trust

Affordable homes.
Exceptional care.

Review & Accounts

For the financial year 2025/26

Affordable homes.
Exceptional care.

Contents

Trust Housing Association Limited is a Registered Scottish Charity No. SC009086
Registered by the Scottish Housing Regulator HEP 143

Registered under the Co-operative & Community Benefit Societies Act 2014
Registered Office: 12 New Mart Road, Edinburgh, EH14 1RL

Business Information

The Management Board and Executive Officers

Board Members:

Chair:
Dr Norval Bryson

Vice-chair:
David Knight

Board members:
Ali Ross
Ian Mitchelmore
James Black
Katherine Wainwright
Kyle Ruparelia
Laura Bornatici
Laura Cameron
Mary Niven
Paul McFarlane
Steve McGowan
Graham Curran (appointed member)
Sharron Elsdon (appointed member)

Audit & Performance Committee Members:

Convener:
Ali Ross

Vice Convener:
Ian Mitchelmore

Committee members:
David Knight
Graham Curran
Laura Bornatici
Mary Niven
Steve McGowan

Directors & Company Secretary:

Chief Executive
Rhona McLeod (resigned 31 March 2026)
Jackie McIntosh (appointed 1 April 2026)

Director of Customer Experience
Jennifer Wallace

Director of Assets & Sustainability
Jackie McIntosh (promoted to CEO 1st April 2026)
Ian Davie (appointed 1 April 2026)

Director of Finance & People
Zoe Purdie

Director of Business Development & Digital
Neil Ferguson

Company Secretary
Annette Brown

Advisors

Auditors & Treasury Advisors:
AAB Audit & Accountancy Limited, 81 George Street, Edinburgh, EH2 3ES
(External Auditor)

TIAA
Artillery House, Fort Fareham, Newgate Lane, Fareham, PO14 1AH
(Internal Auditor)

Allia C&C
2 West Regent Street, Glasgow, G2 1RW
(External Treasury Advisor)

Solicitors:
T C Young, 7 West George Street, Glasgow, G2 1BA

Morton Fraser, Quartermile Two, 2 Lister Square, Edinburgh, EH3 9GL

Bankers:
The Royal Bank of Scotland plc, 36 St Andrew Square, Edinburgh EH2 2YB

Nationwide Building Society, Northampton Admin Centre, Kings Park Rd, Northampton, NN3 6NW

Santander, Customer Service Centre, Bootle, Merseyside, L30 4GB

bLEND Funding Plc, 3rd Floor, 17 St. Swithins Lane, London, EC4N 8AL

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Introduction from our Chair

This is my fourth and final year as Chair of the Trust board and, once again, it has been a busy but rewarding year.

Despite ongoing economic challenges and global uncertainty, we have continued to invest in our homes and services doing everything we can to support our customers through the ongoing cost of living crisis.

At the same time, we have remained focused on delivering our objectives under the final year of the 'Time is Now' strategy, whilst also developing our new five year strategy covering the period 2026–2031 which will be launched in the Autumn.

For our customers

In 2025/26 we had a hardship fund of £70k which was paid to 384 customers, helping those customers most in need with essential household bills.

In addition to this, our Welfare Benefits Team have continued to support the high number of referrals and increasing demand for this advice and support from the service. As a result of their continued efforts the total financial gain for customers in 2025/26 was an impressive £4.3M.

Our new strategy will continue this focus on providing 'added value' to our customers and we hope to expand and diversify our customer added value, beyond our hardship fund over the next 5 years.

Over the last year our Customer Representative Group selected two focus areas to scrutinise which were Lettable Standard in relation to Empty Homes and digital options for customer communications.

In addition, the group have participated in the development of our new strategy as well as selecting their next areas of scrutiny which will focus on customer engagement and positive customer experience, including value for money.

The resilience of our business continues to be reflected in the experience of our customers. During 2025/26, we undertook our latest customer satisfaction survey,

receiving more than 1,500 responses from customers across Scotland, representing 40% of our customers which is a very strong response rate.

Overall satisfaction with the services provided by Trust increased to 82%, while 86% of customers were satisfied with the quality of their home and 85% of those who had received a repair during the previous 12 months were satisfied with the repairs service.

These results provide valuable insight into our customer's priorities and will continue to inform service improvements across the organisation.

New homes

As we near the end of the "Time is Now" strategy and look ahead to our new strategy from 2026 onwards, growing the number of homes we provide continues to be a strategic priority for Trust.

With grant funding support from our local authority partners and the Scottish Government, we have started on-site creating 90 new homes in our existing communities in Argyll & Bute, North Ayrshire and North Lanarkshire.

In Arran we started on-site with 26 new homes which will help increase the supply of much needed energy efficient, affordable family homes on the island.

On the mainland, in Bellshill, North Lanarkshire, we started on-site with a development with a further 48 new energy efficient homes - transforming a derelict brown field site, close to the town centre and local amenities. Some of these homes are already occupied with the final homes set to complete later this calendar year.

As well as building new homes from scratch, this year also saw us start and complete a major regeneration and conversion project of existing Trust homes in Strachur, Argyll & Bute. The project was made possible by securing an innovative cocktail of funding

from the Scottish Government, Argyll & Bute Council and the UK Government's ECO 4 funding - alongside Trust's own contribution we have transformed 21 unpopular, inefficient, former sheltered homes into 16 highly energy efficient, general needs homes, meeting local housing need and demand.

Investments in energy efficiency

> Retrofit programme

Building on the success of our transformative retrofit programme on the Isle of Arran in 2024/25, Trust delivered a further programme of energy efficiency improvements during 2025/26, targeting some of our least energy-efficient homes across mainland Scotland and our island communities, including Islay and Mull.

This second major retrofit programme covered a further 284 homes across 26 locations, upgrading every property to a minimum EPC B rating, where the majority of homes had previously been EPC Band D, with a number of properties starting at EPC Band E or below.

The programme included a range of tailored measures designed to improve energy performance, reduce carbon emissions and lower household energy costs, including:

- Underfloor, loft and room-in-roof insulation
- High heat retention storage heaters or Air source heat pumps
- Solar photovoltaic (PV) systems; and
- Battery storage systems

This £3.6 million whole-house retrofit programme was delivered by securing substantial grant funding support from the UK Government's ECO 4 programme and combining it with our Trust's own funding, meaning the programme delivered these improvements to those homes in most need at minimal cost, supporting our commitment to deliver a 'just transition' to Net Zero.

Carbon accounting estimates show the improvements will reduce carbon emissions from customers' homes by almost 800 tonnes per year and could save customers an average of £450 per year on their energy bills.

The overwhelmingly positive feedback received from customers reinforces our ambition to extend the benefits of these improvements to as many homes as possible, subject of course to future funding support.

> Electric storage smart heating controls

Alongside this programme, we also completed a second phase of 58 homes during 2025/26 with our 'Connected Response' smart heating controls, for those customers with electric storage heating.

This built on the success of Phase 1 in 2024/25, which saw 345 homes fitted with the technology. The system uses weather compensation and ambient temperature data to optimise the charging of electric storage heaters, helping to reduce energy consumption, minimise wastage and lower heating costs for customers.

We also continue to develop a pipeline of new build and other growth opportunities.

> Sustainability Reporting Standard

Finally, last year, Trust became part of a growing group of housing associations adopting the Sustainability Reporting Standard (SRS), committing to publish an annual report measuring our performance across a wide range of Environmental, Social and Governance (ESG) indicators aligned with the United Nations Sustainable Development Goals.

ESG reporting demonstrates our commitment to sustainable and ethical practices to customers, partners, stakeholders and prospective employees. It provides transparency on not only our environmental impact and carbon footprint, but also the social value we create, employee wellbeing and engagement, and the strength of our governance arrangements.

Trust's first ESG report has already received external recognition, with our aforementioned smart heating controls programme selected as an "Adopter Spotlight" case study within Sustainability for Housing's national Annual Review.

