



Forth Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2025

Registered Social Landlord No. HAL 110

FCA Reference No.2268R(S)

Scottish Charity No. SC003550

FORTH HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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FORTH HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

Management Committee

Andrea Finkel-Gates

Chair from September 2024

Ann Dickson

Joint Vice-Chair until September 2024

Chair until September 2024

Kenny Hutton

Joint Vice-Chair from September 2024

Sharon Brady-Wardrope

Joint Vice-Chair

John Jenkins

Secretary

Priscilla Maramba

Committee Member from September 2021

Abira Sarwar

Committee Member from September 2019

Callum Wynd

Committee Member from June 2023

Andrea Mina

Committee Member from June 2023

Elaine Rosie

Committee Member from June 2024

Hazel Robertson

Committee Member from June 2024

Jillian Fearnside

Committee Member from June 2024

Kerray Dawson

Committee Member from June 2024

Lyndsay Moffat

Committee Member until September 2024

James Bryce

Committee Member until June 2024

Cllr David Wilson

Stirling Council Observer from Oct 2024

Cllr Gerry McGarvey

Stirling Council Observer until Oct 2024

Executive Officers

Sharon Brady-Wardrope

Director from January 2024

Samantha Buggy

Head of Corporate Services from November 2023

Mareta Greig

Head of Tenant Services until February 2025

Garry Savage

Head of Housing Services from March 2025

Registered Office

Kildean Business & Enterprise Hub

146 Drip Road

Stirling

FK8 1RW

External Auditors

Alexander Sloan LLP

180 St Vincent Street

Glasgow

G2 5SG

Internal Auditors

Quinn Internal Audit

55 Lady Place

Livingston

EH54 6TB

Finance Agents

FMD Financial Services Limited

KCEDG Commercial Centre

Unit 29, Ladyloan Place

Glasgow

G15 8LB

Bankers

Clydesdale Bank Plc

Clydesdale Bank Head Office

1st Floor 30 Vincent Place

Glasgow

G1 2HL

Solicitors

TC Young LLP

7 West George Street

Glasgow

G2 1BA

Development Agents

MacDonald & Cameron

Office B1-10

SAMS

Oban

Argyll

PA37 1QA

FORTH HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

The Management Committee presents its report and the financial statements for the year ended 31 March 2025.

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No 2268RS), the Scottish Housing Regulator as a registered social landlord (No. HAL110) under the Housing (Scotland) Act 2010 and as a registered Scottish Charity with the charity number SC003550.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

We remain a financially independent registered social landlord; we are a high performing, responsive and locally accountable organisation and we continue to build a strong track record in good governance service delivery and accountability. In common with all RSLs in the current economic climate, we understand there are areas where we can continue to progress improvements in governance and services to their customers.

We are a developing organisation and continue to contribute to the supply of affordable social housing in Stirling where it is financially viable to do so. This year saw the delivery of 48 units at Cambusbarron with a further 21 units planned for April 2025 at Croftside in Stirling. We appreciate the challenges that this will mean in the coming years given the budget constraints alongside increase construction costs. We will take this into consideration for our future planning and our feasibility assessment for each development project.

We are committed to keeping our rents affordable whilst maintaining the quality of our properties and looking to the future investment needs to ensure we are compliant with the government's challenging targets to achieve Net Zero.

Governance

The Association's Management Committee, which meets 8 times per year, is elected by the membership at the AGM, held in September each year, and can consist of up to 15 individuals.

Following each AGM, the Committee review their membership and can elect, if appropriate, to co-opt additional individuals to provide additional experience and/or skills. At the AGM, 12 members were elected and this represented a wide range of skills and experience including financial and development expertise. The 2024/25 Committee involves members with a range of professional backgrounds and includes 1 Association tenant, who can provide first hand customer insight.

FORTH HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Review of Business and Future Developments cont.

To ensure that Committee members maintain appropriate levels of knowledge and skills we have independent support to work with the Chair and the Committee to develop individual personal development plans as well as providing coaching and mentoring for new members. We have had a range of training and presentations throughout the year including treasury management and health and safety to support members in their role.

