ALMOND HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2026

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SCOTTISH PROPERTY FACTOR NUMBER	PF000181

REPORT OF THE BOARD OF MANAGEMENT AND FINANCIAL STATEMENTS

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REPORT OF THE BOARD OF MANAGEMENT

The Board of Management presents its report and the audited financial statements for the year ended 31 March 2026.

Principal activities
Almond Housing Association Limited ('the Association') is a not-for-profit Registered Social Landlord (RSL) governed by a voluntary Board of Management. The Association's principal activities are the development and management of affordable housing.

Legal structure
The Association is established under the Co-operative and Community Benefit Societies Act 2014 and is incorporated in Scotland, for the purpose of providing housing and any associated amenities for persons in necessitous circumstances. The Association is a registered Scottish Charity and is registered as a Scottish property factor. The Financial Conduct Authority has granted the Association exemption from the requirement to prepare group financial statements, including its subsidiary company Almond Enterprises Limited, due to its immateriality.

Business review
Details of the Association's performance for the year and future plans, are set out in the Operating and Financial Review that follows this Board of Management report. The financial statements for the year ended 31 March 2026 have been prepared in accordance with the Financial Reporting Standard 102 ('FRS 102') and the Statement of Recommended Practice for Registered Social Landlords 2018.

Treasury Management
A comprehensive Treasury Management Policy is in place. The main aim of the strategy is to control the associated risks to the Association of borrowing and investing activities, thus minimising risk before maximising return.

Asset Management
The Association is dedicated to upholding the highest standards in property maintenance and meeting tenant expectations by implementing regular programmes of cyclical and major repair works. Our major repairs programme is developed based on an independent Stock Condition Survey conducted every 4-5 years and further supported by in house surveys. All planned works take account of evolving legislative requirements, including the transition from the Energy Efficiency Standard for Social Housing post 2020 (EESSH2) to the forthcoming Social Housing Net Zero Standard (SHNZS), which is currently under development and expected to replace EESSH2. Furthermore, these programmes are guided by our Asset Management Strategy and supported by the data currently within our new management system.

Rental Income
The Association's Rent Policy is a points system based on the size, type and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties. The point values are reviewed annually to ensure that the rents are both affordable and cover the required costs. This policy follows generally accepted practice/principles within the housing sector.

Donations
The Association contributed £143,072 to increase the community food supply, offer money/benefit advice and implement energy-saving measures, helping our tenants overcome high energy bills and the cost-of-living crisis. The Scottish Government contributed £74,573 towards these initiatives, with a further £38,156 received from Energy Action Scotland.

The Association provided £25,454 (2025: £19.279), directly to local community projects and initiatives, with no political donations made.

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

Board of Management
Members of the Board of Management who have served during the year and up to the date of approval of these financial statements, are set out below.

Mr M Joyce* (resigned 05/02/26)
Mr D Lewis (resigned 02/10/25)
Mr A Turner*
Mr C Boyle
Ms J Riley
G Hay* (appointed 05/06/25)
Mr C Watt (appointed 07/05/26)
Mr C Morton* (resigned 04/09/25)
Ms V Bluck* (Chair)
Mr S Davies
Mrs N Cryans
Mr J Rillie* (appointed 05/06/25)
Mr J Bruce (appointed 07/05/26)

* Member of the Audit and Finance Sub-Committee at 30th July 2026.

The Association's affairs are run by the Board of Management, which has up to 15 Members and meets at least eight times a year. Eligible members can stand for election to the Board by submitting a written nomination prior to the AGM. Where there are more members standing for election than there are vacant places, those present at the AGM will vote to elect members onto the Board. Some of the detailed work of the Board of Management is delegated to Sub-Committees (Audit and Finance, Allocations, Staffing and Asset Management), or to "short life" working groups with a specific remit such as the Development Working Group and Pension Working Group.

The Board of Management is drawn from a wide background bringing together professional, commercial and local experience. The current skill levels of Board Members are assessed on an ongoing basis and via annual appraisals, with necessary training provided as and when required. Association insurance policies indemnify members of the Board of Management and officers against liability when acting for the Association.

Employees
The Association's ability to achieve its objectives and fulfil its commitment to tenants relies on the collective contribution and calibre of its employees. The Association shares information on its objectives, progress, and activities through regular office and departmental meetings involving Board of Management members, the Senior Management Team, and wider colleagues. We are committed to promoting equal opportunities and fostering a diverse workforce through inclusive recruitment and retention practices. We routinely monitor key indicators such as employee turnover, sickness absence, and workforce composition by ethnicity, gender, and age. These metrics form an integral part of our annual reporting to the Scottish Housing Regulator.

Organisational Structure, Service Contracts and Benefits
The Chief Executive and Directors make up the Senior Management Team, which is also considered key management personnel alongside the Board. They convene regularly to review progress on priorities, coordinate day-to-day operations, and develop proposals for the Board of Management.

John Davidson - Chief Executive
Sandy Young - Director of Housing Management
Iona Taylor- Director of Asset Management
Craig Porter - Director of Finance and Business Support

The Senior Management Team is employed on the same terms as other employees, with notice periods ranging from three to six months. They were all members of the SHAPS Defined Contribution Pension Scheme at the year-end and participate in the scheme (to which the Association also contributes) on equal terms with all other eligible employees. For further details regarding the remuneration of key management personnel, please refer to note 8 in the financial statements.

Pension
The Association closed its defined benefit scheme to future accrual in 2015, with all eligible employees thereafter participating in the SHAPS defined contribution scheme. At 31 March 2026, the defined benefit obligation was £516k and remains low relative to the Association's overall financial position. Further details in relation to this pension scheme are included in the accounting policy on page 27 and note 18 to the financial statements.

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

Health and Safety
The Board of Management is aware of its responsibilities on all matters relating to health and safety. The Association has a robust Health & Safety Framework and benefits from external guidance and updates through our affiliation with Employer's in Voluntary Housing (EVH), which ensures the ongoing relevance and strength of our program.

Internal financial controls assurance
The Board of Management is ultimately responsible for ensuring 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 provide reasonable assurance regarding:

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

The Board of Management acknowledge their responsibility to establish and maintain the systems of internal financial control which provide reasonable and not absolute assurance against material financial misstatement or loss. Key procedures that have been established and are designed to provide effective internal financial control are:

Control environment – the Association has an organisational structure with clearly defined lines of responsibility, job descriptions and delegation of authority, which allow the monitoring of controls and restrict unauthorised use of the Association's assets. Experienced and suitably qualified employees take responsibility for important business functions and procedures are in place to maintain standards of performance. These are set out in accordance with the Association's Standing Orders and Policy and Procedure Manuals.

Control procedures – policies and procedures are maintained for all areas of operations. In particular, there are clearly defined policies for development projects and capital expenditure as well as new business initiatives. Large or unusual capital expenditure projects require Board of Management approval. The Association's treasury and investment policies have been approved by the Board of Management. All regulatory returns are prepared, authorised and reviewed prior to being submitted to the relevant regulatory bodies.

Risk management – the Board of Management and senior personnel have a clear responsibility for identifying risks facing the Association and for putting in place procedures to mitigate and monitor risks. Major risks are formally assessed every year through a process involving the Board of Management and senior personnel, in accordance with the risk management policy. See page 12 for an analysis of the key risks to our strategic objectives.

Monitoring of financial performance – the Association has a comprehensive system of financial reporting. The annual budget and 30-year projections are approved by the Board of Management. Actual results are regularly reported against budget and any significant adverse variances are examined by management and remedial action taken. There are monthly and 30-year cash flow projections. The revised budget forecasts reflecting the prior half yearly results, are considered as at 30 September each year.

Audit – The Association contracted Wbg (previously Wylie & Bisset LLP), for the provision of internal audit services during the current financial year. A Strategic Audit Plan has been prepared and approved by the Board of Management to ensure that all major risk areas are examined, and any improvement areas are identified, and appropriate action is agreed. As part of our external audit, the auditors raise any weaknesses identified during the audit within their audit findings reports (Management Letter) and appropriate action is agreed.

Monitoring systems – the Audit and Finance Sub-Committee reviews reports from management, internal audit and external audit to provide reasonable assurance that control procedures are in place and are being followed. Formal procedures have been established for instituting appropriate action to address weaknesses identified in the above reports. The membership of Audit and Finance Sub-Committee is shown on page 3.

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

STATEMENT OF BOARD OF MANAGEMENT'S RESPONSIBILITIES

The Co-operative and Community Benefits Society Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the RSL and of the surplus or deficit for that period. In preparing these 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the RSL will continue in business.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the RSL and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefits Society Act 2014, Housing (Scotland) Act 2010 and the Registered Housing Associations Determination of Accounting Requirements – December 2025. It has general responsibility for taking reasonable steps to safeguard the assets of the RSL and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the website in relation to the contents of the financial statements is the responsibility of the Board of Management. The work carried out by the auditors does not involve consideration of these matters and, accordingly, they accept no responsibility for any changes that may have occurred in the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Annual general meeting
The annual general meeting will be held on Thursday 3rd September 2026.

Statement as to disclosure of information to auditors
The Board Members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Board Members have confirmed that they have taken all the steps that they ought to have taken as Board Members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

External auditors
CT Audit Limited were appointed on a five-year contract subject to annual reappointment at the AGM in September. A resolution proposing their appointment for 2026/27 and to authorise the Board of Management to fix their remuneration will be proposed at the forthcoming annual general meeting.

The report of the Board of Management is approved by the Board of Management and signed on its behalf by:

Registered Office:
New Almond House
44, Etive Walk
Craigshill
Livingston
West Lothian
EH54 5AB

Mr J Davidson
Secretary

Date:

OPERATING AND FINANCIAL REVIEW

BACKGROUND

Activities

Almond Housing Association was set up in March 1994 to provide Livingston tenants with the opportunity of continuity in the provision of housing services following the wind up of Livingston Development Corporation (LDC). In the 1996 ballot for LDC housing stock we were successful in two of the three areas under our management and became the second largest landlord in West Lothian, after West Lothian Council (WLC), with 2,323 properties and 654 garages.

