	14
Insurance-Linked Securities	31	61
Property	853	788
Infrastructure	1	3
Private credit	2,109	1,985
Opportunistic illiquid debt		
Corporate Bond Fund		
High Yield		
Cash	6	85
Currency Hedging	(1)	27
Long Lease Property	-	5
Liquid Credit		-
Secured Income	221	368
Over 15 Year Gilts		-
Liability Driven Investment	4,515	4,482
Net Current Assets	244	21
Total assets	**16,357**	**15,919**

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27. Pensions (continued)

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

KEY ASSUMPTIONS

	31 March 2026 % per annum	31 March 2025 % per annum
Discount Rate	6.08%	5.82%
Inflation (RPI)	3.31	3.1
Inflation (CPI)	3.03	2.79
Salary Growth	4.03	3.79%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 (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

The following list shows inputs to the tool that can be amended by the employer or TPT. The 'Final data item' will differ from the 'Default data item' if the value has been changed.

	Final data item	Default data item
Employer contributions (less expenses) (£)	381,948	381,948
Expenses (£)	30,897	30,897
Member contributions (£)	2,908	2,908
Insured benefit claims & transfers in (£)	-	-
Contributions in respect of augmentations (£)	-	-
Accounting liability at beginning of period (£)	18,209,054	18,209,054
End of year discount rate	6.08%	6.08%
End of year inflation (RPI)	3.31%	3.31%
End of year inflation (CPI)	3.03%	3.03%
End of year salary growth	4.03%	4.03%
End of year life expectancy at age 65 (years)	20.7	20.2
Start of year discount rate	5.82%	5.82%
Start of year inflation (RPI)	2.79%	2.79%
Start of year inflation (CPI)	3.10%	3.10%

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Notes to the Financial Statements
For the year ended 31 March 2025

27. Pensions (continued)

Start of year salary growth	3.79%	3.79%
Start of year life expectancy at age 65 (years)	20.2	20.2
One Year Cost Adjustment Factor	100.00%	100.00%
Maximum recoverable surplus as at 31 March 2024	-	-
Recognised surplus as at 31 March 2023	-	-
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-

Derivation of Assumptions	As at 31 March 2026	As at 31 March 2025
Discount rate assumption	6.08%	5.82%
Inflation (RPI) assumption	3.31%	3.10%
Inflation (CPI) assumption	3.03%	2.79%
Pensionable earnings increases assumption	4.03%	3.79%
Mortality before retirement	No allowance	No allowance
Life expectancy for a male currently age 65	20.7 years	20.2 years
Proportion married at retirement	75% for males and 75% for females	75% for males and 75% for females
Allowance for cash commutation	75% of maximum allowance	75% of maximum allowance
Discretionary increases	No allowance	No allowance

Assumptions for future inflation linked pension increases (where applicable) are based on the appropriate headline inflation index, adjusted where necessary to reflect any caps and collars, bearing in mind the proximity of the future inflation assumption to those caps and collars and the expected variability of future inflation increases. These assumptions are set out below in full.

Note that these represent all possible assumptions that could apply to scheme benefits, and in practice not all of these assumptions will be used.

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Notes to the Financial Statements
For the year ended 31 March 2025

27. Pensions (continued)

	As at 31 March 2026	*As at 31 March 2025*
	% per annum	**% per annum**
Revaluation in deferment RPI 5%	3.31	3.10
Revaluation in deferment RPI 2.5%	2.50	2.50
Revaluation in deferment CPI 5%	3.03	2.79
Revaluation in deferment CPI 2.5%	2.50	2.50
CARE in deferment RPI 5%	3.11	2.99
CARE in deferment CPI 5%	2.90	2.73
CARE in deferment CPI 2.5%	1.98	1.97
Pension increase in payment RPI	3.35	3.13
Pension increase in payment RPI 5%	3.11	2.99
Pension increase in payment RPI 3%	2.36	2.36
Pension increase in payment RPI 2.5%	2.06	2,07
Pension increase in payment RPI 5% min 3%	3.74	3.63
Pension increase in payment CPI	3.09	2.83
Pension increase in payment CPI 5%	2.90	2.73
Pension increase in payment CPI 3%	2.25	2.22
Pension increase in payment CPI 2.5%	1.98	1.97
Pension increase in payment CPI 5% min 3%	3.65	3.52

All other assumptions have been set in accordance with the statement of funding principles. No allowance has be made for members transferring benefits out of the scheme in future.