All new Committee members are involved in an induction programme to ensure that they are fully aware of the governance and business arrangements of the Association and we have completed a recruitment exercise in the course of the year adding further skills and experience to the Management Committee.

Aims and Objectives

The Business Plan for the period 2024-2029 was approved on 28th May 2024 with minor changes to the overall values, aims and objectives. The associated delivery plan was also approved and monitored throughout the course of the year with good progress being made against our objectives and outcomes. The summarised aims and objectives are as follows:

Aims:

Forth aims to develop and maintain quality affordable homes and services.

Objectives:

-  Developing and maintaining quality homes that meets housing need within Stirling
-  Engaging with our communities and encouraging tenant involvement
-  Providing income maximisation and wider tenancy sustainment services
-  Ensuring robust governance and value for money whilst continuing to deliver excellent customer services
-  Ensuring that all our people, by which we mean tenants, staff and committee members have a positive wellbeing experience with us.

Values:

At Forth our values have a tenant first focus with every business decision taken with integrity and fairness ensuring we are looking after tenants' interests in a caring and collaborative way.

We passionately believe in innovation while seeing efficiency, reliability, trustworthiness, and excellence as the norm.

Staff and Committee work as a team in an approachable, open, transparent, and honest way to empower tenants and enable them to be as resilient as they can be in their day to day lives.

Our values of **dignity**, **respect** and **openness** apply to tenants, staff, management committee and all our partners and we pride ourselves on valuing the diversity all around us.

FORTH HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Review of Business and Future Developments cont.

We work hard at communicating in an approachable, friendly, and supportive way to gain the trust of our communities and make ourselves attractive as a current and future landlord and employer.

Main Activities:

We provide a full range of housing management and tenancy support services to tenants as well as the ongoing reactive, cyclical and planned maintenance of our properties. We deliver an income maximisation service and tenancy sustainment service to provide advice on welfare benefits, budgeting, and debt management to Forth tenants and other household members supporting long term tenancy sustainment.

Our Corporate Services team deliver business support to both our internal and external customers, tenants and applicants, they also provide support to our Management Committee ensuring compliance with our governance requirements.

We are also a developing organisation with ambitious plans to continue to meet affordable housing needs in our area of operation with the support of our Development Services Business Partners.

We also offer a wider tenancy sustainment service and advice on general housing related matters to Forth tenants, applicants, and other household members.

Strategic and Operational Objectives 2024/2029

The following represent the Association's main strategic objectives for the period of this plan, and these will be incorporated going forward following consultation with tenants on their priorities.

- To consolidate current areas of strength and at the same time keep abreast of forthcoming changes (in funding, political, legislative, and economic world) so that the Association can be well placed to respond as required.
- To continue to ensure high local presence in the future housing developed for affordable rent in the Association's area of operation and to seek to further increase the Association's stock and range of housing.
- To continue to develop joint working initiatives with other Associations and partner agencies to provide new and/or more effective services for the Association, its tenants, and the communities it works in.
- To identify every possible opportunity to improve the efficient running of the Association's operations and services.
- To embed a culture that has the welfare and wellbeing of people at its heart including tenants, staff and committee.

These aims and objectives outline the strategic and operational ambitions of the Association and translate into a series of SMART objectives and targets which formed the basis for monitoring and reporting during the period through the business delivery plan.

FORTH HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Review of Business and Future Developments (Contd.)

Risk Assessment and Strategy

The Business Plan also summarised the Risk Assessment and Risk Strategy, which again influenced the work objectives for the year. The Association carried out a comprehensive review of our approach, establishing a new Risk Management Policy and Framework in February 2021 which was subsequently revised and refreshed in February 2024. Responsible risk owners ensure all new risks are identified and tracked with the top rated risks reviewed quarterly by the Audit and Risk Sub Committee and bi-annually to the Management Committee.

Our top key risks remain the development of new homes in particular the reduction in grant funding; political changes; and regulatory requirements. In addition, there is the risk of the cost of meeting the Scottish Governments Zero carbon targets through retrofitting green heating etc to our stock.

A Business Continuity Plan approved in May 2024 outlines proposals to respond to and mitigate the main areas of risk to the Association's operational service delivery and a Business Continuity Agreement has been signed by all StrathFor Associations, committing each organisation to provide support and assistance to partners in the event of disaster.