Our overall mission ever since has been to provide Homes, People and Communities to be proud of, where we endeavour to promote the interests of tenants and provide other opportunities for local people to work together for the benefit of our community. The Association's head office is based in Craigshill, Livingston and its properties are primarily in Livingston and the nearby surrounding areas of West Lothian. The Association is accountable to its members and at 31 March 2026 there were 78 active members.

In addition to maintaining 2,571 properties, the Association continues to develop and lease new affordable housing, as well as provide specially designed accommodation that serves as a residential care base for older adults or individuals with disabilities. The Association has a subsidiary Almond Enterprises Limited, which provides local cleaning services and strives to create jobs while improving the environment in the community.

Accounting policies

The Association's principal accounting policies are set out on pages 24 to 28 of the financial statements. The policies that are most critical to the financial results relate to accounting for housing properties and include housing depreciation and amortisation of Housing Association Grant.

Value for Money

Value for Money for us represents using our rental income and assets in the best way possible, to deliver quality housing, excellent services and growth. Our tenants are at the heart of everything we do and decisions on how we use our resources, based on achieving the best possible results for them. We are ambitious and believe that driving value and efficiency will free up resources to enable us to develop efficient sustainable homes, increase tenant satisfaction, and ultimately enhance both the community and the life chances of our tenants.

Financial performance

The Association's Statement of Comprehensive Income and Statement of Financial Position are summarised in Table 1 (page 15). The Board of Management budgeted for a surplus of £1.1 million this year to meet its medium-term strategic objectives, and the surplus for the year (before actuarial gain on pension scheme) was £1.6 million.

The higher surplus reflects the reversal of a £0.6 million legal provision recognised in the prior year, together with lower-than-expected expenditure, particularly in RAAC removal works, salaries, IT and communications. The provision reversal is a non-recurring item and has been recognised within operating expenditure in the Statement of Comprehensive Income. Excluding this one-off item, the underlying financial performance of the Association remains strong and broadly in line with expectations.

The Association met its lenders' loan covenants throughout the year and has sufficient funding in place to complete RAAC removal works currently underway and other planned investment, as reflected in the 30-year financial plan.

Cash flows

Net cash outflows during the year were £2.2 million (2025: £0.5 million outflow), as set out in the cash flow statement (page 22). Cash inflows of £4.3 million were generated from operating activities. Outflows included £4.5 million invested in development and housing properties, together with £1.2 million of loan repayments and £0.8 million of interest paid.

Capital structure and treasury policy

At the year end, borrowings had reduced to £22.4 million (2025: £23.6 million). Of this, 59% is repayable by 2036, with the balance maturing by 2046. Approximately two-thirds of borrowings are held at fixed rates (averaging 3.50%), with the remainder at variable rates at an average margin of 1.28% above SONIA or Base Rate. Cash reserves are planned to fund new developments and property investment programmes, with additional borrowing considered to support future viable opportunities as they arise.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

OBJECTIVES AND STRATEGY

During the year, the Association has continued to progress delivery of its Business Strategy for 2025–2030, with a focus on service improvement, operational performance and effective resource management. Engagement with customers, employees and stakeholders remains an important element in shaping and delivering these priorities.

Our key strategic priorities for 2025/26 under our Business Strategy, are summarised as follows:

SERVICES	PEOPLE	HOMES	BUSINESS
Customer Experience: Deliver a high-quality and consistent customer experience. This will be evidenced by sustained improvements in customer ease of use, satisfaction levels, reduced complaints and increased digital adoption, with performance actively monitored and reported to the Board.	**Workforce Strategy:** Maintain a competitive employee proposition, evidenced by sector benchmarking, stable turnover and external accreditation, thus ensuring our capacity to deliver strategic priorities.	**Asset Investment:** Deliver planned investment programmes, including RAAC remediation, within approved funding and timescales, minimising tenant disruption and protecting asset condition.	**Systems & Controls:** Operate a fully embedded Housing Management System providing a robust core system supporting accurate data, effective reporting and strong operational control.
Service Delivery: Modernise frontline services, including repairs and estate management, delivering reliable, timely and high-quality services, that drive sustained improvements in tenant satisfaction.	**Capability & Development:** Strengthen organisational capability through structured training, talent development and apprenticeships, increasing internal progression and workforce resilience.	**Development & Growth:** Deliver the development and regeneration strategy, supported by robust appraisal, stakeholder alignment and clear Board oversight of progress and outcomes.	**Financial Resilience:** Maintain financial strength through robust funding strategies, effective cashflow management and sustainable rent setting, ensuring ongoing covenant compliance and investment capacity.
Customer Engagement: Strengthen engagement through proactive communication, enhanced digital channels and a refreshed brand, ensuring customers are informed, involved and able to influence service delivery.	**Organisation & Culture:** Align organisational design and culture to strategic priorities, embedding DEI principles and strengthening operational effectiveness and accountability.	**Asset Performance:** Improve stock quality and performance through defined property standards, effective void management and targeted reprofiling of underperforming assets.	**Performance & Efficiency:** Embed a robust performance management framework and value for money approach, driving efficiency, accountability and continuous improvement.
Assurance & Standards: Embed clear service standards, contract management and external accreditation, with performance monitored through defined KPIs and governance structures.	**Leadership & Governance:** Maintain strong leadership and governance through succession planning, regulatory compliance and delivery of top-quartile performance outcomes.	**Sustainability & Place:** Deliver net zero targets, embed sustainability reporting and contribute to placemaking and homelessness outcomes through effective partnership working.	**Governance & Risk:** Strengthen governance through defined controls, project assurance, cyber security and structured risk management frameworks.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT

Housing properties

At 31 March 2026 the Association owned 2,571 housing properties (2025: 2,551), which are carried in the balance sheet at a cost (after depreciation), of £69.3 million (2025: £67.3 million). Our total investment in housing improvements and developments this year of £8.0 million was funded through a mixture of housing association grant, loan finance and working capital, where we continue to show a strong current asset balance, an important indicator of liquidity.

Homes - Investment Programme, Planned & Cyclical Maintenance

Our planned maintenance programmes are designed to ensure that components are replaced as they reach the end of their lifecycle, thereby reducing repair costs and ensuring that our properties are maintained to a good standard and remain legally compliant. During the year, we invested £6.0 million in improving our housing stock. We maintained our focus on enhancing thermal efficiency, investing £0.6 million in external wall insulation and solar panels, £1.7 million in new windows and doors, and a further £0.2 million in energy-efficient heating systems. To meet tenant expectations and maintain housing quality, we also invested £0.8 million in new kitchens, £0.3 million in bathrooms, and £0.6 million in full electrical rewires.

In line with our Stock Condition Surveys (SCS) and compliance with the Scottish Housing Quality Standard (SHQS), virtually 100% of our housing stock now meets the Energy Efficiency Standard for Social Housing (EESSH). This achievement reflects the integration of real-time asset data into our strategic investment plans, ensuring our homes remain safe, modern, energy-efficient, and fit for the future. During the year, we initiated our delivery strategy to align with the forthcoming Scottish Housing Net Zero Standard (SHNZ), which will define the decarbonisation pathway for Scotland's social housing sector through to 2032.

We continue to prioritise energy performance by undertaking targeted thermal assessments across a representative sample of property types. This enables detailed analysis of the thermal performance of different external wall constructions. In anticipation of SHNZ, and during this policy transition period, we are proactively implementing a fabric-first approach, focusing on improvements to the building envelope as a key step toward achieving our long-term energy efficiency and sustainability objectives.

New Developments

Following the 2022 fire at our block of flats on Katherine Street, Livingston, reconstruction and improvement works are now fully complete. Robust fire alarm systems have been installed across all similar blocks, and the works programme extended to redevelop adjacent flatted blocks. These works finished in June 2025, enhancing structural integrity and significantly improving environmental sustainability through air source heat pump installation.

In September 2025, we completed our Blackburn development of twenty properties as part of our strategy to meet demand on the local social housing waiting list. The homes benefit from high levels of insulation, photovoltaic solar panels, modern heating systems, and water-saving fixtures, which will help reduce running costs for future tenants. By incorporating modern energy-efficient materials, we have also improved thermal performance and future-proofed the new homes, with this development being the first to include a misting sprinkler system in accordance with Building Regulations requirements.

Reinforced Autoclaved Aerated Concrete Roofs (RAAC) remediation programme

Following the Institute of Structural Engineers' update on RAAC plank risks, the Association undertook a comprehensive review of its housing stock. RAAC was identified in one specific area, where affected tenants were promptly reassured, structural surveys commissioned, and mitigation measures implemented. Drop-in sessions led by the Asset and Housing Management teams kept tenants and owners informed and supported those affected by the decanting process, recognising that support needs vary by household.

By early 2024/25, consultants had completed all outstanding property inspection surveys and concluded that the panels remained in good condition overall, with no significant deflection or cracking observed, although some localised issues were identified around openings such as loft hatches. As a precaution, tenants were rehoused from seven properties on one street where RAAC was identified in both ceilings and walls. No other properties with this dual issue were detected. In one flat-roofed block containing RAAC, while no immediate structural concerns were identified, a structural ceiling was installed in the common area as an interim safeguard pending a pitched roof replacement, which will fully remove the RAAC.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT (CONTINUED)

Last year, we appointed a dedicated RAAC Project Manager and support team, and in June 2025 commenced Stage 1 of the two-year contract to replace RAAC hatch ceiling panels in all 240 remaining affected homes.

The total cost incurred on the RAAC remediation programme to 31 March 2026 is £2.3 million, with approximately 50% of the initial removal works now completed. Further works are expected to be delivered over the medium to long term, with total future expenditure currently estimated at £6.3 million. These costs have been incorporated into the Association's long-term financial plan and are expected to be funded through a combination of existing resources and operating cash flows. While significant progress has been made, there remains some uncertainty over the final cost and delivery timescales.

Sustainability
The Association has made continued and measurable progress in advancing its sustainability objectives, with a clear focus on improving tenant outcomes, enhancing asset quality and supporting the transition to Net Zero. A significant allocation of Net Zero Heat Fund grant funding was secured from the Scottish Government and used to refurbish the block at Katherine Street to Net Zero standards, including the installation of air source heat pumps. This investment has improved energy efficiency, reduced carbon emissions and enhanced comfort for tenants while strengthening the long-term performance of the housing stock.