Additional Information on Asset Gains and Losses

Return on plan assets (excluding amounts included in net interest cost)	(660)	(1673)
Impact of changes in share of assets	477	(621)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(183)	(2,294)

Additional Information on Experience Gains and Losses

Impact of experience arising on plan liabilities excluding the impact of any change in orphan share	257	314
Impact of change in orphan share	(2)	-
Experience gains and losses arising on the plan liabilities - gain (loss)	255	314

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27. Pensions (continued)

Defined Benefit Costs Recognised in Statement of Comprehensive Income (SOCI) (Projected*)	Period from 31 March 2025 to 31 March 2026 (£000s)
Current service cost	208
Expenses	31
Net interest expense	128
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	367

* The total expense recognised in profit and loss account item may change by the actual year end to take account of:
- Events during the year not incorporated into the calculations, for example benefit improvements, settlements or curtailments.
- Actual cash-flows differing from the estimated cash-flows, and affecting the net interest cost.

ANALYSIS OF THE SENSITIVITY TO THE PRINCIPAL ASSUMPTIONS OF THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION

	Change in assumption	Change in liabilities
Discount rate	Increase of 0.1% p.a.	-
Rate of inflation	Increase of 0.1% p.a.	-
Rate of salary growth	Increase of 0.1% p.a.	-
Rate of mortality	Probability of surviving each year increased by 10%	-

The sensitivities shown above are approximate. Each sensitivity considers one change in isolation. The inflation sensitivity includes the impact of changes to the assumptions for revaluation; pension increases and salary growth where appropriate.

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27. Pensions (continued)

Past services deficit (continued)

Strathclyde Pension Fund

There are 11 employees 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 Association has opted to recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. To that extent the in year FRS102 gain on this scheme has not been recognised within the actuarial movement.

The main financial assumptions used by the Council's Actuary, Hymans Robertson, in their calculations are as follows:

Assumptions as at	31 March 2026	31 March 2025
Price increases	3.00%	2.80%
Salary increases	3.70%	3.50%
Discount rate	6.20%	5.80%

Mortality

Life expectancy is based on the Funds VitaCurves with improvements in line with the CMI 2020 model assuming current rates of improvements have peaked and will converge to a long-term rate of 1.5% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	20.3 years	20.6 years
Future Pensioners	18.7 years	23.1 years

Scheme assets

The assets in the scheme and the expected rate of return were

	Value at 31 March 2026 £000's	Value at 31 March 2025 £000's
Fair value of plan assets	10,584	9,884
Present value of scheme liabilities	(5,045)	(4,972)
Present value of unfunded liabilities	(160)	(160)
Effect of asset ceiling	(5,319)	
Net pension liability	60	4,752

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27. Pensions (continued)

Reconciliation of defined benefit obligation

	2026 £	2025 £
Opening Defined Benefit Obligation	4,972,000	5,964,000
Current Service Cost	43,000	56,000
Interest Cost	294,000	283,000
Plan participants contributions	20,000	18,000
Actuarial losses/(gains)	78,000	985,000
Past Service Costs	-	-
Unfunded Benefits Paid	(10,000)	(9,000)
Benefits Paid	(196,000)	(195,000)
Closing Defined Benefit Obligation	5,201,000	5,132,000

Reconciliation of fair value of employer assets

	2026 £	2025 £
Opening Fair Value of Employer Assets	9,884,000	9,736,000
Interest income on plan assets	569,000	464,000
Plan participants contributions	20,000	18,000
Contributions by the employer	34,000	34,000
Contributions in respect of Unfunded Benefits	-	-
Actuarial gains/(losses)	273,000	(173,000)
Other Experience	(196,000)	(195,000)
Benefits Paid		
Closing Fair Value of Employer Assets	10,584,000	9,884,000
Asset Ceiling	(5,319,000)	-
Net pension asset	60,000	4,752,000