Digital transformation

We continued on our digital journey over the past year, using technology to improve customer experiences and support more efficient and productive ways of working: The latest generation of MyTrust - our online customer portal - went live in March 2026, 12 months after the original launch. Over 650 customers have registered their MyTrust account giving them 24/7 digital access to services such as reporting repairs, applying for housing and paying rent.

Our new digital Care & Support Planning system has now been fully implemented across our 'later living with care and support' developments, transforming the way in which we deliver personal planning and support. In addition, we installed digital notice boards in the entrance foyers across 25 of our later living developments, providing live localised information and updates.

Via our customer feedback and engagement application, we are now delivering automated pulse surveys for customers who have received a repairs service, or raised a complaints or anti-social behaviour case, and we have engaged with 58% of our customers digitally via email or SMS.

Supporting this work, we continue to develop our cyber and data security

capabilities, which is key to keeping our customer's data as secure as possible and minimise any potential disruption to services. Over the past year, this has included the implementation of a cyber security operations centre and achieving 'Cyber Essentials' accreditation.

Our People

Our people are our greatest asset at Trust.

In addition to becoming adopters of the Sustainability Reporting Standard, we are also proud to complete our second year as a Scottish Government Fair Work First Employer, reflecting our commitment to providing workplaces where people feel valued, respected, supported and able to thrive.

Being recognised as a Fair Work First Employer is at the heart of what we are doing to continue to build a positive workplace that helps us attract, retain and develop talented people, ultimately supporting customers and developing better outcomes for them.

A key part of this commitment is our Employee Forum. The Forum plays a central role in giving all employees a voice in shaping policies, practices and priorities and ensuring employee engagement and experience is central to what we do.

A key priority within the 'Time is Now' strategy was 'Growing our own' – Our aim was to grow on a human scale and to invest in our skills and capability. We have always been an organisation that has grown our own and given people opportunities to learn and progress.

In 2025/26, we saw our previous Chief Executive, Rhona McLeod retire after 11 years at the helm and following an extensive external recruitment search, we found that the growth of one of our own leaders, meant that Jackie McIntosh was by far the outstanding candidate. Jackie was our previous Director of Assets & Sustainability, and has made a significant impact since joining Trust in 2021.

She brings a wealth of leadership experience to the role and a strong commitment to delivering exceptional services and creating positive impact for our communities. I have seen first-hand Jackie's focus on customers, her collaborative leadership approach, and her ability to drive positive results and outcomes.

This appointment reflects the depth of leadership talent within Trust and our commitment to growing our own. Jackie is the right appointment to build on the modern and forward-thinking organisation we have become and will guide Trust

through its next chapter and our new strategy.
In terms of the Board, we say farewell to Mary Niven who has served on the Trust Board for over 4 years and has also been a long serving member of our Customer Representation Group. We are extremely grateful for Mary's contributions both on the board and the Customer Representation Group and wish Mary well in her next chapter.

Having now served as Chair of the Trust Board for four years, I shall also be standing down from both the Board and my position as Chair. I know I leave the organisation in a very strong position and I am confident that my successor and the wider Board will continue to provide strong strategic direction, oversight and effective governance, ensuring Trust remains well placed to meet the needs of its customers and communities for many years to come.

I want to express my sincere thanks to our Board Members, Leadership Team and our wider employees. Their continued dedication and expertise have made all of these achievements possible.

Looking ahead

Trust has accomplished a great deal over the past year. With a clear purpose, strong foundations, and a vibrant culture, we are well-positioned for the future. My heartfelt thanks to everyone who has contributed to our success both this year and over the last five years and I'm excited to watch Trust continue to thrive in future years.

[redacted]

Dr Norval Bryson, Chair

Board of Management Report

Nature of the business

Trust is a not-for-profit registered social landlord, regulated by the Scottish Housing Regulator (SHR), Care Inspectorate and Scottish Charities Regulator (OSCR) and as a Registered Society Trust are also registered with the Financial Conduct Authority (FCA) under the Co-operative and Community Benefit Societies Act 2014.

Trust is a national social landlord and one of Scotland's largest care and support providers, with almost 4,000 homes and 68 Later Living developments across 23 local authorities.

Trust's business strategy

The Board recently approved our new five-year (2026-2031) business strategy – Ready, together. The final year of the previous strategy – The Time is Now – was implemented during 2025/26.

Growth was a key part of the Time is Now and will remain a key enabler to delivering Ready, together. Trust has grown to almost 4,000 homes with further homes delivered and on site during 2025/26.

A Rent & Service Charge review project was completed during 2025/26. Trust's last formal rent and service charge review was in 2015, this latest review brought together three existing charging structures into one. The project involved the detailed analysis of the existing charging models, financial modelling, benchmarking, and extensive stakeholder engagement including customer surveys and consultation activity. The project aim was to develop a revised, transparent and equitable structure that balances affordability with the long-term financial sustainability of Trust. The new structure was approved by Board along with a phased harmonisation plan to support implementation from April 2026 onwards.

The Time is Now delivered significant technology change within Trust. During 2025/26 this included investment in modern Software as a Service (SaaS) applications, mobile technology and cloud infrastructure – transforming how colleagues work and deliver services to customers, including supporting automation, improved customer experiences and channel shift opportunities.

Over the course of 2025/26 delivery has included:

- The launch of the next generation version of the customer portal – MyTrust – in March 2026, further improving the customer experience of digitally accessing services such as reporting repairs, applying for housing and paying rent.

- The implementation of the new Care & Support system, digitising and transforming the personal care planning process, with the final three later living developments due to be onboarded in Q1 of 2026/27. Trust also successfully completed the final phases of the implementation of both the housing management and human resources systems.

- Trust has been developing its approach to artificial intelligence (AI) including running a number of proof of concepts, establishing the AI Centre of Excellence and developing internal capabilities, and building governance foundations.

- In addition, Trust further improved its cyber security posture including achieving Cyber Essentials accreditation and the procurement and implementation of a Security Operations Centre (SOC) and supporting Security Information and Event Management (SIEM) technology.

Governance

Trust is governed by a dedicated voluntary Board who operate in accordance with the Scottish Federation of Housing Association's Model Governing Rules. Board membership is drawn from a broad range of skills and experience, including a mix of professional backgrounds, customers and service users, which promotes equality, diversity and inclusion and further strengthens good governance. The skills mix on the Trust Board is regularly reviewed, with an annual training programme delivered alongside Board 'strategy days'. This programme helps develop skills and expertise in areas which enable Board Members to fully execute their role effectively.

The Board continues to work closely with the Scottish Housing Regulator to ensure compliance with all regulatory requirements. During 2025/26 the Board undertook the annual self-assessment exercise which reviews the governance practices across Trust. This work contributed to Trust's overall Annual Assurance Statement which was submitted to the Regulator in October 2025. This statement confirmed that Trust was fully compliant with all the requirements of the Regulatory Framework.

The key responsibilities of the Trust Board are:

- The overall leadership of Trust
- Approval of Trust's business strategy, annual budget and plans to achieve Trust's objectives
- Approving the Annual Report and Financial Statements
- Establishing effective systems of good governance, implementing internal controls and the annual review of their effectiveness
- Authorising material acquisitions, disposals, investments, capital projects and other significant transactions
- Monitoring Trust's overall performance in relation to its strategies, plans, budgets and decisions
- Providing support and guidance to the Chief Executive and Executive Team and ensuring employees on the frontline are supported to deliver high quality procedures and services in keeping with Trust's objectives

Financial performance 2025/26

Financial performance improved in 2025/26. Turnover increased to £47.0m (2024/25: £44.3m), operating surplus improved to 10.7% (2024/25: 8.8%) and interest costs were effectively managed to deliver a £2.9m net surplus (2024/25: £1.6m). The balance sheet was also strengthened, with net assets increasing to £41.0m (2024/25: £38.0m). All bank covenants were met throughout the financial year 2025/26.

The increased operating surplus was delivered by operational teams working together to reduce the time taken to re-let properties as they become vacant and the required repair costs on those properties, together with responding proactively to local authority funding challenges for care and support services.