The Association has in place an Audit and Risk Sub Committee who regularly audit all controls to ensure we are being properly managed, and each Committee report has a risk section relating to the item under discussion.

The Association's financial performance remains subject to scrutiny by the Audit and Risk Sub Committee as well as the full Management Committee on a quarterly basis and before any major capital expenditure through new housing development, is undertaken.

We have carried out sensitivity analysis to test negative impact on our 30 year cashflow projections due to increase in voids, bad debts and arrears which has little impact on the cashflow or key performance indicators.

The Management Committee are satisfied that the range of sensitivity analysis tested does not pose any threat to the going concern of the Association.

The Association has undergone further changes to our staffing structure which has seen the introduction of a new Head of Asset and Development and Head of Housing Services along with a Senior Housing Officer which adds great strength to our Senior Management Team and develops our Leadership Team. This has ensured a good level of stability and consistency to drive the strategic direction of the association.

We continue to focus on delivering excellent governance and continuous improvement in our services following the change in our regulatory status to 'Complaint' in April 2024.

FORTH HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Review of Business and Future Developments (Contd.)

The Scottish Housing Regulator however continues to engage with Forth due to our plans to grow through a programme of new homes for social rent which would see us receive significant public subsidy to help achieve this. The planned number of affordable homes to be provided by us detailed in Stirling Councils Strategic Housing Investment Programme (SHIP) indicated an increase by around a quarter over the next five years. This however was significantly reduced following the reduction in funding from the Scottish Government and the extent of the programme has been adjusted.

The Scottish Housing Regulator required a detailed Development Programme from Forth which was submitted in the course of the year and was well received.

The Association continues to develop new homes with the support of grant funding from the Scottish Government and completed 48 units at Cambusbarron in Stirling during 2024/25. There is a development plan for the period 2025/30 which has been scaled back due to the changes in grant funding. 21 units are planned for April and May 2025 with a further 64 units from potential developments in the later years of the plan. We continue to be the lead provider for social rented homes in Stirling City Centre and have a good strong collaborative relationship with Stirling Council.

The culture of Forth has been an area of growth over the last 2 years and our commitment to this is evidenced through our reference to culture within the business plan as noted below.

- *The Association aims for a culture that has the welfare of people at its heart including tenants and staff.*
- *We operate with integrity in an inclusive, honest, and open way with an emphasis on an enabling atmosphere rather than being process driven.*

We continue to invest in our people through our approach to learning and development reviews which is designed to focus on the values and achievements to allow staff to learn and grow. We have seen several members of staff succeed in internal promotions through an open recruitment process which sees key skills being retained in the organisation. We also have introduced a joint Health, Safety and Wellbeing Group which provides an excellent platform for effective staff voice and is supported by Senior Management as well as a representative from the Management Committee.

Future Plans

Tenant Insight continues to be a key priority for us as it will provide us with an improved range and quality of customer data which we will use to ensure that the services we are delivering are what tenants want and need. It will also ensure that tenants are at the heart of shaping and influencing the organisation going forward. So far we have collected Equality and Diversity data from over 26% of our tenants by the end of March 2025 and all of our new applicants. We have an ambition to increase this by 10% year on year.

We have developed an online assessment that will automate data from the annual tenant visits that we will use to prioritise investment, shape services and make decisions that satisfy both tenants and the regulator and make sound business sense. By the end of March 2025 we had completed 23% of our visits and aim for 100% by December 2025.

By 2026 we intend to have completed a customer journey exercise of every interaction we have with customers so that we can gain a visual representation of what their experience is with us and give us actionable insights on how we can improve the service we deliver.

FORTH HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Review of Business and Future Developments (Contd.)

The above tenant insight information and the lessons gleaned from the Customer Journey exercise will determine what partnership initiatives we will engage in with tenants.

Management Committee and Executive Officers

The members of the Management Committee and the Executive officers are listed on page 1.

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

The members of the Management Committee are also trustees of the charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that period. In preparing those financial statements the Management Committee is required to:

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

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Going Concern

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

Statement on Internal Financial Control

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

FORTH HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Review of Business and Future Developments (Contd.)