Alongside physical investment, the Association strengthened its strategic approach through the adoption of the Sustainability Reporting Standard (SRS) in March 2026. This represents a key milestone, providing a robust framework for measuring and managing environmental, social and governance performance and supporting the integration of ESG principles across operations. Early benchmarking activity has begun, to support performance assessment, and preparations for internal ESG reporting are well advanced ahead of planned external reporting from October 2027.

This year alongside our own "Almond Cares" social assistance programme, we utilised £38K of grant funding to provide energy conservation advice, and supply heat reduction and energy resilient furnishings in homes, to enhance comfort and reduce energy bills. We utilised £75k from the Scottish Government to expand the Community Growing Project into a major community food initiative, providing organic produce to those most in need in Craigshill. This initiative has empowered our community to grow and cook their own produce, thereby reducing food poverty.

Customer Services and Performance
Customer service remains central to our approach, and we continue to improve access to services through initiatives such as automated payment options, enhanced feedback channels and surveys, and improved communication on capital works and critical community updates (such as on Katherine Street and RAAC). We assess our practices against the Customer Service Excellence (CSE) standard, as part of our ongoing commitment to delivering high-quality service and continuous improvement for our customers, with a view to working towards formal accreditation in the future.

In recent years, the building and maintenance sector has faced significant challenges, including shortages of skilled labour and materials, which have at times affected our ability to meet tenant expectations. Over the past two years, we have taken proactive steps to address these challenges by improving communication with both contractors and tenants, helping to increase the efficiency of our repair services and manage expectations.

Governance and performance management arrangements support the delivery of high-quality services, with continued compliance with regulatory standards. Board capacity has been strengthened through the recruitment of new members with relevant expertise, while improvements to performance reporting and data analysis have enhanced decision-making and service oversight, supported by strengthened reporting frameworks and project governance arrangements.

Regular monitoring of our performance through risk mapping, operational KPI management and practice reviews has continued throughout the year, with reporting provided to the Board to support its annual compliance assessment. Performance has remained strong, with the Association achieving low costs and top quartile results across a range of indicators when benchmarked against peers and nationally. The compilation and submission of the Annual Return on the Charter (ARC) provides assurance to both the regulator and tenants that the Association complies with the Standards of Governance and Financial Management required by the Scottish Social Housing Charter. Throughout 2025/26, we maintained a comprehensive evidence base to demonstrate our compliance with the Regulatory Standards.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT (CONTINUED)

System Performance Governance

The new Housing Management System was implemented in October 2025 and is now fully operational across the Association. The transition was managed with minimal disruption, and it is supporting day-to-day service delivery across core areas. It has improved access to real-time customer and property information, providing a stronger platform for service delivery and performance monitoring, although the full operational benefits are still being realised. Ongoing enhancements, alongside the development of a digital customer portal and improved customer feedback arrangements, are intended to strengthen service responsiveness and support improved outcomes for tenants.

Repair response times

We are pleased to report that during the year, emergency repairs, urgent repairs, RAAC Inspections and all gas, electrical and safety compliance works were undertaken in a timely and efficient manner. Our dedicated team of contractors and maintenance partners have worked diligently to ensure that all our properties remain safe, secure, and compliant with current legislation and industry standards. Our performance in terms of repairs, has a direct impact on the satisfaction levels tenants have with the Association, and this year we carried out a total of 6,397 reactive repairs (as per the ARC definition).

We are pleased to report that satisfaction has remained high with 97% of those receiving a repair in the last year reporting they were satisfied (per the ARC definition). The Association has also maintained strong performance in repairs, with average completion times continuing to meet target levels. This has been supported by strengthened technical and professional relationships with key contractors, alongside improved communication processes. Quality has also improved, with Right First-Time performance increasing to 94.0%, reflecting a more effective and efficient repairs service. Our performance in repair terms was as follows:

Key Performance Indicator: Average length of time to complete		**Target**
Emergency repair	2.6 hours (2025: 2.5 hours)	3 hours
Other repair	10.5 days (2025: 10.2 days)	11 days
Right First Time	94.0% (2025: 81.9%)	85%

Rent losses and arrears

Gross rent arrears (including former tenant arrears) increased to 3.6% (2025: 3.1%), reflecting continued pressure on tenants' household finances and rent losses, including bad debts and voids, rose to 1.3% of rental income receivable (2025: 1.0%). Void losses remained at 0.5% (2025: 0.5%), primarily due to extended void periods associated with rewiring works on properties affected by RAAC.

The Association continues to manage arrears through early intervention, proactive income management and targeted tenancy support, supported by investment in systems and additional employees. Performance remains comparatively strong against sector benchmarks; however, arrears and rent losses are increasingly sensitive to wider economic conditions. Maintaining current performance levels will require continued focus on early engagement, tenancy sustainment and effective void management.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT (CONTINUED)

Financial, food equity and social inclusion
The Association continues to support tenants experiencing financial hardship through targeted support and partnership working. Strong links with community organisations have been maintained to promote financial inclusion, while the Welfare Rights and Benefits service has secured significant financial gains for tenants through successful claims and tribunal outcomes.

Food poverty remains a challenge within our communities, and the food bank operated from our offices continues to provide essential support. Ongoing involvement in the Community Fridge has also helped engage with tenants, including those not previously accessing services. Energy advice and support, delivered in partnership with Changeworks, has provided additional assistance to tenants facing fuel poverty.

During the year, ground floor office space was made available to HomeAid, a local charity supporting individuals experiencing social and economic disadvantage through the provision of recycled furniture and related services. Alongside the Growing Together project, this has supported tenant wellbeing and strengthened community resilience.

Tenant engagement and Community empowerment
Tenant engagement has increased over the year, particularly through involvement in our strategic regeneration planning, ensuring our customers views continue to inform decision-making and shape how our services are delivered. Community engagement has also improved through participation in partnerships and local initiatives, increasing our visibility and strengthening relationships.

We repurposed our reception into the 'Big Living Room', creating a warm and welcoming space for the community and partner organisations to deliver energy advice, welfare support, skills training and budget-friendly cooking classes. The strong response has helped position us as a key local food distribution hub and enabled us to host initiatives such as Challenge Poverty Week.

We provided targeted support to families in need, including the distribution of starter packs, food parcels and children's Christmas gifts. Winter Wellbeing Packs were also delivered to elderly and vulnerable tenants through home visits to support their welfare. Tenant volunteers, community groups and our online customer group have continued to support service improvement through involvement in policy reviews, feedback and consultation activity, ensuring that customer views are captured alongside more traditional engagement routes such as the Tenant Focus Group.

People and organisational development
The Association retains a loyal and experienced workforce with a wide range of skills. We recognise the importance of investing in our employees to maintain and develop these capabilities and promote teamwork, provide development opportunities, and prioritise employee wellbeing through a range of mental health and wellbeing support initiatives. Alongside our ongoing personal development, succession planning and appraisal programme, these initiatives help ensure colleagues are motivated, resilient and equipped to meet the demands of their roles. This approach was recognised through the prestigious SHARE 'Outstanding Commitment to Employee Wellbeing' award.

This year we further strengthened workforce capability through the introduction of a performance and development framework and the completion of a comprehensive job evaluation and pay benchmarking exercise, resulting in a more transparent and structured approach. We invested £17k in training, including professional qualifications and leadership development, to support delivery of our objectives. We also recruited additional employees to support our RAAC removal programme, coordinating tenant relocations and maintaining service continuity and health and safety standards.

As part of our commitment to reducing carbon emissions and waste from our offices, contractors and colleagues, we promote hybrid working to encourage more sustainable travel and reduce office energy consumption. This supports our environmental objectives while also contributing to productivity, employee wellbeing and broader recruitment opportunities. Our office remodel created additional space for collaborative working and incorporates environmental features to support flexible working, improve working conditions and enable effective communication.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT (CONTINUED)

Risks and uncertainties

The Association operates within an established risk management framework, supported by defined controls, policies and insurance arrangements. Principal risks are identified and assessed based on likelihood and impact, with oversight provided by the Board and detailed scrutiny through the Audit and Finance Sub-Committee. Risk positions, emerging issues and mitigating actions are reviewed regularly to ensure an effective and timely response. The operating environment remains challenging, with key risks including RAAC remediation, delivery of regeneration ambitions, system performance, cyber security and workforce capacity.

The principal risks facing the Association are set out below.

Area of risk	Description and examples of mitigating activity
Tenant safety and damp and mould	Failure to meet statutory safety obligations or respond effectively to damp and mould, would expose tenants to harm and lead to regulatory intervention and reputational damage. Controls include strengthened data quality, enhanced monitoring and improved response processes. Sector-wide scrutiny means residual risk remains high, requiring sustained management focus.
Regulatory compliance and net zero	Increasing regulatory expectations, particularly in relation to tenant safety and environmental standards, heighten compliance risk and funding requirements. While compliance arrangements are embedded, emerging net zero requirements introduce uncertainty around cost, timing and delivery expectations. These pressures are being incorporated into long-term financial planning, but affordability and deliverability remain key constraints.
Financial resilience	The operating environment remains volatile, with inflation, increased investment requirements and cost pressures impacting long-term financial capacity. The Association regularly stress tests its business plan to assess resilience; however, competing demands, particularly between asset investment, net zero and affordability, do create ongoing pressures. Maintaining covenant compliance and financial flexibility remains critical.
Asset quality and investment demand	Maintaining asset quality in line with regulatory standards and customer expectations requires sustained investment. Robust asset data and prioritised investment programmes support delivery. However, rising costs and increasing standards create pressure on delivery, with a risk that planned regeneration works may require rephasing to align with funding capacity, covenant compliance and liquidity.
Delivery of core systems	Implementation of the new Housing Management System has been a significant transformation, yet systematic risk remains. Failure to maintain a stable system effectively would impact service delivery and operational efficiency. Controls include structured governance, phased delivery and supplier management. Residual risks relate to data accuracy, system integration and sustained user adoption, which are critical to realising planned service improvements.
Service delivery performance	Inflationary pressures, contractor capacity constraints and supply chain disruption continue to affect service consistency, particularly with responsive repairs. Mitigation includes active contract management, performance monitoring and targeted service improvements. The ongoing risk of inconsistent delivery standards and/or customer dissatisfaction remains and requires vigilance.
Rental income and arrears	While arrears performance remains strong, sustained economic pressure on tenants increases the risk of deterioration. Proactive income management, early intervention and tenant support arrangements, partly mitigate this risk, though performance remains sensitive to changes in the economic environment and welfare policy.
Cyber security and technology resilience	Increasingly sophisticated cyber threats could disrupt services, compromise data and trigger regulatory action. Targeted investment, independent testing, continuous monitoring and employee training strengthen our resilience, supported by regular Board oversight and scenario testing. Notwithstanding these controls, residual exposure remains elevated, particularly in relation to user behaviour and third-party systems.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

FUTURE DEVELOPMENTS

Delivering excellent customer service
As part of the next phase of our Business Plan, the Association will enhance customer service through targeted digital improvements and strengthened service standards. Ongoing development and optimisation of the Housing Management System will support these improvements, enhancing system performance and functionality, including the introduction of a 24/7 digital customer portal providing tenants with accessible, user-friendly access to key services and information about their homes.