Financial KPIs	2025/26	2024/25	Movement
Turnover £m	47.0	44.3	2.7
Operating surplus £m	**5.0**	**3.9**	**1.1**
Operating surplus %	**10.7**	**8.8**	**1.8**
Interest payable less receivable £m	(2.5)	(2.7)	0.2
Loss of sale of fixed assets £m	0.0	0.1	(0.1)
Pension Gain £m	0.4	0.3	0.1
Total comprehensive (loss)/income £m	**2.9**	**1.6**	**1.3**
Net Assets £m	**41.0**	**38.0**	**3.0**
Net Debt per unit £k	**11.8**	**11.6**	**0.2**
Interest Cover (minimum 1.5)	**3.9**	**2.9**	**1.0**
Gearing (maximum 40%)	**15%**	**16%**	**-1%**

The £0.4m pension gain in the year (24/25 £0.3m) reflects the non-cash movement in the valuation of the defined benefit pension liabilities under FRS 102.

Treasury management

Trust has an effective Treasury Management Policy based on the CIPFA standard, as recommended by the Scottish Housing Regulator. Trust has appointed an external treasury advisor.

Managing risk and internal control

Trust operates a comprehensive risk management framework. Risks and opportunities are actively monitored and managed by the Leadership Team, Audit & Performance Committee and at Board level.

The strategic risk register identifies the following key risks and mitigating actions in place.

Potential Risk	Mitigation Taken
Macro economic, social and political risk	Constant horizon scanning of external economic, social and political conditions and events to allow robust long-term financial modelling and early action as required, active lobbying of government and policy makers. Robust treasury management, including maintaining an appropriate mix of fixed and variable rate borrowing.
Cyber security risk	Trust is a Cyber Essentials accredited organisation. Internal cyber security capabilities include a comprehensive suite of controls and activities, such as advanced security technologies, in-house expertise, a formal incident response plan, and mandatory annual cyber security training for all employees. These are complemented by regular phishing simulation exercises, a structured vulnerability and penetration testing programme, and business continuity scenario testing. These internal measures are further strengthened through a partnership with a third-party Security Operations Centre (SOC) and associated Security Information and Event Management (SIEM) technology, providing continuous monitoring, threat detection, and rapid response capabilities.
Care and support funding risk	Ongoing monitoring, management and renegotiation of care and support service contracts with commissioning authorities. Appropriate service realignment following funding reduction or withdrawal.
Declining customer demand	Trust seeks ongoing customer feedback which continues to inform Trust's approach and design of future product and service offering, including remodelling of existing product where opportunities and need align.
Increased rent arrears	Robust system monitoring, workflow and management of rent accounts to allow earlier prevention and intervention of arrears. In-house welfare benefits team to maximise income and benefits for customers, hardship fund to support customers at times of financial difficulty and links and signposting to other agencies and partners that can support customers with other costs such as energy bills.

Cost to meet decarbonisation targets	Extensive retrofit works to c.600 properties since 2023, targeting the least energy efficient homes. Additional budget assigned within 30-year plan to enhance existing component replacement budget and stock condition surveys completed to c.40% of stock. Trust continues to seek and bid for external opportunities to leverage maximum grant funding to deliver the retrofit and decarbonisation programme.

Trust's Audit & Performance Sub-Committee is responsible for regular review of the system of internal control. On a quarterly basis, the Sub-Committee receives reports from the internal and external auditors which assess the efficiency of internal controls and provide any relevant improvement recommendations. The Chair of the Audit & Performance Sub-Committee reports the outcome of the Sub-Committee meetings to the Trust Board and minutes of the meetings are provided to the governing body and published on Trust's website.

The Trust Board approves annual budgets, the 30-year business plan and monitors performance against these. The Board has reviewed the effectiveness of the system of internal financial controls for the year ended 31 March 2026 and is reasonably satisfied that the existing controls and the resources in place to improve these controls are sufficient to safeguard the assets and prevent material loss. If weaknesses are found in the system of internal financial controls, then appropriate action is put in place.

Operational and service performance

Trust's performance over recent years demonstrates the underlying strength and resilience of the organisation. Despite a sustained period of challenge for both Trust and its customers, performance has remained strong across key areas.

The year ahead is expected to present similar pressures, requiring a continued focus on maintaining service quality, supporting customers, and delivering value.

An organisation-wide customer satisfaction survey was completed during 2025/26. We received 1,517 responses (40% response rate), achieving data accuracy of +/- 2%. Analysis shows that a good spread of response has been achieved by customer group, ensuring a representative response and a level of response upon which Trust can have confidence making decisions.

The results show that 82% of customers were satisfied with the overall service provided by Trust, with 71% considering their rent to represent good value for money. These results provide an important benchmark for assessing ongoing performance and driving continuous improvement.

The following table summarises customer satisfaction results alongside key operational performance measures for 2025/26;

Customer Satisfaction

82% of customers are satisfied with **the overall service provided** by Trust.

91% of customers feel **safe & secure** in their home.

86% of customers are satisfied with the **quality of their homes.**

85% of customers who have had repairs or maintenance carried out in the last 12 months are **satisfied with the repairs and maintenance service.**

71% of customers think the rent they pay is **good value for money.**

Operational Performance

Lettings & Rent

12.7% of lettable homes became **vacant during the year.**

Trust took on average **64.8 days** to **re-let** vacant homes.

2.01% of rent due was **lost because of vacant homes.**

Gross **rent arrears** were **1.54%** of rent due.

Housing Quality & Repairs

91.8% of Trust's homes achieved the **Scottish Housing Quality Standard.**

Trust took **2 hours** on average to complete **emergency repairs** and **6.5 days** to complete **non-emergency repairs.**

Trust completed **98.5%** of repairs **'right first time'**.

Complaints

Trust responded in full and within timescale to **94%** of frontline (stage 1) and **91.3%** investigative (stage 2) **complaints** during the reporting year.

Trust took on average **3.8 days** to resolve **frontline complaints** and **16.5 days** to resolve **investigative complaints.**

External Accreditation

Trust is an adopter of the **Sustainability Reporting Standards** for ESG.

Trust is a **Scottish Government Fair Work First** employer.

Trust is a **Disability Confident** Employer.

Social care funding and cost of living support

The operating environment for Social Care and Support continues to be challenging. Pressures on Local Authority funding have again impacted Trust's services, resulting in service changes at 13 Later Living developments across Scotland during 2025/26. Where funding has been available, Trust has increased services, including the 5 new Later Living with Care services launched in North and South Lanarkshire. While improvements have been seen over the year, recruitment continues to be a challenge in some areas.

During 2025/26 Trust continued to support customers with financial hardship they may be experiencing due to continued increases in day-to-day living costs;

- During the year Trust has distributed the full Customer Hardship Fund of £70,000, demonstrating the continued customer need for such a fund to support tenancy sustainment. The fund was fully funded by community benefit contributions from suppliers, secured via public procurement exercises. Customers access the fund via Customer Partners and it has supported customers across all housing types, helping customers struggling to keep up with rent payments or having trouble affording other essential household costs.

- The in-house Benefits Advice Service continues to be in high demand from customers. The service continues to assist customers to maximise their income and ensure they are getting all the assistance they are entitled to, which is particularly important during the current cost-of-living challenges.

Capital investment, new build and acquisition programme

Over 2025/26 Trust has continued to deliver a blended approach to component investment across all Trust stock striving to achieve both value for money and quality specifications to benefit the lives of customers.

Trust completed two projects to upgrade double-glazed windows and doors within the Wishaw area benefiting 47 homes, while also completing works to 5 properties on the Isle of Arran in which full house retrofit works were being undertaken.

Customers in Islay, Tobermory and Stornoway have benefited from new kitchens and bathrooms in significant projects which continue into 2026/27 given the scale and logistical issues around undertaking large investment projects in the western isles.

With the continued focus on customer safety, Trust invested almost £300k in electrical upgrades where full rewires to properties or upgraded consumer units have been completed to bring them up to modern standards.

With a significant focus on the Analogue to Digital agenda, Trust embarked on the first phase of digital switch over by moving all lifts and fire alarm systems across to digital communicators while also piloting a dispersed alarm unit digital solution which will be rolled out to customers over the coming years.