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

It is the Management Committee's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2025. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Disclosure of Information to the Auditor

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

Auditor

A resolution to appoint the Auditors, Alexander Sloan LLP, will be proposed at the Annual General Meeting.

By order of the Management Committee



Sharon Brady-Wardrobe

Secretary

26 August 2025

FORTH HOUSING ASSOCIATION LIMITED

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

In addition to our audit of the financial statements, we have reviewed your statement on pages 7 and 8 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice 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. 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 of Internal Financial Control on pages 7 and 8 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

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



ALEXANDER SLOAN LLP

Statutory Auditors
180 St Vincent Street
Glasgow
G2 5SG

26 August 2025



FORTH HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORTH HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Forth Housing Association Limited (the 'Association') for the year ended 31 March 2025 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 2025 and of the 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 Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

Basis of 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 United Kingdom, including the Financial Reporting Council'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 audit opinion.

Conclusions relating to going concern

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

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

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

Other Information

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

FORTH HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORTH HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Other Information (Contd.)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 require 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 Statement of Comprehensive Income and Statement of Financial Position 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 Management Committee

As explained more fully in the statement of Management Committee's responsibilities as set out on page 7, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

FORTH HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORTH HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we gained an understanding of the legal and regulatory framework applicable to the Association through discussions with management, and from our wider knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing the Association's Assurance Statement and associated supporting information; and
- reviewing correspondence with the Scottish Housing Regulator.

FORTH HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORTH HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud (Contd.)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our Report

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



ALEXANDER SLOAN LLP

Statutory Auditors
180 St Vincent Street
Glasgow
G2 5SG

26 August 2025



FORTH HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	£	2025 £	£	2024 £
Revenue	2		5,336,095		4,811,212
Operating costs	2		4,021,123		3,643,912
OPERATING SURPLUS			1,314,972		1,167,300
(Loss) on sale of housing stock	7	(1,153)		(39,172)	
Interest receivable and other income		77,177		53,485	
Interest payable and similar charges	8	(880,635)		(839,564)	
Other Finance income/(charges)	10	(16,000)		(7,000)	
			(820,611)		(832,251)
Surplus on ordinary activities before taxation	9		494,361		335,049
SURPLUS FOR THE YEAR			494,361		335,049
Other comprehensive income					
Actuarial gains/(losses) on defined benefit pension plan	17		48,000		(178,000)
TOTAL COMPREHENSIVE INCOME			542,361		157,049

The results relate wholly to continuing activities.

The notes on pages 18 to 41 form an integral part of these financial statements.

FORTH HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	£	2025 £	£	2024 £
NON-CURRENT ASSETS					
Housing properties - depreciated cost	11		57,498,371		55,529,139
Other tangible assets	11		364,468		388,107
			<u>57,862,839</u>		<u>55,917,246</u>
CURRENT ASSETS					
Receivables	12	315,579		246,097	
Cash and cash equivalents	13	3,154,261		4,417,351	
		<u>3,469,840</u>		<u>4,663,448</u>	
CREDITORS: Amounts falling due within one year	14	(1,950,393)		(2,742,693)	
			<u>1,519,447</u>		<u>1,920,755</u>
NET CURRENT ASSETS					
			<u>59,382,286</u>		<u>57,838,001</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS: Amounts falling due after more than one year	15		(16,303,251)		(15,089,212)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	17	(286,000)		(318,000)	
			<u>(286,000)</u>		<u>(318,000)</u>
DEFERRED INCOME					
Social housing grants	18	(24,776,971)		(24,957,089)	
			<u>(24,776,971)</u>		<u>(24,957,089)</u>
NET ASSETS					
			<u>18,016,064</u>		<u>17,473,700</u>
EQUITY					
Share capital	19		80		77
Revenue reserves			18,301,984		17,791,623
Pension reserves			(286,000)		(318,000)
			<u>18,016,064</u>		<u>17,473,700</u>

The financial statements including the Income and Expenditure Account and Balance Sheet were approved by the Management Committee and authorised for issue and signed on their behalf on 26 August 2025.

Chairperson	Vice-Chair	Secretary

The notes on pages 18 to 41 form an integral part of these financial statements.