The Association implemented a new responsive repairs service in April 2026, with early improvements including access to real-time repairs data, enabling more timely and effective resolution of customer enquiries at first point of contact. A structured Customer Service Training Programme will now be delivered across the organisation, and we will further strengthen our customer offer through:

- Enhancing the quality and use of customer data, alongside embedding journey mapping, to improve efficiency, deliver more tailored services, and support informed decision-making
- Introduction of a Customer Charter and service standards, providing clarity on expected service levels, supported by appropriate performance monitoring arrangements
- Enhanced customer feedback arrangements, including the introduction of "Customer Effort" and progression towards more targeted customer surveys to drive continuous service improvement

Empower, develop and engage our colleagues and our communities
We will continue to invest in our people and communities to support delivery of our strategic objectives and a review of the organisational structure in 2026/27, will ensure alignment with future priorities and planned service transformation. The review will be informed by employee engagement and external benchmarking, with outcomes including revised structures and further development of the pay framework. Workforce development will also be strengthened through structured, role-based learning, alongside career development planning and a formal succession framework to enhance leadership continuity and employee retention. A Diversity, Equity and Inclusion strategy will also be implemented to support our inclusive and engaged workforce.

The Association will also strengthen partnerships across the third sector to provide more coordinated and effective support to tenants, with a continued focus on those experiencing financial hardship. This includes access to welfare advice, energy support and emergency assistance through established partnerships. Funding secured through external programmes will support targeted community initiatives addressing food insecurity and fuel poverty. This will include expansion of the "Growing Together" initiative and measures to address cold, damp and inefficient homes through energy advice and practical efficiency improvements.

Homes and places to be proud of
The Association's primary focus is on ensuring its housing stock remains fit for the future, while responding to sustained demand and ongoing pressure on housing supply across West Lothian. To support this, the Association is progressing its Renewal and Growth Strategy ,that will shape the future composition of its housing portfolio. This entails a proactive approach to social regeneration, with underperforming homes being replaced by new properties that meet modern standards and deliver improved energy performance. This represents a shift towards more targeted investment, focused on areas where it can deliver the greatest long-term impact and benefits.

Alongside this, the Association will continue to invest in its existing homes to maintain quality and extend asset life. An increased focus on energy efficiency will help mitigate future regulatory and climate-related cost pressures, while supporting the long-term affordability of the housing stock. The Association is also concluding a number of significant asset assurance programmes, which will provide a stronger foundation for future investment decision making.

The remediation of RAAC is now nearing completion, substantially reducing a key structural risk within the portfolio. This, alongside completed fire safety works, represents a significant step in strengthening overall asset quality and tenant safety. Looking ahead, greater emphasis will be placed on the ongoing management of neighbourhoods as well as individual homes. The introduction of a structured estate inspection approach will support more consistent standards, earlier identification of issues, and improved responsiveness to tenant concerns.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

FUTURE DEVELOPMENTS (CONTINUED)

Business Strength and Strategic Objectives

The Association's strategic focus is on strengthening long-term financial capacity and ensuring the sustainability of both its housing stock and service delivery. This will be progressed through a renewed emphasis on disciplined financial planning, targeted investment, and clear prioritisation of resources.

A central priority is the development of a Renewal and Growth Strategy, which will define the future shape and scale of the business. This will be underpinned by enhanced stock appraisal capability and detailed financial modelling to assess long-term affordability, investment requirements, and development capacity. The outcome will be a clear, deliverable plan balancing reinvestment in existing homes with opportunities for measured growth. The Association will continue to work closely with key partners, including local authorities and the Scottish Government, to secure funding and support delivery of these strategic ambitions.

Alongside this, the Association is investing in its core systems and internal capability to support better decision-making and delivery. Improvements to the Housing Management System and supporting tools will provide more reliable data and clearer performance insight, enabling the Board and Management to take more informed, timely decisions. Strengthening organisational capacity is a key enabler of this strategy. This includes targeted investment in senior development expertise and project management capability, to ensure the Association can effectively deliver an expanded and more complex programme of activity.

Financial resilience remains a key area of focus, so we will be reviewing our rent setting approach to ensure an appropriate balance between affordability for tenants and the funding required to sustain services and future investment. This compliments our commitment to providing value for money, ensuring that resources are directed towards areas of greatest impact. We therefore plan to refine our performance and accountability frameworks, to provide clearer visibility of outcomes across the business, supporting both regulatory compliance and continuous improvement.

Environmental Social and Governance Reporting (ESG)

The Association has taken a significant step in formalising its approach to sustainability through the adoption of the Sustainability Reporting Standard (SRS) during 2026. This introduces a structured framework of 46 ESG indicators, enabling consistent measurement, improved oversight and benchmarking against peer Registered Social Landlords. Building on this foundation, the Association will publish its first internal ESG report in 2026, with full public disclosure planned from 2027. Ongoing monitoring of key indicators, including carbon emissions, energy efficiency and community impact, will support more informed decision-making and greater transparency.

Environmental performance remains a key area of focus, particularly in response to emerging regulatory requirements and Net Zero targets, and we are developing a delivery plan aligned to the Scottish Housing Net Zero Standard (SHNZS), alongside a broader Sustainable Homes and Net Zero strategy. This includes a target to achieve an EPC rating of at least Band B across all homes by 2032, supported by planned investment in insulation, heating systems, windows and renewable technologies. £1.9 million has been allocated in 2026/27 for targeted energy efficiency works, with a further £3.3 million committed to wider property improvements and the removal of RAAC.

Future development activity will increasingly prioritise the delivery of homes that meet net zero requirements, ensuring alignment between environmental objectives and the wider development and regeneration programme. These initiatives are intended to strengthen the resilience of the housing stock, manage climate-related risks, and mitigate future cost pressures.

Alongside environmental priorities, the SRS framework will support a more structured assessment of social and governance performance. This includes enhanced evaluation of tenant outcomes, community impact and service delivery, as well as continued development of governance arrangements to ensure transparency, accountability and alignment with regulatory expectations. We will continue to progress a range of wider sustainability initiatives, including measures to reduce organisational carbon emissions, promote recycling and enhance the environmental quality of our community. While smaller in scale, these activities support broader climate resilience objectives and contribute to positive outcomes for tenants and neighbourhoods.

OPERATING AND FINANCIAL REVIEW (CONTINUED)

PERFORMANCE AND DEVELOPMENT (CONTINUED)

Statement of compliance
In preparing this Operating and Financial Review, the Board of Management has followed the principles set out in Chapter 4 of the Statement of Recommended Practice (SORP) for Registered Social Housing Providers 2018.

The Association continues to monitor its high standards of service undertaking regular self-assessment of its service standards. The G8 group (comprised of eight similar RSLs), continued to identify differences and explore efficiencies through the analysis of performance indicators. Our performance against key performance indicators is set out and summarised below.

Table 1 – Annual results and KPI, five-year summary

For the year ended 31 March	**2026**	**2025**	**2024**	**2023**	**2022**
	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
Statement of Comprehensive Income					
Total turnover	15,727	15,466	14,536	13,634	13,121
Income from lettings	14,590	13,861	13,140	12,454	12,015
Operating surplus	2,360	1,329	1,805	2,052	2,179
Surplus for the year transferred to reserves	1,716	754	1,020	752	1,530
Statement of financial Position					
Housing properties, net of depreciation					
HAG and other capital grants	69,321	67,289	64,916	65,350	66,195
Other fixed assets	1,688	1,736	1,821	1,908	1,965
Fixed assets net of depreciation	71,009	69,025	66,737	67,258	68,160
Net currents assets/ (liabilities)	5,678	7,814	8,768	8,398	8,168
Total assets less current liabilities	**76,687**	**76,839**	**75,505**	**75,656**	**76,328**
Long term loans and liabilities and Reserves					
Creditors (due over one year)	(46,717)	(48,547)	(47,894)	(49,066)	(50,909)
Pension liability	(516)	(554)	(627)	(626)	(208)
Revenue reserves	(29,454)	(27,738)	(26,984)	(25,964)	(25,211)
Long term loans and liabilities and Reserves	**(76,687)**	**(76,839)**	**(75,505)**	**(75,656)**	**(76,328)**
Accommodation figures					
Total housing stock owned at year end *(number of dwellings)*: Social housing	**2,571**	**2,551**	**2,551**	**2,556**	**2,531**
Statistics					
Surplus for the year as % of turnover	10.9%	4.9%	7.0%	5.5%	11.7%
Surplus for the year as % of income from lettings	11.8%	5.4%	7.8%	6.0%	12.7%
Rent losses *(voids and bad debts as % of rent and service charges receivable)*	1.3%	1.0%	1.0%	1.0%	0.4%
Rent arrears *(gross arrears as % of rent and service charges receivable)*	3.6%	3.1%	2.9%	2.2%	1.8%
Interest cover *(surplus before interest payable divided by interest payable)*	2.4	1.2	1.6	2.2	2.6
Liquidity *(current assets / current liabilities)*	2.1	2.3	2.6	2.6	2.8
Total reserves per home owned	£11,456	£10,873	£10,578	£10,158	£9,961

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

Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Board of Management's statement on page 4 concerning the Association's compliance with the information required by the Regulatory Standards for systematically important RSLs in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council through enquiry of certain members of the Board 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 4 has provided the disclosures required by the relevant Regulatory Standards for systematically 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.