Trust continues to use up to date stock condition survey information along with customer feedback to develop and roll out its component investment programme.
In November 2025, Trust handed over 5 new social rented and energy efficient 2-bedroom homes to new customers at Millside Meadows in Milngavie town centre. These homes form part of a mixed-tenure block of 2 & 3-bedroom flats, delivered as part of Section 75 affordable housing planning requirement by the developer, WestPoint Homes. The properties are in an area of extremely strong demand, close to fantastic local amenities and transport links. In addition to Millside Meadows, in 2025/26 Trust purchased a further three second hand homes on the open market on the Isle of Arran. All are located in high-demand areas and include a 1-bed bungalow in Brodick, and, two family sized, 3-bedroom homes in Brodick and Shiskine. All 3 homes were acquired with the support of the Scottish Government's rural and island key worker fund.

Trust is also currently on site across three live new build development projects:

- **Reema Road, Bellshill, North Lanarkshire.** The Reema Road development will provide 48 new social rented and energy efficient homes - a mix of family houses and cottage flats – and is being built in partnership with North Lanarkshire Council, the Scottish Government and Wilson Developments (Scotland) Limited. The £9.3 million project will transform another derelict site, near the town centre, and will enhance housing choice in the Bellshill area. The first two phases of handovers (28 units) are scheduled for July 2026, with two further phases in September and November 2026, respectively;

- A major regeneration project at **Manse Gardens, Strachur,** where Trust is transforming a former sheltered housing development into 16 new General Needs homes with a mix of 1, 2 and 3-bedroom properties. The site is due to complete in late June 2026 and has been made possible due to the grant funding support of Argyll & Bute Council and the Scottish Government, with additional funding leveraged from ECO4 in 2025/26.

- Trust recently broke ground at **Springbank, Brodick,** on the Isle of Arran, having purchased the site in March 2026. As members of the Arran Housing Task Force, and the largest social rented landlord on the island, with c.300 homes, Trust is delighted to be delivering 26 new social rented homes there, to help meet local demand. Trust is working in partnership with affordable housing delivery contractor, The JR Group, on the project and the much needed homes are due to complete in September 2027.

Through existing key relationships with contractors and housebuilder partners, Trust continues to maintain a strong pipeline of projects that will assist with the ambitious growth target of delivering c.500 new homes over the next five-seven years, and more beyond. The pipeline projects include developer-led opportunities across the central belt in Glasgow, Edinburgh, North Lanarkshire, South Lanarkshire, North Ayrshire and East Dunbartonshire.
Trust continues to work closely with the respective Local Authority Housing Investment teams for each project to ensure strategic support in the respective Local Authority's Strategic Housing Investment Plans.

Health, safety and wellbeing

Ensuring a high standard of health, safety and wellbeing for employees, service users and other external stakeholders remains a key priority for Trust, with a focus on:

- Continuous review of health and safety policies, procedures, and processes.
- An ongoing programme of general and fire risk assessments.
- Compliance with annual gas safety appliance inspection legislation.
- Frequent updates and reviews of business continuity and crisis management plans at both a local and organisation-wide level.
- Ongoing mandatory health and safety training for employees including load management, first aid, hoists & fire safety, along with role specific specialist training.
- A rolling programme of EICRs within all properties, to ensure Trust continues to meet the requirements of the Scottish Housing Quality Standards.
- 100% compliance with requirements to have L2 level fire detection within all properties.
- Development and evolution of enhanced procedures and processes to manage reports of damp and mould within customers' homes. This includes strong performance in relation to the new performance indicators which have been created by the Scottish Housing Regulator.

Employee wellbeing and mental health are key priorities for Trust. Trust provides a free confidential counselling service available to all employees, has 32 employee volunteer Mental Health Supporters and promotes these services across the organisation. The Employee Wellbeing Group arranges events and awareness campaigns across all areas of wellbeing throughout the year in areas such as menopause, mental health and neurodiversity.

Trust became an adopter of the **Sustainability Reporting Standard (SRS)** for Social Housing in 2025/26, embedding a recognised, housing sector specific Environmental, Social & Governance (ESG) framework to strengthen reporting in this area and provide independent benchmarking of sustainability performance.

From a health and wellbeing perspective, the SRS framework enables more structured identification and monitoring of key social indicators, such as housing quality, energy efficiency, and customer outcomes, allowing Trust to better evidence and target the drivers that impact customer wellbeing, and to demonstrate this clearly to wider stakeholders.

People

Trust's values continue to provide the foundation for its culture and expected behaviours.

We believe in better

We're proud of the incremental gains achieved everyday.

We're here for each other

How we regard, respect and support each other is so important to us.

We love to learn

Open to new ideas, we try hard and fail fast in a culture of participation and trust.

Trust is proud to provide a great colleague experience. Built on the strong foundations of Investors in People Platinum, our focus is now much wider, shifting to Fair Work First, prioritising career development, wellbeing and a strong employee voice, alongside Sustainable Reporting Standards for ESG, together supporting the best possible outcomes for customers, employees and the environment.

The commitment to these standards is fully aligned with the new strategy, supports payment of at least the Real Living Wage to all employees, enables access to essential Scottish Government funding and, importantly, reinforces Trust's people-centred culture and values.

Trust runs biennial Employee Engagement Surveys (EES), with the next EES scheduled for late 2026 to provide a baseline for the new five-year business strategy – Ready, together. At the time of the previous survey, 85% of respondents were happy and satisfied with their experience of working for Trust, an increase of 5% since the last survey. Employee pulse surveys monitor the experience of new starters, those reaching long-service milestones and leavers.
Most recently, all employees have been encouraged to share their views as part of an ongoing review of compensation and benefits. The established Employee Forum helps to shape people-related initiatives, acts as the collective voice of employees and manages the Trust employee values awards.

Trust invests in structured learning and development opportunities, demonstrating the core value, 'Love to Learn'. Supporting colleagues at all stages of their career, through formal qualifications, coaching and mentoring and online mandatory training, to build skills, develop careers and strengthen confidence digitally and beyond, to adapt to the changing world of work. The talent and succession planning framework, a key part of strategic workforce planning, is critical in ensuring a pipeline of talent for the future.

Audit and Performance Sub-Committee

Trust's Audit and Performance Sub-Committee, chaired by Ali Ross, met four times during 2025/26. In exercising its Audit function, the Committee looked at key areas of potential risk for Trust and has commissioned reports from independent external advisors.

The areas audited by independent internal auditors and specialist Treasury Advisors, during 2025/26 were:

- Corporate Governance – Regulatory Standards
- Reactive Repairs
- Cyber Security
- Treasury Management
- Follow-up audit of previous recommendations

The reports provided the Sub-Committee with reassurance of no serious weaknesses or issues.

During the year the Sub-Committee approved re-appointment of AAB Audit & Accountancy Limited (AAB) as Trust's external auditor. AAB, in reviewing the Annual Accounts for 2025/26, has given Trust an unqualified audit report.

The Sub-Committee meets annually with the Internal and External Auditors without senior officers in attendance and no issues have been raised.

Additionally, the Sub-Committee monitors operational and financial performance against Key Performance Indicators. Performance remains positive and the Sub-Committee is reassured that Trust continues to maintain high standards.

Changes to Board Members and officers

Office bearers: in September 2025, Dr Norval Bryson was re-appointed as Chair of the Board for the fourth year.

Board members: Gordon Laurie retired from the Board after 9 years' service at the AGM in September 2025.

CEO & Directors: Rhona McLeod retired from the role of CEO on 31st March 2026 and Jackie McIntosh was promoted from the role of Director of Assets & Sustainability to CEO on 1st April 2026. Ian Davie was promoted to Director of Assets & Sustainability on 1st April 2026.

Statement of Board responsibilities

The Co-operative and Community Benefit Societies Act 2014 and Registered Social Housing 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 that period. In preparing those Financial Statements, the Board is required to:

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

The Board is also responsible for ensuring adequate systems of internal control are in place to:

- safeguard the assets of the Association
- take reasonable steps for the prevention and detection of fraud and other irregularities

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2025 and the Determination of Accounting Requirements 2025.