FORTH HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	£	2025 £	2024 £
Surplus for the Year			1,314,972	1,167,300
<i>Adjustments for non-cash items:</i>				
Depreciation of tangible fixed assets	11	1,410,426	1,317,231	
Amortisation of capital grants	18	(522,374)	(392,609)	
Gain on disposal of tangible fixed assets		(4,066)	-	
Non-cash adjustments to pension provisions		16,000	7,000	
Share capital written off	19	(2)	(1)	
			<u>899,984</u>	<u>931,621</u>
Operating cash flows before movements in working capital			2,214,956	2,098,921
Change in debtors		(69,482)	(96,462)	
Change in creditors		(1,164,056)	1,293,398	
			<u>(1,233,538)</u>	<u>1,196,936</u>
Net cash inflow from operating activities			981,418	3,295,857
Investing Activities				
Acquisition and construction of properties		(3,379,453)	(7,295,904)	
Purchase of other fixed assets		(8,703)	(11,915)	
Social housing grant received		342,256	6,380,140	
Proceeds on disposal of housing properties		35,050	-	
			<u>(3,010,850)</u>	<u>(927,679)</u>
Net cash outflow from investing activities			(3,010,850)	(927,679)
Financing Activities				
Loan Advances Received		2,440,000	1,000,000	
Other Financing Income/(Charges)		(16,000)	(7,000)	
Interest received on cash and cash equivalents		77,177	53,485	
Interest paid on loans		(880,635)	(839,564)	
Loan principal repayments		(854,205)	(837,931)	
Share capital issued	19	5	2	
			<u>766,342</u>	<u>(631,008)</u>
Net cash inflow / (outflow) from financing activities			766,342	(631,008)
(decrease)/increase in cash	20		(1,263,090)	1,737,170
Opening cash & cash equivalents			4,417,351	2,680,181
Closing cash & cash equivalents			<u>3,154,261</u>	<u>4,417,351</u>
Cash and cash equivalents as at 31 March				
Cash	20		3,154,261	4,417,351
			<u>3,154,261</u>	<u>4,417,351</u>

The notes on pages 18 to 41 form an integral part of these financial statements.

FORTH HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2025

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2023	76	(133,000)	17,449,574	17,316,650
Issue of Shares	2	-	-	2
Cancellation of Shares	(1)	-	-	(1)
Other comprehensive income	-	(178,000)	-	(178,000)
Revaluation in year	-	-	-	-
Other movements	-	(7,000)	7,000	-
Surplus for the year	-	-	335,049	335,049
Balance as at 31 March 2024	77	(318,000)	17,791,623	17,473,700
Balance as at 1 April 2024	77	(318,000)	17,791,623	17,473,700
Issue of Shares	5	-	-	5
Cancellation of Shares	(2)	-	-	(2)
Other comprehensive income	-	48,000	-	48,000
Revaluation in year	-	-	-	-
Other movements	-	(16,000)	16,000	-
Surplus for the year	-	-	494,361	494,361
Balance as at 31 March 2025	80	(286,000)	18,301,984	18,016,064

The notes on pages 18 to 41 form an integral part of these financial statements.

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2024. A summary of the principal accounting policies is set out below.

Revenue

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

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

Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

The Association participates in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme. Retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association moved to the SHAPS defined contribution scheme on leaving the defined benefit scheme. Contributions to defined contribution plans are recognised as an employee benefit expense when they are due.

Going Concern

On the basis that the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Kitchens	18 years
Bathrooms	25 years
Boilers	18 years
Radiators	36 years
Windows	30 years
External Doors	30 years
Rewiring	35 years
Structures	60 years
Shared ownership	50 years

Depreciation and Impairment of Other Tangible Assets

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

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	2% straight line
Office Equipment	15% straight line
Computer Equipment	25% straight line

The carrying values of non-current assets are reviewed for impairment at the end of each reporting period.

Social Housing Grants and Other Capital Grants

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

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

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

Sales Of Housing Properties

First tranche shared ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the statement of recommended practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the statement of comprehensive income.