CT Audit Limited
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Date:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALMOND HOUSING ASSOCIATION LIMITED

Opinion

We have audited the financial statements of Almond Housing Association ("the Association") for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK 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 surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

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 of Management’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 about the Association’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALMOND HOUSING ASSOCIATION LIMITED (CONTINUED)

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:

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- 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 of Management

As explained more fully in the Statement of Board of Management's Responsibilities as set out on page 5, the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management 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 of Management 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 of Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

In preparing the financial statements, the Board of Management 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 of Management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALMOND HOUSING ASSOCIATION LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Association operates in and how the Association is complying with the legal and regulatory frameworks;
- inquired of management and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures, we consider that the most significant laws and regulations that have a direct impact on the financial statements were, but not limited to, FRS 102, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements 2024, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland Act) 2010. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures against the requirements of the relevant financial reporting standards.

We also performed audit procedures to inquire of management, and those charged with governance whether the Association is in compliance with these laws and regulations, inspected correspondence with regulatory authorities including mandatory submissions to the Regulator, reviewed minutes of meetings of the Board of Management and relevant sub-committees, and reviewed available online information.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at 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 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.

CT Audit Limited
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2026 £	2025 £
TURNOVER	2	15,726,688	15,466,126
Operating expenditure	2	(13,366,537)	(14,137,469)
Gain on disposal of housing properties		-	-
OPERATING SURPLUS	6	2,360,151	1,328,657
Interest receivable	10a	275,967	424,129
Interest and financing costs	10b	(991,092)	(1,101,705)
SURPLUS FOR THE YEAR		1,645,026	651,081

OTHER COMPREHENSIVE INCOME

		2026 £	2025 £
Surplus for the year		1,645,026	651,081
Actuarial gain on pension scheme	18	71,000	103,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,716,026	754,081

The results relate wholly to continuing activities.

Approved and authorised for issue by the Board of Management and signed on its behalf:

Ms V Bluck
Chairman

Mr A Turner
Board Member

Mr J Davidson
Secretary

The accompanying notes on pages 24 to 45 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	Notes		2026		2025
		£	£	£	£
FIXED ASSETS					
Intangible fixed assets	12a		-		301
Housing properties	12b		69,321,362		67,288,747
Other tangible fixed assets	12c		1,687,724		1,736,384
Investment in subsidiary	11		1		1
			71,009,087		69,025,433
CURRENT ASSETS					
Trade and other debtors	13	381,810		1,499,249	
Cash and cash equivalents		10,287,852		12,471,922	
		10,669,662		13,971,171	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	14	(4,991,241)		(6,157,424)	
NET CURRENT ASSETS			5,678,421		7,813,747
TOTAL ASSETS LESS CURRENT LIABILITIES			76,687,508		76,839,180
LONG TERM LIABILITIES					
Creditors: amounts falling due after more than one year	15		(46,717,663)		(48,547,359)
Pension - defined benefit liability	18		(516,000)		(554,000)
TOTAL NET ASSETS			29,453,845		27,737,821
RESERVES					
Share capital	19		78		80
Revenue reserves (Page 24)			29,453,767		27,737,741
TOTAL RESERVES			29,453,845		27,737,821

Approved and authorised for issue by the Board of Management and signed on its behalf:

Ms V Bluck Chairman	Mr A Turner Board Member	Mr J Davidson Secretary

Date:

The accompanying notes on pages 24 to 45 form part of these financial statements.

STATEMENT OF CASHFLOWS

	Notes	2026 £	2025 £
CASH FLOW FROM OPERATING ACTIVITIES			
Net cash inflow from operating activities	25	4,316,598	2,977,560
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of tangible fixed assets		(4,842,267)	(4,712,754)
Proceeds from sale of tangible fixed assets		-	-
Grants received/(reallocated)		89,286	3,130,868
Interest received		258,818	430,669
Net cash outflow) from investing activities		(4,494,163)	(1,151,217)
CASH FLOW FROM FINANCING ACTIVITIES			
Interest paid		(846,464)	(1,207,414)
New secured loans		-	-
Repayments of borrowings		(1,160,045)	(1,150,050)
Proceeds from issue of shares		4	-
Net cash outflow from financing activities		(2,006,505)	(2,357,464)
NET DECREASE IN CASH		(2,184,070)	(531,121)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		12,471,922	13,003,043
CASH AND CASH EQUIVALENTS AT END OF YEAR		10,287,852	12,471,922

The accompanying notes on pages 24 to 45 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES

	Share Capital £	Revenue Reserves £	Total Reserves £
Balance at 1 April 2024	84	26,983,660	26,983,744
Total comprehensive income for the year	-	754,081	754,081
Shares issued during the year	-	-	-
Cancelled shares during the year	(4)	-	(4)
Balance at 31 March 2025	80	27,737,741	27,737,821
Balance At 1 April 2025	80	27,737,741	27,737,821
Total comprehensive income for the year	-	1,716,026	1,716,026
Shares issued during the year	4	-	4
Cancelled shares during the year	(6)	-	(6)
Balance at 31 March 2026	78	29,453,767	29,453,845

The accompanying notes on pages 24 to 45 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Legal status
Almond Housing Association Limited constitutes a public benefit entity as defined by FRS 102. The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010 (Registered Number: HAL 285). The Association's principal activities are the development and management of affordable housing. The address of the Association's registered office and principal place of business is New Almond House, 44, Etive Walk, Craigshill, Livingston, West Lothian, EH54 5AB.

The Association holds formal permission from the Financial Conduct Authority, to exclude its subsidiary from inclusion or consolidation into its group financial statements, due to the immateriality of the amounts involved. These financial statements therefore present information about the Association as an individual undertaking and not about its group.

Basis of accounting
These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and they comply with the Determination of Accounting Requirements 2019, and under the historical cost convention, modified to include certain financial instruments at fair value.

The financial statements are prepared in sterling, which is the functional currency of the Association. Monetary amounts in these financial statements are rounded to the nearest £. The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern
The Association's business activities, its current financial position and factors likely to affect its future development are set out within the Board of Management Report. The Association has in place long-term debt facilities which provide adequate resources to finance committed reinvestment and development programmes, along with the Association's day to day operations. The Association also has a long-term business plan which shows that it is able to service these debt facilities whilst continuing to comply with lenders' covenants.

The Association regularly updates its assumptions, budgets, and stress tests its models across diverse scenarios to take account of changing economic variables, such as interest rates, inflation volatility and regulatory changes. Based on current assessments, we confirm the Association will maintain sufficient liquidity to meet its obligations as they fall due. On this basis, the Board has a reasonable expectation that the Association retains adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. For this reason, it continues to adopt the going concern basis in the financial statements.

Significant judgements and estimates
Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in note 18). The net defined benefit pension liability as at 31 March 2026 was £516k (2025: £554k).

Management judgement is applied in determining the extent to which the risks and benefits are transferred to the association when considering the income to be recognised. All grant income receivable this year has been recognised this financial year, which comprises £91,029 (Investing in Communities Fund), £21,700 (EAS-Advice for Vulnerable Households: Scotland 2 project) and £3,878 (Supporting Communities Fund).

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Components of housing properties - The useful life of housing properties and their components has been estimated using a combination of the National Housing Federation matrix of property components and key management experience in planned maintenance. The carrying value of the assets is available within note 12b. Disposals of both components and properties are regarded as part of Almond's standard operating activities and therefore gains and losses are recorded in the Statement of Comprehensive Income as part of the Operating Surplus.

Categorisation of housing properties as investment property or property, plant and equipment - Properties held for social housing lets are considered to be property, plant and equipment. Other lets are assessed based on the characteristics of the lease and classified as property, plant and equipment or investment property as appropriate. At present management have classified all properties as property, plant and equipment.

Rental and other trade debtors – Due to government measures to support renters during the ongoing cost of living crisis and our balanced recovery approach, a small number of our tenants have built up higher arrears than usual. The Association has closely monitored and evaluated the recoverability of rental debtors as at the reporting date and up to the date of signing, with conservative provisions made for bad debts in line with our established write off policy.

Turnover and revenue recognition
Turnover represents rental and service charge income receivable, income from factoring fees, sale of properties built for resale, grants of a revenue nature from local authorities and the Scottish Government and amortisation of capital grant income. Turnover is recognised when amounts fall due and when income has been earned.

Government grants
Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset under the accruals model.

Grants relating to revenue are recognised in the Statement of Comprehensive Income over the same period as the expenditure to which they relate, once reasonable assurance has been gained that the entity will comply with the conditions and that the funds will be received. Grants due from government organisations or received in advance are included as current assets or liabilities.

Other grants
Grants received from non-government sources are recognised using the performance model. A grant that does not impose specified future performance conditions is recognised as revenue when the grant proceeds are received or receivable. However, a grant that imposes specified future performance-related conditions on the Association is recognised only when these conditions are met. Where a grant is received before the revenue recognition criteria are satisfied, it is recognised as deferred income.

Taxation
The Association has charitable status and is registered with the Office of Scottish Charities Regulator and is therefore exempt from paying Corporation Tax on charitable activities.

VAT
The Association is registered for VAT and is part of a VAT group with its subsidiary Almond Enterprises Limited. A large proportion of group income, namely rents, is exempt for VAT purposes giving rise to a Partial Exemption calculation and as a result expenditure is shown inclusive of VAT.

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Housing properties
Housing properties are properties held for the provision of social housing or to otherwise provide social benefit. These properties are principally available for rent and are stated at cost less accumulated depreciation and impairment losses. Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period. Borrowing costs are expensed as incurred.