Statement on Internal Financial Control

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

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

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

- an appropriate control environment has been created by careful recruitment of suitably qualified and experienced colleagues, who take responsibility for key business functions. Ongoing training and annual appraisal procedures are followed to maintain standards of performance;

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow monitoring of controls and restrict the unauthorised use of Trust's assets;

- forecasts and budgets are prepared which allow the management team and the Board to monitor key business risks, financial objectives and the progress being made towards achieving the financial objectives set for the current financial year and for the medium term;

- monthly financial management reports are prepared, providing relevant, reliable and up-to-date financial and other information, with significant variances to budget being investigated as appropriate;

- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board

- the Board receives reports from management, external and internal auditors to provide reasonable assurance that control procedures are both in place and are being followed and that a general review of the major risks facing Trust is undertaken;

- the Board monitors the internal financial control system by considering regular reports from management, internal and external auditors and ensures that appropriate corrective action is taken to address any reported weaknesses.

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

Going concern

The Board have concluded that the preparation of the financial statements on a going concern basis continues to be appropriate.

In reaching this conclusion, the Board have considered key risks are documented and adequately mitigated, adequate resources are in place and financial projections have been subject to comprehensive stress-testing.

Disclosure of information to the auditor

Each person who is a Board Member at the date of approval of this report confirms that:

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

[redacted]

On behalf of the Board
Dr Norval Bryson, Chair

Approved and authorised by the Board of Management on the 6 August 2026 and signed on its behalf on 9 September 2026

Independent Auditor's Report

To the Members of Trust Housing Association Limited

Opinion

We have audited the financial statements of Trust Housing Association Limited (the Association) for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Reserves, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of its income and expenditure for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) regulation 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. Our opinion on the financial statements does not cover the other information and, 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.

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:

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

Responsibilities of the Board

As explained more fully in the Board's Responsibilities Statement set out on page 25, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the Association or to cease operations, or 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 Auditors' 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:

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) regulation 2006 (as amended).

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the Association's key performance indicators to meet targets
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the Association needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgements made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations
- Analytical procedures to identify any unusual or unexpected trends or relationship;
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud

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: https://www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

[redacted]

Andrew Shaw
For and on behalf of AAB Audit & Accountancy Limited, Statutory Auditor
81 George Street
Edinburgh
EH2 3ES

Eligible to act as auditor in terms of section 1212 of the Companies Act 2006
9 September 2026

Independent Auditor's Report

To the Members of Trust Housing Association Limited On Corporate Governance Matters

In addition to our audit of the Financial Statements, we have reviewed your statement on page 26 concerning the Association's compliance with the information required by Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 11 has provided the disclosures required by the relevant Regulatory Standards for systemically important RSLs 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.

[redacted]

Andrew Shaw
For and on behalf of AAB Audit & Accountancy Limited
Statutory Auditor
81 George Street
Edinburgh
EH2 3ES

9 September 2026

Statement of Comprehensive Income

for the year ended 31 March 2026

	Notes	2026 £'000	2025 £'000
Turnover	3	**47,040**	44,331
Less: operating costs		**(42,028)**	(40,422)
Operating surplus	7	**5,012**	3,909
Profit/(Loss) on sale of fixed assets		**2**	120
Interest receivable and other income		**50**	56
Interest payable and other charges	8	**(2,512)**	(2,709)
Surplus for the year		**2,552**	1,376
Other comprehensive income			
Actuarial (Loss)/Gain on the Pension Schemes	24	**368**	256
Total Comprehensive Income/(Expenditure) for the year		**2,920**	1,632

All operations are continuing.
The only recognised gain/(loss) was the surplus for the year.
The notes on pages 38 to 62 form part of these Financial Statements.

Statement of Financial Position

as at 31 March 2026

	Notes	2026 £'000	2025 £'000
Tangible fixed assets			
Housing properties	9	187,988	175,986
Other	9	3,594	3,677
Total fixed assets		191,582	179,663
Current Assets			
Trade and other receivables	10	2,625	2,907
Cash at bank and in hand	11	3,709	4,235
Total Current Assets		6,334	7,142
Creditors: amounts failing due within one year	12	(13,662)	(13,675)
Net current (liabilities)/assets		(7,328)	(6,533)
Total assets less current liabilities		184,254	173,130
Creditors: amounts failing due after more than one year	13	(140,122)	(131,815)
Provisions	23	(744)	(631)
Provision for Pension Liability	24	(2,424)	(2,640)
Net Assets		40,964	38,044
Capital and reserves			
Share capital	16	-	-
Restricted reserve		83	98
Pension reserve		(2,424)	(2,640)
Revenue reserve		43,305	40,586
		40,964	38,044

The Financial Statements were approved and authorised by the Board of Management on the 6 August 2026 and signed on its behalf on 9 September 2026.

[redacted] [redacted] [redacted]

Dr Norval Bryson, Chair **David Knight, Vice Chair** **Annette Brown, Secretary**

The notes on pages 38 to 62 form part of these Financial Statements

Statement of Changes in Equity

as at 31 March 2026

	Share capital £'000	Pension reserve £'000	Restricted reserve £'000	At 31 March 2026 £'000	Total £'000
Balance at 1 April 2024	-	(2,761)	102	3,709	36,412
Surplus/(deficit) from Statement of Comprehensive Income	-	(135)	(4)	1,515	1,376
Surplus/(deficit) from actuarial gain/(loss) on pension scheme	-	256	-	-	256
Balance at 31 March 2025	-	(2,640)	98	40,586	38,044
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Balance at 1 April 2025	-	(2,640)	98	40,586	38,044
Surplus/(deficit) from Statement of Comprehensive Income	-	(152)	(15)	2,719	2,552
Surplus/(deficit) from actuarial gain/(loss) on pension scheme	-	368	-	0	368
Balance at 31 March 2026	-	**(2,424)**	**83**	**43,305**	**40,964**

Statement of Cash Flows

for the year ended 31 March 2026

	2026 £'000	2025 £'000
Cash flows from operating activities		
Surplus for the year	**2,552**	1,376
Depreciation of property, plant & equipment	**7,459**	7,295
Grants from Scottish ministers	**(4,022)**	(3,993)
Gain from sale of assets	**(2)**	(120)
Interest payable	**2,324**	2,539
Interest receivable	**(50)**	(56)
Decrease in trade and other receivables	**49**	(2,472)
Increase in trade payables	**526**	3,873
Pension funding transfer	**(152)**	(135)
Net cash inflow from operating activities	**8,684**	8,306
Cash flows from investing activities		
Purchase of property, plant & equipment	**(19,027)**	(12,632)
Purchase of other fixed assets	**(461)**	(1,051)
Receipt of social housing grant	**12,120**	7,117
Interest received	**50**	56
Net cash used in investing activities	**(7,318)**	(6,510)
Cash flows from financing activities		
Interest paid	**(2,324)**	(2,539)
Repayments of borrowings	**(2,318)**	(731)
New secured loans	**2,750**	2,000
Net cash used in financing activities	**(1,892)**	(1,270)
Net (decrease) in/increase from cash and cash equivalents	**(526)**	526
Cash and cash equivalents at beginning of year	**4,235**	3,709
Cash and cash equivalents at end of year	**3,709**	4,235
Components of cash and cash equivalents		
Cash	**3,709**	4,235
Cash equivalents	**-**	-
	3,709	4,235
Reconciliation of debt		
Net debt as at 1 April 2025	**49,908**	48,734
Loans received	**2,750**	2,000
Loan repayments	**(2,318)**	(731)
Amortised loan fees	**0**	(94)
Net debt as at 31 March 2026	**50,340**	49,908

Notes to the Financial Statements

for the year ended March 31 2026

1. Legal status and principal activities

Trust Housing Association Limited ("Trust") is registered under the Cooperative and Community Benefit Society Act 2014 with the Financial Conduct Authority and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010. The Association is a Public Benefit Entity (PBE).