Analysis of amounts included in the Statement of Comprehensive Income

	2026 £'000	2025 £'000
Expected return on pension scheme assets	569	464
Interest on pension scheme liabilities	(195)	(173)
Net Return – finance cost	374	276

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27. Pensions (continued)

	2026 £000'S	2025 £000'S
Current service cost	43	56
Past service cost	-	-
Losses on curtailments	-	-
Contributions in respect of unfunded benefits	(10)	(9)
Contribution by employers	34	34
(Credit)/charge to staff costs	67	81

The expected employer's contribution for the year to 31 March 2027 will be £20,000

Analysis of amount recognised in the Statement of Comprehensive Income

	2026 £	2025 £
Actual return less expected return on scheme assets	273,000	435,000
Changes in assumptions underlying the present value of scheme liabilities	78,000	382,000
Actuarial (loss)/gain recognised in other comprehensive income	351,000	817,000

Change in assumption at 31 March 2026

	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	83
1 year increase in life expectancy	4%	208
0.1% increase in the Salary Increase Rate	0%	4
0.1% increase in the Pension Increase Rate	2%	79

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28. Revenue Commitments

The Association has total commitments under operating leases as follows:

	2026 Land & buildings	Other leases	2025 Land & buildings	Other leases
	£	£	£	£
Within one year	120,000	49,339	243,600	94,870
Between two and five years	480,000	37,004	243,600	189,740
More than 5 years	600,000	-	-	-
	1,200,000	86,343	487,200	284,160

29. Related party transactions

Queens Cross Factoring Limited

Queens Cross Factoring Limited is a subsidiary undertaking of Queens Cross Housing Association Limited.

Queens Cross Housing Association Limited has a service level agreement in place with Queens Cross Factoring Limited. During the year, management charges in respect of this agreement were charged to Queens Cross Factoring Limited of £567,908 (2025: £505,241).

Queens Cross Housing Association Limited paid on behalf of Queens Cross Factoring Limited £820,414 (2025: £972,600) of repairs, insurance, concierge, environmental, cleaning costs electricity landlord supply, postage, photocopier costs and credit card purchases. This was recharged to Queens Cross Factoring Limited in the year.

Gift Aid of £82,500 (2025: £40,000) was made by Queens Cross Factoring Limited during the year. £42,500 of this has still to be paid over and is thus included in the amounts owed by Queens Cross Factoring Limited at the year end.

The total balance due in respect of these transactions is £869,475 (2025: £1,269,883) and is included in debtors.

During 2012/13 Queens Cross Housing Association Limited provided a loan of £900,000 to Queens Cross Factoring Limited to purchase 12 investment properties. The balance owed at the start of the year was £437,160. Interest of £24,730 (2025: £28,344) was accrued in respect of this loan during the year. There is not a set repayment schedule in place but the loan is repayable over 20 years. £50,000 (2025: £50,000) was repaid in the year leaving a balance at 31 March 2026 of £387,160 (2025: £437,160). £337,160 (2025: £387,160) of this balance is due after more than one year with £50,000 (2025: £50,000) expected to be paid in 2026/27 and thus is included in amounts due within one year.

Queens Cross Workspace Limited

Queens Cross Workspace Limited Queens Cross Housing Association Limited has a service level agreement in place with Queens Cross Workspace Limited. During the year, management charges in respect of this agreement were charged to Queens Cross Workspace Limited of £242,660 (2025: £221,039). As at 31 March 2026 £131,986 was due to the Association from Queens Cross Workspace Limited (2025: £146,034)

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30. Board members

The Association has Board members who are also tenants. The total rent received in the year relating to tenant Board members is £27,273 (2025: £26,103). The total rent arrears relating to tenant Board members included within debtors at the year-end is nil (2025: £148).

31. Legislative Provisions

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

32. Dundasvale Carpark lease

Following a lease termination during the year a dilapidations settlement with the Glasgow City Council was agreed. The settlement relates to the condition of the Dundasvale Carpark at lease expiry and compensation for reinstatement and repair obligations arising under the lease.