The Association's policy and practice is to maintain properties to a high standard by implementing a continuing programme of refurbishment and maintenance. Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property. Works to existing properties which fail to meet the above criteria are charged to the Statement of Comprehensive Income.

Depreciation of housing properties
The Association separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight-line basis over the following years:

Structure	50 years
Roofs	50 years
Bathrooms	33 years
Electrics	35 years
Kitchens	20 years
Central heating systems - Boilers	17 years
Central heating systems - Carcasses	30 years

Freehold land or assets under construction are not depreciated.

Housing properties are assessed for impairment indicators annually. Where indicators are identified, an assessment for impairment is undertaken comparing the scheme's carrying amount to its recoverable amount. Where the carrying amount of a scheme is deemed to exceed its recoverable amount, the scheme is written down to its recoverable amount. The resulting impairment loss is recognised as operating expenditure. Where a scheme is currently deemed not to be providing service potential to the Association, its recoverable amount is its fair value less costs to sell.

Other tangible fixed assets
Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. The policy is to capitalise items greater than £1,000. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight-line basis over its expected useful life, as follows:

Office property - by component, consistent with the Housing properties component lives

Furniture, fixtures and fittings	4 years
Computer Hardware and office equipment	4 years

Gains or losses arising on the disposal of other tangible fixed assets are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised as part of the surplus/deficit for the year.

Intangible Fixed Assets
Computer software is recognised as an intangible fixed asset, stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is included within Management & Maintenance administration costs (note 3). Amortisation is provided for evenly on the cost of intangible fixed assets, to write them down to their estimated residual values over their expected useful lives, as follows:

Computer Software	4 years

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Properties held for sale
Property under construction for outright sale is valued at the lower of cost and net realisable value, and disclosed net of Housing Association grants received. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Investment in subsidiary undertaking
Almond Housing Association Limited owns 1 ordinary £1 shares in Almond Enterprises Limited. This represents a 100% shareholding in Almond Enterprises Limited, a company registered in Scotland, whose principal activity is that of hygiene and cleaning services.

Related Party Transactions
Some members of the Board of Management are occasionally tenants. Their tenancies are on the Association's normal tenancy terms, and they cannot use their position to their personal advantage. Transactions with the Board of Management members are included in note 21. Related party transactions with Almond Enterprises Limited, the Association's fully owned subsidiary, can also be found in note 21.

Retirement benefits
The majority of employees are members of the Scottish Housing Associations Pension Scheme (SHAPS), a defined contribution scheme. The contributions paid into this scheme are charged to the Statement of Comprehensive Income as incurred. The Association previously participated in the SHAPS defined benefit scheme, which provided benefits based on final pensionable pay. The Association closed the defined benefit element of the scheme to current employees on 30 September 2015 but continues to provide for its obligation to previous members.

The Association was able to identify its share of the scheme assets and scheme liabilities from 1 April 2018 and therefore 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 deficit liability was £516k (2025: £554k).

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. Remeasurements are reported in other comprehensive income. Refer to note 18 for more details.

Cash and cash equivalents
Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Operating leases
All leases are regarded as operating leases and the payments made under them are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Employee benefits
The Association recognises a provision for exceptional unused annual leave and over-time pay accrued by employees as a result of services rendered in the current period, and which employees are entitled to carry forward and use within the next 12 months. The provision is measured at the salary cost payable for the period of absence.

Insurance income (settlements) and insurance works expenditure
Insurance recoveries are recognised only when virtually certain. In respect of the fire damage at Katherine Street, full insurance cover and indemnity were confirmed, and the block was fully reinstated in 2025/26. Insurance income (settlements) and matching insurance works expenditure for the year of £982,444 are netted off under the heading 'Reactive maintenance costs' in note 3. Total cumulative expenditure (and insurance income recovered) amounts to £3,903,639.

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Financial assets - Debtors
Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses. Where the arrangement with a debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument, with the value provided for as a bad debt.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

Financial liabilities - Creditors
Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Financial liabilities - Borrowings
Borrowings are initially recognised at the transaction price. Interest expense is recognised on the basis of the actual interest due within the period and is included in interest payable and other similar charges. Commitments to receive a loan are measured at cost less impairment. Financial liabilities are derecognised when, and only when, the Association's obligations are discharged, cancelled, or they expire.

Provisions for liabilities
Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that the Association will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in income and expenditure in the period it arises.

2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	Note	Turnover	Operating costs	Operating surplus/ (loss) 2026	Operating surplus/ (loss) 2025
		£	£	£	£
Affordable letting activities	3	15,375,130	(12,905,666)	2,469,464	1,099,376
Other activities	4	351,558	(460,871)	(109,313)	229,281
lo		15,726,688	(13,366,537)	2,360,151	1,328,657
Gain on disposal of housing properties		-	-	-	-
Total		15,726,688	(13,366,537)	2,360,151	1,328,657
Total for previous period of account		15,466,126	(14,137,469)	1,328,657	

NOTES TO THE FINANCIAL STATEMENTS

3 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing	Supported Housing	Total 2026	2025
	£	£	£	£
Rent receivable net of service charges	14,560,007	29,646	14,589,653	13,861,139
Service charges receivable	188,398	1,225	189,623	189,532
Gross income from rent and service charges	14,748,405	30,871	14,779,276	14,050,671
Less Voids	(106,837)	-	(106,837)	(70,008)
Net income from rents and service charges	14,641,568	30,871	14,672,439	13,980,663
Grants released from deferred income	701,374	1,317	702,691	667,136
Total turnover from affordable letting activities	15,342,942	32,188	15,375,130	14,647,799
Management & Maintenance administration costs	3,592,984	7,331	3,600,315	4,177,701
Service costs	216,980	443	217,423	160,464
Planned & cyclical maintenance	3,735,549	332	3,735,881	3,993,111
Reactive maintenance costs	2,526,493	3,705	2,530,198	2,608,820
Bad debts – rents and service charges	77,719	-	77,719	64,280
Depreciation of affordable let properties	2,565,496	4,936	2,570,432	2,460,488
Deficit on disposal tangible fixed assets	173,698	-	173,698	83,559
Operating costs for affordable letting activities	12,888,919	16,747	12,905,666	13,548,423
Operating surplus/(loss) for affordable letting activities	2,454,023	15,441	2,469,464	1,099,376
Operating surplus or deficit for affordable letting activities for previous reporting period	1,088,233	11,143	1,099,376	

NOTES TO THE FINANCIAL STATEMENTS

4 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM OTHER ACTIVITIES

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	**Total turnover £**	Operating costs – bad debts £	Other operating costs £	**Operating (deficit) or surplus 2026 £**	Operating (deficit) or surplus 2025 £
Wider role activities	38,156	74,573	-	3,878	**116,607**	-	(175,473)	**(58,866)**	(44,920)
Care and repair of property	71,666	-	-	66,408	**138,074**	-	(151,164)	**(13,090)**	12,098
Investment property activities	-	-	-	-	**-**	-	-	**-**	-
Factoring	-	-	-	84,351	**84,351**	-	(68,186)	**16,165**	15,564
Support activities	-	-	-	-	**-**	-	-	**-**	-
Care activities	-	-	-	-	**-**	-	-	**-**	-
Contracted out services undertaken for RSLs	-	-	-	-	**-**	-	-	**-**	-
Contracted out services undertaken for other organisations	-	-	-	-	**-**	-	-	**-**	-
Developments for sale to RSLs	-	-	-	-	**-**	-	-	**-**	-
Developments and improvements for sale to other organisations	-	-	-	-	**-**	-	-	**-**	-
Uncapitalised development income/(costs)	-	-	-	-	**-**	-	(66,048)	**(66,048)**	189,026
Other activities (includes £Nil Gift Aid in 2026, (2025: £37k Gift Aid))	-	-	-	12,526	**12,526**	-	-	**12,526**	57,513
Total from other activities	109,822	74,573	-	167,163	**351,558**	-	(460,871)	**(109,313)**	229,281
Total from other activities for the previous period of account	204,626	25,019	-	588,682	818,327	-	(589,046)	229,281	

NOTES TO THE FINANCIAL STATEMENTS

5 ACCOMMODATION IN MANAGEMENT

The number of units in Management at 31 March was as follows:	2026	2025
General needs housing – units owned and managed	2,566	2,542
Supported housing – units, owned and managed	5	9
Total	2,571	2,551

6 OPERATING SURPLUS

	2026	2025
	£	£
The operating surplus is arrived at after charging/(crediting):		
Depreciation of housing properties (note 12b)	2,570,432	2,460,488
Depreciation of other tangible fixed assets (note 12c)	68,663	81,677
Amortisation of intangible fixed assets (note 12a)	301	2,464
Operating lease rentals	46,455	46,488
Audit services - statutory audit of the Association	18,600	17,760

7 DEFICIT ON DISPOSAL OF FIXED ASSETS – HOUSING PROPERTIES

	2026	2025
	£	£
Disposal proceeds	-	-
Carrying value of fixed assets	(173,698)	(83,559)
Total Deficit on disposal of replaced components	(173,698)	(83,559)

NOTES TO THE FINANCIAL STATEMENTS

8 KEY MANAGEMENT PERSONNEL

Key management personnel are defined as the members of the Board, the Chief Executive and other members of the senior management team.

The number of key management personnel who received emoluments (excluding employers' pension contributions) in excess of £60,000 during the reporting period fell within the following bands:

	2026	2025
£80,001 to £90,000	2	3
£100,001 to £110,000	1	-
£110,001 to £120,000	1	1

	2026 £	2025 £
Aggregate emoluments for key management personnel (excluding pension contributions)	380,956	369,902
Aggregate pension contributions in relation to key management personnel	46,085	43,165
The emoluments of the Chief Executive (excluding pension contributions)	117,622	115,974
Total emoluments paid to key management personnel	475,497	454,415

None of the Board of Management received any emoluments during the year (2025: £Nil). During the year the Board of Management were reimbursed expenses of £87 (2025: £71).