Trust's principal activity is the provision of social housing and care and support services.

The registered office is 12 New Mart Road, Edinburgh, EH14 1RL

2. Accounting policies

2.1. Basis of Accounting

These financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102), the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Determination of Accounting Requirements 2019.

The financial statements are prepared in Sterling (£'000) unless otherwise stated.

The principal accounting policies that have been applied consistently to all periods presented in these financial statements are set out below.

2.2. Going concern

The Board of Management considers on an annual basis the appropriateness of preparing the Trust's Financial Statements on a going concern basis. Matters which are considered in this process include:

- The prevailing economic climate, both internationally and locally and its impact, if any, on the Association's viability.
- The financial position of the Association and the impact, if any, of perceived weaknesses on the Association's viability.
- The short, medium and long-term financial prospects resulting from the modelling exercise carried out annually in updating the Association's 30-year Business Plan including sensitivity analyses and independent verification of key underlying assumptions.

Risks have been considered, documented, mitigated and potential financial impact projections prepared from best to worst case scenarios. Undrawn funds in the revolving credit facility, together with the aforementioned financial projections, have allowed the Board to conclude that the preparation of the financial statements on a going concern basis continues to be appropriate.

2.3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

> Useful lives of properties

Management reviews its estimate of the useful lives of depreciable assets at each reporting date based on industry averages and review of current housing stock. Uncertainties in these estimates relate to the length of time certain components in our homes will last, with varying levels of use potentially lengthening or shortening the lives of these components.

> Recoverability of debtors

Management considers the reasonable likelihood of rent arrears and debtors being recoverable based on past experience. While every effort is made not to overestimate the amounts which will be recovered by the Association in the future, the actual amounts which might be received are often out with the Association's control.

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

> Present value of pension scheme

The present value of the SHAPS Defined Benefit Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Any changes in these assumptions, which are disclosed in note 24 will impact the carrying amount of the pension liability. GMP (Guaranteed Minimum Pension) equalisation has also been considered within the current year valuation, however this has not made a significant impact to the net pension deficit. The latest full actuarial valuation was dated 30 September 2024.

> Provision for property remediation

Management considers there to be a probable obligation arising for property remediation and has therefore made provisions within the financial statements. The provision has been based on the number of properties affected and the organisation's best estimate of the costs that will be required for the remediation works and associated costs.

2.4. Turnover

Turnover comprises rental and service charge income receivable from tenants and owner occupiers, fees and revenue-based grants receivable from local authorities and the Scottish Government's More Homes Division. Rental income is recognised from the point properties become available for letting, net of any voids. Revenue-based grants are receivable when the conditions for receipt of agreed grant funding have been met. Other income is recognised when the Association is entitled to the benefit this includes revenue derived from Care & Support services.

2.5. Housing properties

Housing properties are held for the provision of social housing, principally being available for rent. They are stated at cost less accumulated depreciation and impairment losses. Expenditure on existing properties is capitalised when it is considered it will materially enhance the economic life of the asset, its income generating capacity or will result in a material reduction in annual operating costs. Components such as kitchens, windows, doors and bathroom replacement programme are capitalised and depreciated over their expected useful lives. Cost includes the cost of acquiring land and development costs incurred during the development.

2.6. Life cycle of components

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that result in an increase in net rental income over the lives of the properties, hereby enhancing the economic benefits, are capitalised as improvements.

2.7. Categorisation of housing properties

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

2.8. Housing Association grant

Housing Association Grants received from The Scottish Government are initially stated at fair value and are amortised as income over the life of the component elements of properties.

2.9. Sales of housing properties

First tranche Shared Ownership disposals are credited to turnover on completion, and the costs of property sales are recognised within operating costs. Subsequent tranches are treated as non-current assets disposals with the gain or loss on disposal recognised in the Statement of Comprehensive Income

2.10. Depreciation

> Housing properties

Depreciation is charged on the original cost of properties (after deducting land costs) on a straight-line basis over the expected useful life of the property.

Housing assets	Depreciation period in years
Structure	50
Kitchens	20
Central heating systems	15 to 30
Roofs	50
Windows	30
Lifts	30
Electrics	30
Doors	30
Bathrooms	30
External fabric	35
Shared ownership	50
Solar panels and batteries	10 to 25
Air source heat pumps	15
Mechanical ventilation	15
Stage 3 adaptations	10

> Impairment

Annual reviews are undertaken to confirm that no financial impairment has arisen to reduce the value of any class of property to an amount less than the carrying value in the financial statements.

> Other Fixed Assets

Other Fixed Assets include office properties, office equipment, furniture and computer hardware and software. Depreciation is charged over the expected useful life of the assets.

Asset	Depreciation period in years
Office properties	50
Office equipment	5
Computer hardware & software	5
Development furniture & equipment	10

2.11. Identification of cash generating units

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

2.12. Costs of shared ownership

The Association allocates costs to shared ownership properties on a percentage split across the number of properties the Association owns where actual costs are not available.

2.13. Contribution to Pension

The Association has the following pension arrangements in place:

- SHAPS DC scheme, and a small number of SIPP's, with employer contributions of 6% and employee contributions of 5.5%. Salary Sacrifice is available to those eligible,
- Auto-enrolment scheme with the Peoples Pension which is an entry level scheme with 5% employee contribution and 3% employer contribution.

None of the schemes create any liability to Trust beyond the contribution payments outlined above.

The Association also has obligations with respect to the former SHAPS Defined Benefit Pension Scheme which is a multi-employer defined benefit scheme which was closed to Trust employees in June 2013 and Wishaw employees in October 2022. Retirement benefits to employees of the Association are funded by contributions from all participating employers and employees in the Scheme.

The cost of the defined benefit pension plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. The association has been able to identify its share of the scheme assets and scheme liabilities from 1 April 2018 and has applied defined benefit accounting from this date onwards.

The scheme assets are measured at fair value. Scheme liabilities are measured on an actuarial basis using the projected unit credit method and are discounted at appropriate high quality corporate bond rates. The net surplus or deficit is presented separately from other net assets on the statement of financial position. This has been recognised within the defined benefit pension liability on the face of the statement of financial position. As at the year ended 31 March 2026, the net defined benefit pension liability was £2,424k (2025: £2,640k).

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Refer to Note 24 for more details.

For the defined contribution schemes, the income and expenditure account is charged as payments are made or accrued.

2.14. Interest payable

All interest payable in the year in connection with the development, construction or acquisition of housing properties is charged to the income and expenditure account in the period in which it falls due for payment. The basis of the interest payable is by using the effective interest rate over the life of the loan.

2.15. Shared ownership properties

All properties are split between fixed and current assets in line with the expectation relating to the first tranche sale percentage. The expected first tranche proportion is classified as a current asset until the point of the first tranche sale. The current asset is then transferred to cost of sales and matched against sales proceeds within the operating surplus in the Statement of Comprehensive. Income. Any operating surplus is restricted to the overall surplus which takes account of the Existing Use Value – Social Housing (EUV-SH) of the remaining fixed asset element. The remaining element of the asset is classified as a fixed asset and included in housing properties at cost less any provision for depreciation or impairment.

2.16. Trade and other receivables

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

2.17. Trade and other payables

Short-term payables 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.

2.18. Financial Instruments

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares. Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments 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 outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation of the amount that the Association would receive for the asset if it were to be sold at the date of the Statement of Financial Position.

Financial assets and liabilities are offset, and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.19. Provisions

Provisions are recognised when the Association has a present obligation as a result of a past event, it is probable that the Association will need to settle the obligation and a reliable estimate of the amount can be made.

2.20. Operating and finance leases

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

2.21. Taxation

Trust Housing Association Limited is a Registered Charity and is therefore exempt from Corporation Tax on its charitable activities.

2.22. Restricted reserves

Restricted reserves comprise donations and bequests received at a development level, less amounts utilised. Amounts utilised are allocated to restricted reserves as incurred.

2.23. VAT

The Association is registered for VAT. A large portion of its income, including rental receipts, is exempt for VAT purposes, giving rise to a partial exemption calculation. Expenditure with recoverable VAT is shown net of VAT and expenditure with irrecoverable VAT is shown inclusive of VAT.