Disposals under shared equity schemes are accounted for in the statement of comprehensive income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Taxation

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

Leases

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

Works to Existing Properties

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

Capitalisation Of Development Overheads

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

Borrowing Costs

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

Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a non-current asset. Surpluses made on the disposal of first tranche sales are taken to the Statement of Comprehensive Income.

Property developments that are intended for resale are included in current assets until disposal.

Housing Property Managed By Agents

Where a third party manages the Association's housing property the accounting treatment reflects the substance of the transactions. The property is only excluded if the rights and obligations associated with the scheme has been transferred to the third party.

VAT

The Association is not VAT registered. As a result all VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

Financial Instruments - Basic

The Association classes all of its loans as basic financial instruments including agreements with break clauses. The Association recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

The Association's debt instruments are measured at amortised cost using the effective interest rate method.

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Cash and Liquid Resources

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

Impairment

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

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

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

Key Judgements and estimates made in the application of Accounting Policies

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

Key Judgements

a) Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Financial instrument break clauses

The Association has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In their judgement these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

d) Pension Liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by TPT Retirement Solutions ("TPT"). TPT have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method. Judgements relating to the benefits issue are included in Note 27.

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies (Continued)

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

d) Costs of shared ownership

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

e) Defined pension liability

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

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

Judgements in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi employer pension schemes and estimations performed by the Pensions Trust.

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

				2025			2024
	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	5,289,000	3,978,788	1,310,212	4,763,773	3,611,266	1,152,507
Other Activities	4	47,095	42,335	4,760	47,439	32,646	14,793
Total		5,336,095	4,021,123	1,314,972	4,811,212	3,643,912	1,167,300

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

	General Needs Housing £	Shared Ownership £	2025 Total £	2024 Total £
Revenue from Lettings				
Rent receivable net of service charges	4,755,487	25,255	4,780,742	4,379,009
Gross income from rent and service charges	4,755,487	25,255	4,780,742	4,379,009
Less: Rent losses from voids	(14,116)	-	(14,116)	(7,845)
Income from rents and service charges	4,741,371	25,255	4,766,626	4,371,164
Grants released from deferred income	522,374	-	522,374	392,609
Total turnover from affordable letting activities	5,263,745	25,255	5,289,000	4,763,773
Expenditure on affordable letting activities				
Management and maintenance administration costs	1,577,752	-	1,577,752	1,443,711
Service costs	144,363	-	144,363	136,949
Planned and cyclical maintenance, including major repairs	213,731	-	213,731	197,714
Reactive maintenance costs	597,765	-	597,765	529,380
Bad Debts - rents and service charges	50,278	-	50,278	18,424
Depreciation of affordable let properties	1,391,734	3,165	1,394,899	1,285,088
Operating costs of affordable letting activities	3,975,623	3,165	3,978,788	3,611,266
Operating surplus on affordable letting activities	1,288,122	22,090	1,310,212	1,152,507
2024	1,131,607	20,900		

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Other income	Total Turnover	Other operating costs	Operating surplus / (deficit) 2025	Operating surplus / (deficit) 2024
	£	£	£	£	£	£
Wider role activities	-	-	-	1,842	(1,842)	-
Investment property activities	-	-	-	-	-	-
Factoring	-	3,624	3,624	3,525	99	(2)
Office Premises Rental Income	-	33,134	33,134	29,357	3,777	12,067
Other activities	8,108	2,229	10,337	-	10,337	12,033
Tenant Participation	-	-	-	7,611	(7,611)	(9,305)
Total From Other Activities	8,108	38,987	47,095	42,335	4,760	14,793
2024	9,804	37,635	47,439	32,646	14,793	

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2025 £	2024 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	141,441	-
Pension contributions were made to two Officers receiving emoluments greater than £60,000.	10,960	-
Emoluments payable to the Directors during the year (excluding pension contributions and social security payments)	79,176	71,523
Pension contributions paid on behalf of the Directors during the year	6,157	5,541
Total emoluments payable to the Directors during the year	85,333	77,064
Total emoluments paid to key management personnel (excluding social security payments)	220,964	211,813
The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-		
	Number	Number
£60,001 to £70,000	1	-
£70,001 to £80,000	-	1
£80,001 to £90,000	1	-