9 EMPLOYEE INFORMATION

Average monthly number of employees (including key management personnel), expressed as full-time equivalents (calculated based on a standard working week of 36hrs):

	2026	2025
Housing, support and care	19	17
Maintenance	16	13
Office and management/Administration	17	15
Development	1	1
	53	46

NOTES TO THE FINANCIAL STATEMENTS

EMPLOYEE INFORMATION (CONTINUED)

The actual average monthly number of persons employed by the Association was 54 (2025: 48).

Employee costs for the above persons:

	2026	2025
	£	£
Wages and salaries	2,572,786	2,239,753
Social security costs	311,424	231,152
Defined contribution (current service) pension costs	307,185	261,857
Defined benefit (past service) pension costs: -		
Scheme expenses	6,837	6,638
	3,198,232	2,739,400

10a INTEREST RECEIVABLE AND SIMILAR INCOME

	2026	2025
	£	£
Interest on bank deposits	275,967	424,129

10b INTEREST PAYABLE AND SIMILAR CHARGES

	2026	2025
	£	£
Interest arising on bank loans and overdrafts	958,092	1,071,705
Net interest expense on defined benefit pension liabilities	33,000	30,000
	991,092	1,101,705

NOTES TO THE FINANCIAL STATEMENTS

11 FIXED ASSET INVESTMENTS

	2026	2025
	£	£
Subsidiary company (Cost as at 31 March 2026 and 31 March 2025)	1	1

The subsidiary company as at 31 March 2026 was:

Name	Country of registration	Nature of business	Proportion of ordinary shares held
Almond Enterprises Limited	Scotland	Provision of hygiene and cleaning services	100%

The amount subscribed at par for the ordinary shares of £1 each held by Almond Housing Association Ltd was £1. The results for the subsidiary company and net asset value at the year-end are as follows:

	2026	2025
	£	£
Profit on ordinary activities after taxation	xxx	41,303
Net assets	xxxxxxxx	240,757

12a INTANGIBLE FIXED ASSETS

	Computer Software
	£
Cost	
At 1 April 2025	103,240
Disposals	-
At 31 March 2026	103,240
Depreciation	
At 1 April 2025	102,939
Charge in the year	301
Released on disposal	-
At 31 March 2026	103,240
Net book value	
At 31 March 2026	-
At 31 March 2025	301

NOTES TO THE FINANCIAL STATEMENTS

12b TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Social housing properties held for letting	Housing properties in course of construction	Total
	£	£	£
Cost			
At 1 April 2025	99,303,675	4,619,864	103,923,539
Additions – housing units	-	1,989,732	1,989,732
Additions – components	2,787,014	-	2,787,014
Disposals – components	(759,229)	-	(759,229)
Transfers on completion	6,609,596	(6,609,596)	-
At 31 March 2026	107,941,056	-	107,941,056
Depreciation and impairment			
At 1 April 2025	36,634,792	-	36,634,792
Depreciation charged in year	2,570,432	-	2,570,432
Released on disposal	(585,530)	-	(585,530)
At 31 March 2026	38,619,694	-	38,619,694
Net book value			
At 31 March 2026	69,321,362	-	69,321,362
At 31 March 2025	62,668,883	4,619,864	67,288,747

Land comprises £9,459,039 of social housing properties held for letting (2025: £9,251,039) and £Nil of Housing properties in course of construction (2025: £150,000).

The Association reviews asset carrying values annually for impairment, and more frequently should there be indicators that assets might be impaired. Following a significant fire at our Katherine Street block of flats in 2022, a programme of reinstatement and improvement works was undertaken, including the full rebuilding of the middle block, funded through insurance proceeds, with wider energy efficiency enhancements to the remaining flats to support compliance with future SHNZ standards. These works were completed during the year, with total costs of £2.0 million capitalised on completion within 'Social housing properties held for letting'.

The Association has identified reinforced autoclaved aerated concrete (RAAC) in a number of properties and has commenced a phased remediation programme. Expenditure of £2.3 million has been incurred to 31 March 2026 (of which £0.9 million has been capitalised), with approximately 50% of Stage 1 remediation now completed.
Further works are planned over the medium to long term, with total future expenditure currently estimated at £6.3 million. No provision has been recognised at the reporting date in respect of these future costs, as the works relate to the replacement and improvement of housing property components and do not represent a present obligation under FRS 102. These costs will be recognised as incurred, either capitalised or expensed in accordance with the Association's accounting policy.

NOTES TO THE FINANCIAL STATEMENTS

12b TANGIBLE FIXED ASSETS – HOUSING PROPERTIES (CONTINUED)

EXPENDITURE ON WORKS TO EXISTING PROPERTIES

	2026 £	2025 £
Enhanced component spends capitalised	2,787,014	1,256,447
Amounts charged to income and expenditure	3,219,790	3,476,611
	6,006,804	4,733,058

12c TANGIBLE FIXED ASSETS –OTHER

	Freehold office £	Furniture, fixtures and fittings £	Computers and office equipment £	**Total** £
Cost				
At 1 April 2025	3,126,878	25,827	108,581	3,261,286
Additions	-	-	20,003	20,003
Disposals	-	-	(18,616)	(18,616)
At 31 March 2026	3,126,878	25,827	109,968	3,262,673
Depreciation				
At 1 April 2025	1,411,027	13,452	100,423	1,524,902
Charge in the year	55,454	6,456	6,753	68,663
Released on disposal	-	-	(18,616)	(18,616)
At 31 March 2026	1,466,481	19,908	88,560	1,574,949
Net book value				
At 31 March 2026	1,660,397	5,919	21,408	1,687,724
At 31 March 2025	1,715,851	12,375	8,158	1,736,384

NOTES TO THE FINANCIAL STATEMENTS

13 TRADE AND OTHER DEBTORS: amounts falling due within one year

	2026	2025
	£	£
Rent and service charges receivable	567,894	481,949
Less: provision for bad and doubtful debts	(396,460)	(319,397)
	171,434	162,552
Social housing grant receivable	8,376	15,000
Other debtors	109,034	813,201
Prepayments and accrued income	92,966	508,496
	381,810	1,499,249

The reduction in other debtors and prepayments primarily reflects changes in year-end cut-off following the implementation of the new Housing Management System. In the prior year, balances included £514k of insurance premiums recognised in advance and a one-off reimbursement of £274k in respect of historic abnormal development costs, neither of which recur in the current year.

14 CREDITORS: amounts falling due within one year

	2026	2025
	£	£
Debt (note 16)	1,180,614	1,171,827
Trade creditors	457,485	1,567,641
Rent and service charges received in advance	448,691	371,649
Amounts owed to subsidiary undertaking	50,410	8,518
Deferred grant income (note 17)	730,872	714,562
Other taxation and social security	89,109	70,838
Other creditors	27,777	27,558
Accruals and deferred income	2,006,283	2,224,831
	4,991,241	6,157,424

During the prior year, the Association recognised a provision of £598,000 within 'Accruals and deferred income' in relation to a commercial dispute. The matter has since been resolved with no financial outflow and the provision was fully reversed in the current year, with the reversal recognised within operating expenditure in the Statement of Comprehensive Income.

15 CREDITORS: Amounts falling due after more than one year

	2026	2025
	£	£
Debt (note 16)	21,263,222	22,432,054
Deferred capital grant (note 17)	25,454,441	26,115,305
	46,717,663	48,547,359

NOTES TO THE FINANCIAL STATEMENTS

16 DEBT ANALYSIS – BORROWINGS

	2026	2025
	£	£
Bank loan instalments due within one year (note 14)	1,180,614	1,171,827
Bank loan instalments due after more than one year (note 15)	21,263,222	22,432,054
	22,443,836	23,603,881

The bank loans are secured by a first charge over specific properties of the Association. Interest is payable at LIBOR plus varying margins of between 0.33% and 1.85% for all facilities held with RBS. Interest Rate Swaps have been embedded within our loan agreements, to mitigate the exposure to interest rate risk and details of these Swaps are contained in the table below.

The Nationwide B.S. £9.2million Business Term Loan had interest charged at the fixed rate of LIBOR + 0.375% on £0.6Million, with the remaining £8.6million at the fixed rate of 2.705%. The fixed rate loans are all currently at rates between 3.79% and 5.66% (2025: 3.79% and 5.66%). The average fixed rate of interest was 4.07% (2025: 4.07%).

	£	Repayment date
Business Term Loan	876,569	28 June 2029
Business Term Loan	2,200,000	28 March 2034
Business Term Loan	60,000	28 June 2029
Business Term Loan	3,000,000	30 March 2034
Business Term Loan	1,133,000	21 April 2029
Business Loan Facility	1,000,000	2 April 2036
Business Loan Facility	2,000,000	2 April 2036
Business Loan Facility	3,000,000	30 March 2035
Business Term Loan (Nationwide B.S)	582,575	1 November 2046
Business Term Loan (Nationwide B.S)	8,591,692	1 November 2046
	22,443,836	

Based on the lender's earliest repayment date, borrowings are repayable as follows:

	2026	2025
	£	£
Bank loans:		
Due less than 1 year	1,180,614	1,171,827
Due within 1 to 2 years	1,667,350	1,180,072
Due within 2 to 5 years	6,067,969	5,717,864
Due after five years or more	13,527,903	15,534,118
Bank loan instalments due after more than one year (note 15)	21,263,222	22,432,054
	22,443,836	23,603,881

At 31 March 2026, the Association had undrawn loan facilities of £Nil (2025: £Nil).