3. Particulars of turnover, operating costs and operating surplus or deficit

	Notes	Turnover £'000	Operating costs £'000	Operating surplus or deficit 2026 £'000	Operating surplus or deficit 2025 £'000
Social letting	4a	38,569	(32,877)	**5,692**	4,799
Other activities	4b	8,471	(9,151)	**(680)**	(890)
Total		**47,040**	**(42,028)**	**5,012**	**3,909**

4a. Income from lettings

	General Needs £'000	Supported Housing £'000	Shared ownership £'000	2026 total £'000	2025 total £'000
Rent receivable net of identifiable service charges	8,569	19,082	92	**27,743**	26,461
Service charges receivable eligible for Housing Benefit	561	7,036	-	**7,597**	7,305
Gross rents receivable	**9,130**	**26,118**	**92**	**35,340**	**33,766**
Less: rent losses from voids	(152)	(641)	**-**	**(793)**	(1,185)
Net rents receivable	**8,978**	**25,477**	**92**	**34,547**	**32,581**
Grants received from Scottish ministers	1,465	2,555	2	**4,022**	3,994
Total income from social lettings activities	**10,443**	**28,032**	**94**	**38,569**	**36,575**
Expenditure on letting activities					
Management	(2,135)	(6,109)	(22)	**(8,266)**	(7,622)
Service charge costs	(349)	(6,808)	0	**(7,157)**	(6,931)
Routine maintenance	(1,106)	(3,657)	(0)	**(4,763)**	(4,786)
Planned maintenance	(367)	(1,786)	0	**(2,153)**	(2,350)
Major repairs expenditure	(169)	(296)	0	**(465)**	(116)
Bad debts	(62)	(72)	0	**(134)**	(128)
Depreciation of housing properties	(2,439)	(4,460)	(17)	**(6,916)**	(6,803)
Other costs	(1,124)	(1,899)	0	**(3,023)**	(3,040)
Total operating costs for social letting activities	**(7,751)**	**(25,087)**	**(39)**	**(32,877)**	**(31,776)**
Operating surplus for social lettings	2,692	2,945	55	**5,692**	4,799
Prior year operating surplus	2,265	2,578	(44)	**4,799**	

4b. Income from other activities

	Grants from Scottish ministers £'000	Other revenue grants £'000	Supporting People income £'000	Other income £'000	Total turnover £'000	Other operating costs £'000	Operating surplus or deficit £'000	Operating surplus or deficit for previous period 2024/25 £'000
Care and repair of properties	26	-	-	-	26	-	26	24
Factoring	-	-	-	68	68	(64)	4	3
Support Activities	-	-	8,030	-	8,030	(9,087)	(1,057)	(1,264)
Contracted out services undertaken for other organisations	-	-	0	-	0	-	0	71
Other activities - Happy to Translate	-	-	-	-	0	0	0	5
Other	-	-	-	347	347	-	347	271
Total from other activities	**26**	**0**	**8,030**	**415**	**8,471**	**(9,151)**	**(680)**	**(890)**
Total from other activities for the previous reporting period 2024/25	91	0	7,335	330	7,756	(8,646)	(890)	

5. Officers' emoluments

	2026 £'000	2025 £'000
Aggregate emoluments payable to Officers. (Excluding pension contributions and benefits in kind). Officers are defined as members of the Leadership Team.	**1,233**	1,207
Total emoluments (including pension contributions and benefits in kind)	**1,286**	1,261
Emoluments (excluding pension contribution) of the Chief Executive Officer amounted to:	**156**	152
Pension contributions of the highest paid Officer amounted to:	**-**	-
The number of Officers, including the highest paid Officer, who received emoluments (excluding pension contributions) in the following ranges were:	No. of Officers	No. of Officers
£70,000 to £80,000	**7**	8
£110,001 to £120,000	**4**	4
£150,001 to £160,000	**1**	1

12 officers (2025: 12) are accruing pension benefits.

6. Employee information

	2026 Number of staff	2025 Number of staff
The average number of full-time equivalent persons employed during the year was:		
Office staff	**118**	120
Development based staff	**299**	302
	417	422
The average number of staff employed during the year was:		
Office staff	**127**	125
Development based staff	**535**	568
	662	692

	2026 £'000	2025 £'000
Staff costs (including director's emoluments):		
Wages and salaries	**14,581**	14,312
Social Security costs	**1,701**	1,189
Pension costs	**855**	886
	17,137	16,388

7. Operating surplus

	2026 £'000	2025 £'000
Operating surplus is stated after charging:		
Depreciation	**7,459**	7,295
Auditors' remuneration – audit services	**26**	25
Operating lease rentals	**5**	4
Gain on sale of assets	**(2)**	(120)

8. Interest payable & other charges

	2026 £'000	2025 £'000
Amounts payable on loans to lenders and other financial institutions	**2,249**	2,509
Other fees	**75**	30
Finance interest cost on pension (note 24)	**188**	170
	2,512	2,709

9. Tangible fixed assets

	Housing properties held for letting £'000	Shared ownership housing properties £'000	Housing properties in the course of construction £'000	2026 total housing properties £'000
Cost				
At beginning of year	280,004	1,429	5,462	**286,895**
Additions	9,716	0	9,311	**19,027**
Disposals	(556)	(33)	0	**(589)**
Transfers	1,607	0	(1,607)	**0**
At 31 March 2026	**290,771**	**1,396**	**13,166**	**305,333**
Depreciation				
At beginning of year	110,419	490	-	**110,909**
Charge for year	6,899	17	0	**6,916**
Disposals	(463)	(17)	0	**(480)**
At 31 March 2026	**116,855**	**490**	**0**	**117,345**
Net book value at 31 March 2026	**173,916**	**906**	**13,166**	**187,988**
Net book value at 1 April 2025	169,585	939	5,462	175,986

Total expenditure on existing properties amounted to £14,146k (2025: £10,021k).

Total capitalised expenditure on existing properties in the year amounted to £9,716k (2025: £3,755k), of which £4,734k related to solar panels, solar batteries and heat source pumps funded through government funding supplied directly to contractors, with the balance charged to the Statement of Comprehensive Income.

During the year Trust purchased three properties on Arran (£659k) and five properties in Milngavie (£934k).

The carrying value of land included in tangible fixed assets is £33.3m (2025: £32m).

The percentage of housing stock, by number of properties, pledged as security for funding is 65% (2025: 66%).

Additions to housing properties held for letting in the year include stage 3 medical adaptations of £945k (2025: £334k).

	Office properties £'000	Fixtures and fittings £'000	2026 total £'000
Cost			
At beginning of year	4,481	7,758	**12,239**
Additions	6	455	**461**
Disposals	0	(1,439)	**(1,439)**
At 31 March 2026	**4,487**	**6,774**	**11,261**
Depreciation			
At beginning of year	2,807	5,755	**8,562**
Charge for year	83	461	**544**
Disposals	0	(1,439)	**(1,439)**
At 31 March 2026	**2,890**	**4,777**	**7,667**
Net book value at 31 March 2026	**1,597**	**1,997**	**3,594**
Net book value at 1 April 2025	1,674	2,003	3,677

10. Trade and other receivables

	2026 £'000	2025 £'000
Amounts failing due within one year:		
Rent and service charge arrears	**759**	777
Less: bad debt provision	**(297)**	(359)
	462	418
Intercompany debtors	**145**	110
Other debtors	**204**	381
Service equalisation	**-**	244
Prepayments and accrued income	**323**	350
Sundry debtors	**1,716**	1,724
Less: bad debt provision	**(225)**	(320)
	2,625	2,907

11. Cash and cash equivalents

	2026 £'000	2025 £'000
Cash at bank and in hand	**3,709**	4,235

12. Creditors due within one year

	2026 £'000	2025 £'000
Rent in advance	**1,340**	1,200
Deferred capital grants to be released within one year (note 15)	**4,270**	3,951
Housing loans (note 14)	**2,043**	2,308
Other taxation and social security	**326**	311
Service equalisation	**228**	-
Other creditors and accruals	**5,294**	5,905
Intercompany creditors	**161**	0
	13,662	13,675

13. Creditors due after more than one year

	2026 £'000	2025 £'000
Housing Loans (note 14)	**48,298**	47,602
Deferred capital grants (note 15)	**91,824**	84,214
	140,122	131,816

14. Housing loans

	2026 £'000	2025 £'000
Less than one year	**2,043**	2,308
Between one and two years	**1,085**	315
Between two and five years	**17,496**	2,915
In five years or more	**30,393**	45,047
Amortised loan fees	**(676)**	(676)
	50,341	49,909

As at 31 March the percentage of housing loans arranged at fixed interest rate was 48% (2025: 49%).