NOTES TO THE FINANCIAL STATEMENTS

16 DEBT ANALYSIS – BORROWINGS (CONTINUED)

The Association's activities expose it to interest rate risk and use interest rate derivatives to hedge these exposures. The financial instruments are not used for speculative purposes. The Association has several interest rate swaps in place which set a limit on the interest payable on £7.20 million of the bank borrowings. The banks' valuation of the fair value of these loans (inclusive of breakage gains/costs), is £6.86m (2025: £7.00m). The rate payable is fixed where applicable at rates between 3.47% and 3.81%. The terms of the agreements are as follows:

Loan Facility	Amount	SWAP Rate	Term
Facility –A-	£3,000,000	3.63%	23/01/2014 - 23/01/2034
Facility –B-	£2,200,000	3.47%	24/01/2013 - 24/01/2033
Facility –C-	£2,000,000	3.81%	22/01/2015 – 22/01/2035

17 DEFERRED CAPITAL GRANT INCOME

	2026 £	2025 £
At 1 April	26,829,867	24,971,032
Grant received in the year – Retained developments	58,137	2,525,971
Released to income in the year	(702,691)	(667,136)
Recycling of grant on disposals, transferred to Accruals and deferred income	-	-
At 31 March	26,185,313	26,829,867

	2026 £	2025 £
Amounts to be released within one year (note 14)	730,872	714,562
Amounts to be released in more than one year (note 15)	25,454,441	26,115,305
	26,185,313	26,829,867

The balance on Deferred Grant Income shown above is net of amortised grant already released to the Statement of Consolidated Income and reserves. For information purposes, the Gross Capital Grant received and amortised as shown below.

	2026 £	2025 £
Grant (at cost)		
At 1 April	36,485,442	33,959,471
Received in year	58,137	2,525,971
Eliminated on disposals	-	-
At 31 March	36,543,579	36,485,442
Grant released to income (cumulative)		
At 1 April	(9,655,575)	(8,988,439)
Released in year	(702,691)	(667,136)
Eliminated on disposals	-	-
At 31 March	(10,358,266)	(9,655,575)
Grant Net Book Value	26,185,313	26,829,867

NOTES TO THE FINANCIAL STATEMENTS

18 RETIREMENT BENEFIT SCHEMES

The Pensions Trust – Scottish Housing Associations' Pension Scheme (SHAPS)

The Association 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 Association 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 Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus.

Almond Housing Association closed this Final Salary Scheme to future accrual in 30 September 2015 and now offers only a defined contribution pension scheme option.

Fair value of plan assets, present value of defined benefit obligation, and defined benefit liability.

	2026 £	2025 £
Fair value of plan assets	3,382,919	3,339,082
Present value of defined benefit obligation	3,898,919	3,893,082
Net defined benefit liability to be recognised	(516,000)	(554,000)

Reconciliation of opening and closing balances of the fair value of the defined benefit obligation

	2026 £
Defined benefit obligation at start of period	3,893,082
Expenses	6,837
Interest expense	223,000
Actuarial (gains) due to scheme experience	(59,000)
Actuarial losses due to changes in demographic assumptions	42,000
Actuarial (gains) due to changes in financial assumptions	(25,000)
Benefits paid and expenses	(182,000)
Defined benefit obligation at end of period	3,898,919

NOTES TO THE FINANCIAL STATEMENTS

18 RETIREMENT BENEFIT SCHEMES (CONTINUED)

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

	2026
	£
Fair value of plan assets at start of period	3,339,082
Interest income	190,000
Experience on plan assets (excluding amounts within interest income) – (gains)	29,000
Employer contributions – including scheme expenses	6,837
Benefits paid and expenses	(182,000)
Fair value of plan assets at end of period	3,382,919

The actual return on plan assets (including any changes in share of assets) during the year to 31 March 2026 was £10,638 (0.3%), reflecting modest investment returns over the period.

Defined benefit costs recognised in Statement of Comprehensive Income

	2026
	£
Expenses	6,837
Net interest expense	33,000
Defined benefit costs recognised in Statement of Comprehensive Income	39,837

Defined benefit costs recognised in Other Comprehensive Income

	2026
	£
Experience on plan assets (excluding amounts within net interest cost) – gains	29,000
Experience gains arising on the plan liabilities	59,000
Effects of changes in the demographic assumptions underlying the plan – losses	(42,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gains	25,000
Total amount recognised in other comprehensive income – gains	71,000

NOTES TO THE FINANCIAL STATEMENTS

18 RETIREMENT BENEFIT SCHEMES (CONTINUED)

Pension - defined benefit liability

	2026	2025
	£	£
At 1 April	(554,000)	(627,000)
Net interest expense	(33,000)	(30,000)
Employer contributions -net of scheme expenses	-	-
Defined benefit income/(costs) recognised in other comprehensive income	71,000	103,000
At 31 March	(516,000)	(554,000)

Key Assumptions

	2026	2025
	% per annum	% per annum
Discount rate	6.08%	5.85%
Inflation (RPI)	3.61%	3.39%
Inflation (CPI)	3.33%	3.09%
Salary Growth	5.00%	3.79%
Allowance of commutation of pension for cash or retirement (as a % of maximum allowance)	75%	75%
Life expectancy for a male currently age 65	20.7 years	20.2 years

19 CALLED UP SHARE CAPITAL

	2026	2025
	£	£
Shares of £1 each Issued and Fully Paid		
At 1 April	80	84
Shares issued during the year	4	-
Shares cancelled during the year	(6)	(4)
At 31 March	78	80

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

NOTES TO THE FINANCIAL STATEMENTS

20 CAPITAL COMMITMENTS

	2026	2025
	£	£
Authorised and contracted for	13,936,679	7,232,214
Authorised not contracted for – fire damage restitution	-	72,569

The above commitments will be financed by a mixture of public grants, private finance and the Association's own resources.

21 RELATED PARTY TRANSACTIONS

One member of the Board of Management was also a tenant of the Association (2025: 2). Their tenancy was on normal commercial terms. During the year £5,794 (2025: £12,036) of rent was receivable from tenant members. At the year-end there was £Nil (2025: £Nil) of rent arrears due from tenant members.

Almond Enterprises Limited, a wholly owned subsidiary of the Association, continues to manage cleaning and clearance contracts for the Association which amounted to £500,718 of turnover this year (2025: £417,409), with a year-end net trade creditor balance of £50,410 (2025: £17,306). Almond Enterprises Limited made a Gift Aid payment of £nil during 2025/26 (2025: £36,500) to the Association, in accordance with the Association's policies and procedures.

22 LEASE OBLIGATIONS

The Association is committed to make the following payments during the year ending 31 March 2026 in relation to operating leases:

	Land & Buildings	
	2026	2025
	£	£
Within one year	-	-
Between two and five years	-	-
	-	-

	Plant & Machinery	
	2026	2025
	£	£
Within one year	34,318	44,879
Between two and five years	38,673	44,920
	72,991	89,799

The obligations under operating leases are repayable by equal instalments in less than five years. Operating leases relate to vehicles and equipment used by the Association. A purchase option is available at the end of each three-year lease.

NOTES TO THE FINANCIAL STATEMENTS

		2026	2025
23	**AVERAGE RENTS**		
	Average weekly rent for housing accommodation	£106.70	£102.08
	Increase	4.5%	5.6%
	Number of Unit at the end of the year:		
	General needs social housing	2,566	2,542
	Supported Social Housing Accommodation	5	9
		2,571	2,551

Included within 'General needs social housing' units are 7 properties currently utilised as decant accommodation to support the RAAC remediation programme. These properties are not available for general needs letting, do not generate rental income and are no longer recognised as housing assets.

24 CONTINGENT LIABILITIES

Almond Housing Association Limited – Pension Scheme – debt on withdrawal

The Pensions Trust has notified the Association of the latest estimate of the debt on withdrawal potentially due by the Association based on the 30 September 2025 actuarial valuation of the Scheme. This contingent liability, crystallisation of which is considered remote due to the continued membership of the Scheme, was estimated at £0.9million. To mitigate this potential debt, the Association is making ongoing contributions towards reducing the past service deficit over the deficit recovery period.

Almond Housing Association Limited – Pension Scheme – Scheme benefit review update

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefit, comparing the changes made to the benefits provided to members, with the requirements of the scheme documentation. The Trustee has received legal advice that there is uncertainty about how members benefits should be calculated and has been advised to seek clarification from the Court on these items.

While the court hearing concluded in March 2025, the Court judgment is currently still awaited. If the court decides that historic benefit changes need to be applied differently, some member benefits will need to be increased, which will result to an increase in scheme liabilities. The scheme actuary has estimated the potential liabilities as at 30th September 2022 at £27.0m for the scheme as a whole, or 3.0% of liabilities.

Reinforced Autoclaved Aerated Concrete (RAAC)

Following a comprehensive review of its properties the Association discovered RAAC Planks in some of its housing stock. An options appraisal was completed in 2024, confirming a programme of phased remedial and mitigation works as the most appropriate course of action. Critical remedial works have now been commenced and are expected to be completed by the end of 2026. A long-term strategy for the full removal of RAAC planks has also been developed, with implementation scheduled to take place over the next decade.

The Association's financial forecasts, including both short- and long-term budgets, incorporate prudent provisions for all associated costs, including contractor access, structural remediation, consultant fees, decanting of residents, and necessary service disconnections. Engagement with other RSLs, has confirmed the scope of works is financially tenable and that the financial exposure remains within the capacity of existing reserves and funding arrangements.

NOTES TO THE FINANCIAL STATEMENTS

25 CASH FLOW STATEMENT

(a) RECONCILIATION OF SURPLUS TO NET CASH GENERATED FROM/ (USED IN) OPERATIONS

	2026 £	2025 £
Operating Surplus for the year	2,360,151	1,328,657
Adjustments for non-cash items:		
Amortisation of intangible fixed assets	301	2,464
Depreciation/impairment of tangible fixed assets	2,639,095	2,542,165
Government grants utilised in the year	(702,691)	(667,136)
Defined benefit pension schemes	-	-
Decrease/(Increase) in trade and other debtors	1,127,964	(765,931)
(Decrease)/Increase in trade and other creditors	(1,281,920)	453,782
Deficit/(Surplus) on disposal of tangible fixed assets	173,698	83,559
Net cash generated from operating activities	4,316,598	2,977,560

(b) ANALYSIS OF CHANGES IN NET DEBT

	As at 01/04/25 £	Cash Flow £	Other Changes £	As at 31/03/26 £
Cash at bank and in hand	12,471,922	(2,184,070)	-	10,287,852
Debt due within one year	(1,171,827)	-	(8,787)	(1,180,614)
Debt due after one year	(22,432,054)	1,160,045	8,787	(21,263,222)
	(11,131,959)	(1,024,025)	-	(12,155,984)