Variable rate loans accrue interest at rates between 4.7% and 5.1% per annum. The repayment terms vary between 2 to 9 years.

Fixed rate loans accrue interest at rates between 2.92% and 5.15% per annum. The repayment terms vary between 4 and 28 years.

15. Deferred capital grants

	2026 £'000	2025 £'000
Balance at beginning of year	**88,165**	85,141
New grants received	**12,120**	7,117
Disposals	**(169)**	(99)
Released to income during the year	**(4,022)**	(3,993)
Balance at end of year	**96,094**	88,165
Amounts to be released within one year	**3,951**	3,925
Amounts to be released in more than one year	**84,214**	81,216
	88,165	85,141

16. Called up share capital

	2026 £	2025 £
Shares of £1 each issued and fully paid:		
At beginning of year	**119**	192
Movement during year	**(28)**	(73)
At end of year	**91**	119

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled, and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

17. Units in management

	2026 No. of Units	2025 No. of Units
Housing accommodation	**1,444**	1,420
Supported accommodation	**2,410**	2,427
Shared ownership	**28**	29
Total number of units	**3,882**	3,876

18. Accommodation managed by others

Name of managing body	**2026**	**2025**
Leonard Cheshire Foundation	**16**	16
Trust Enterprises Limited	**56**	56
Total number of units	**72**	72

In both of the above arrangements no lease rental income is received by Trust from the respective managing organisations.

19. Investment in subsidiary

Trust Housing Association Limited has a wholly-owned commercial trading subsidiary; Trust Enterprises Limited (TEL). Any profits generated through TEL are gift-aided back to Trust. On 13 June 2008, Trust purchased 1 Ordinary Share in TEL of £1 at par.

TEL has not been consolidated within these financial statements. In accordance with section 13 of the Co-Operative & Community Benefit Societies Act 2014 the consent of the regulator has been obtained on the basis that preparation of group accounts would be of no real value to members of the society based on the materiality of the transactions of TEL. Financial statements in compliance with the Companies Act 2006 are prepared and submitted to Companies House for TEL

During the year £419k in rent was collected by Trust on behalf of TEL, a management charge of £168k was charged by Trust to TEL and TEL provided for a £145k gift aid distribution to Trust. At the year end, an amount of £16k was due from Trust to TEL.

20. Capital commitments

	2026 £'000	2025 £'000
Capital expenditure that has been contracted for but has not been provided for in the accounts (gross of grants receivable)	**16,748**	8,710

21. Analysis of changes in net debt

	As at 31 March 2025 £'000	Cash flows £'000	Other change £'000	At 31 March 2026 £'000
Cash	4,235	(526)	-	**3,709**
Bank loans due within one year	(2,308)	432	(167)	**(2,043)**
Bank loans due greater than one year	(47,602)	-	(696)	**(48,298)**
Total	**(45,675)**	**(93)**	**(863)**	**(46,632)**

22. Operating lease commitments

As at 31 March 2026 the association had no future minimum lease payments under non-cancellable operating leases.

23. Provisions

	2026 £'000	2025 £'000
Redundancy	**-**	140
Onerous Contract	**-**	54
Property	**744**	437
	744	631

The property provision is for disposal costs of properties expected during the upcoming financial year. It includes 5 vacant properties which have been identified as not safe for habitation and are likely to be demolished and replaced; a development under full remodelling for which all components will be disposed; 2 properties which as part of remodelling have been merged into other properties and for which all components will be disposed. These works were in place at year end but not yet complete.

24. Pensions

Defined contribution pension scheme

The Association maintains a SHAPS defined contribution pension scheme and an auto-enrolment pension scheme through the Peoples Pension. The schemes provide benefits directly determined by the value of the contributions paid in respect of each member. Employer contributions to these schemes during the year under review totalled £855k (2025: £886k) and were charged to the Statement of Comprehensive Income. At the end of the year £108k was payable in respect of contributions for 2025/26.

Defined benefit pension scheme

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.

The liability figures from this valuation were rolled forward to the relevant accounting dates, allowing for the different financial assumptions required under FRS102 by a qualified independent actuary, and are used in conjunction with the Association's share of the scheme's total assets to calculate the Association's net deficit at the accounting period start and end dates. The SHAPS net deficit as at 31 March 2026 is £2,424k (2025: £2,640k).

There were no contributions made during the year under review to the SHAPS scheme.

Fair value of plan assets, present value of defined benefit obligation and defined benefit asset (liability)

	2026 £'000	2025 £'000
Fair value of plan assets	**18,881**	19,139
Present value of defined benefit obligation	**21,305**	21,779
Defined benefit asset (liability) to be recognised	**(2,424)**	(2,640)

Reconciliation of opening and closing balances of the defined benefit obligation

	£'000
Defined benefit obligation at 31 March 2025	21,779
Current service cost	-
Expenses	36
Interest expense	1,210
Member contributions	-
Actuarial losses	(65)
Benefits paid and expenses	(1,655)
Defined benefit obligation at 31 March 2026	**21,305**

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

	£'000
Fair value of plan assets at 31 March 2025	19,139
Interest Income	1,058
Experience on plan assets (excluding interest income) gain (loss)	303
Employer contributions	36
Member contributions	-
Benefits paid and expenses	(1,655)
Fair value of plan assets at 31 March 2026	**18,881**

Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)

	2026 £'000
Current service cost:	-
Expenses	36
Net interest expense	152
Defined benefit costs recognised in Statement of Comprehensive Income	**188**

A revaluation gain of £368k is recognised in other comprehensive income.

Key Assumptions

	2026 % per annum	2025 % per annum
Discount rate	**6.02%**	5.77%
Inflation (RPI)	**3.33%**	3.11%
Inflation (CPI)	**3.02%**	2.78%
Salary Growth	**4.02%**	3.78%
Allowance for commutation of pension for cash at retirement	**75% of maximum allowance**	75% of maximum allowance

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

	2026 Life expectancy at age 65 (years)	2025 Life expectancy at age 65 (years)
Male retiring in 2022	**20.7**	20.2
Female retiring in 2022	**22.9**	22.7
Male retiring in 2042	**21.9**	21.5
Female retiring in 2042	**24.4**	24.2

25. Financial Instruments

	2026 £'000	2025 £'000
Financial assets		
Cash and cash equivalents	3,709	4,220
Financial assets that are debt instruments measured at amortised cost	2,625	2,845
	6,334	**7,065**
Financial liabilities		
Financial liabilities measured at amortised cost	56,975	56,508
	56,975	**56,508**

Financial assets measured at amortised cost comprise of trade and other debtors. Financial liabilities measured at amortised cost comprise of trade and other creditors, accruals and deferred income and housing loans.

26. Controlling party

In the opinion of the Board of Management there is no individual controlling party.

27. Related parties

One member of the Board remained a tenant of the Housing Association during the year. The transactions with the Housing Association are all on standard terms, as applicable to all tenants.

During the year £10,161 (2025: £9,721) of rent was receivable from this tenant member.

At the year-end there was £28 (2025: £151) of rent paid in advance.

There are also board members that hold positions with other councils and Housing Associations.

Any transactions with these related parties are made at arm's length, on normal commercial terms and these Board members cannot use their position on the Board to the related party's advantage.


trust

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trust

Affordable homes.
Exceptional care.