6. EMPLOYEE INFORMATION

	2025 No.	2024 No.
Average monthly number of full time equivalent persons employed during the year	18	16
Average total number of employees employed during the year	18	16
Staff costs were:	£	£
Wages and salaries	806,389	648,290
National insurance costs	77,195	56,294
Pension costs	59,399	50,089
Temporary, agency and seconded staff	45,411	92,539
	988,394	847,212

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

7. GAIN ON SALE OF HOUSING STOCK

	2025 £	2024 £
Components replaced - cost	14,389	144,804
Cumulative depreciation on replaced components	(9,170)	(105,632)
Loss on disposal of replaced components	(5,219)	(39,172)
 Sales Proceeds	 36,250	 -
Cost of Sales	(32,184)	-
Gain on sale of housing stock	4,066	
 Overall Loss on sale of housing stock	 (1,153)	 (39,172)

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2025 £	2024 £
On bank loans and overdrafts	(928,365)	(839,564)
	(928,365)	(839,564)
Less: Interest Capitalised on developments	47,730	-
	(880,635)	(839,564)

The capitalisation rate of capitalised development period interest was 6.6% (2024 - 0%).

9. SURPLUS FOR THE YEAR

	2025 £	2024 £
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,427,241	1,317,231
Auditors' remuneration - audit services	15,540	14,340
Operating lease rentals - other	504	504

10. OTHER FINANCE INCOME / (CHARGES)

	2025 £	2024 £
Net interest on pension obligations	(16,000)	(7,000)

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Shared Ownership Completed £	Total £
COST				
At 1 April 2024	52,197,383	11,065,059	170,852	63,433,294
Additions	131,439	3,248,014	-	3,379,453
Disposals	(14,389)	-	(12,623)	(27,012)
Transfers	9,341,643	(9,341,643)	-	-
At 31 March 2025	61,656,076	4,971,430	158,229	66,785,735
DEPRECIATION				
At 1 April 2024	7,870,052	-	34,103	7,904,155
Charge for Year	1,391,734	-	3,165	1,394,899
Impairment	-	-	-	-
Transfers	-	-	-	-
Disposals	(9,170)	-	(2,520)	(11,690)
At 31 March 2025	9,252,616	-	34,748	9,287,364
NET BOOK VALUE				
At 31 March 2025	52,403,460	4,971,430	123,481	57,498,371
At 31 March 2024	44,327,331	11,065,059	136,749	55,529,139

	2025		2024	
Expenditure on Existing Properties	Component replacement £	Non-component £	Component replacement £	Non-component £
Amounts capitalised	131,349	-	770,743	-
Amounts charged to the statement of comprehensive income	-	811,496	-	727,094

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £31,839,743 (2024 - £32,910,666).

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Office Equipment £	Computer Equipment £	Total £
COST				
At 1 April 2024	377,099	33,667	123,584	534,350
Additions	-	349	8,354	8,703
Eliminated on disposals	-	-	-	-
At 31 March 2025	377,099	34,016	131,938	543,053
DEPRECIATION				
At 1 April 2024	40,335	21,790	84,118	146,243
Charge for year	6,842	3,287	22,213	32,342
Eliminated on disposals	-	-	-	-
At 31 March 2025	47,177	25,077	106,331	178,585
NET BOOK VALUE				
At 31 March 2025	329,922	8,939	25,607	364,468
At 31 March 2024	336,764	11,877	39,466	388,107

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

12. RECEIVABLES		
	2025	2024
	£	£
Gross arrears of rent & service charges	182,654	131,352
Less: Provision for doubtful debts	(48,905)	(22,278)
<i>Net arrears of rent and service charges</i>	133,749	109,074
Other receivables	181,830	137,023
	<u>315,579</u>	<u>246,097</u>

13. CASH AND CASH EQUIVALENTS		
	2025	2024
	£	£
Cash at bank and in hand	1,554,261	3,417,351
Balances held in deposit accounts	1,600,000	1,000,000
	<u>3,154,261</u>	<u>4,417,351</u>

14. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2025	2024
	£	£
Bank loans	1,221,252	849,496
Trade payables	233,029	1,358,961
Rent received in advance	265,251	249,630
Other taxation and social security	38,678	23,007
Other payables	5,392	6,847
Accruals and deferred income	186,791	254,752
	<u>1,950,393</u>	<u>2,742,693</u>

15. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
	2025	2024
	£	£
Bank loans	<u>16,303,251</u>	<u>15,089,212</u>

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

16. DEBT ANALYSIS - BORROWINGS

	2025 £	2024 £
Bank Loans		
Amounts due within one year	1,221,252	849,496
Amounts due in one year or more but less than two years	1,111,654	1,018,975
Amounts due in two years or more but less than five years	3,358,622	3,131,021
Amounts due in more than five years	11,832,975	10,939,216
	<u>17,524,503</u>	<u>15,938,708</u>

The Association has a number of bank loans the principal terms of which are as follows:

Lender	Units Secured	Effective Interest Rate	Maturity (Year)	Variable or Fixed
Bank of Scotland	121	3.45% all in rate	2027	Fixed
Scottish Building Society	40	5.60% all in rate	2036	Variable
Nationwide	542	5.6%-6.75% all in rate	2041	Variable
CAF	83	Base rate + 1.6%	2048	Variable

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

In accordance with FRS 102 the Association's bank borrowings are valued using at amortised cost using the effective interest rate method.

	2025 £	2024 £
Due to lenders at 31 March 2025	<u>17,524,503</u>	<u>15,938,708</u>

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

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

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

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

The last valuation of the Scheme was performed as at 30 September 2021 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £1,173m. The valuation revealed a shortfall of assets compared with the value of liabilities of £27m (equivalent to a past service funding level of 98%).

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is reapportioned amongst the remaining employers. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

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

	2025	2024
	£	£
Fair value of plan assets	2,031,000	2,238,000
Present value of defined benefit obligation	2,317,000	2,556,000
(Deficit) / Surplus in plan	(286,000)	(318,000)
Unrecognised surplus	-	-
Defined benefit (liability) / asset to be recognised	(286,000)	(318,000)

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of defined benefit obligation

	2025 £	2024 £
Defined benefit obligation at the start of period	2,556,000	2,565,000
Expenses	4,000	4,000
Interest expense	123,000	122,000
Actuarial losses / (gains) due to scheme experience	15,000	23,000
Actuarial losses (gains) due to changes in demographic assumptions	-	(15,000)
Actuarial losses / (gains) due to changes in financial assumptions	(275,000)	(6,000)
Benefits paid and expenses	(106,000)	(137,000)
Defined benefit obligation at the end of period	2,317,000	2,556,000

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

	2025 £	2024 £
Fair value of plan assets at start of period	2,238,000	2,432,000
Interest income	107,000	115,000
Experience on plan assets (excluding amounts included in interest income)		
- gain / (loss)	(212,000)	(176,000)
Contributions by the employer	4,000	4,000
Benefits paid and expenses	(106,000)	(137,000)
Fair value of plan assets at the end of period	2,031,000	2,238,000

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was (£105,000) (2024 - (£61,000)).

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2025 £	2024 £
Expenses	4,000	4,000
Net interest expense	16,000	7,000
	<u> </u>	<u> </u>
Defined benefit costs recognised in statement of comprehensive income	20,000	11,000
	<u> </u>	<u> </u>

Defined benefit costs recognised in the other comprehensive income

	2025 £	2024 £
Experience on plan assets (excluding amounts included in interest income) - gain / (loss)	(212,000)	(176,000)
Experience gains and losses arising on plan liabilities - gain / (loss)	(15,000)	(23,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain / (loss)	-	15,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	275,000	6,000
	<u> </u>	<u> </u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	48,000	(178,000)
	<u> </u>	<u> </u>
Total amount recognised in other comprehensive income - gain / (loss)	48,000	(178,000)
	<u> </u>	<u> </u>

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued.)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2025	2024	2023
	£	£	£
Absolute Return	-	101,000	33,000
Alternative Risk Premia	-	81,000	14,000
Corporate Bond Fund	-	-	3,000
Credit Relative Value	-	79,000	93,000
Currency Hedging	3,000	(1,000)	5,000
Distressed Opportunities	-	82,000	75,000
Emerging Markets Debt	-	39,000	19,000
Global Equity	235,000	257,000	64,000
Infrastructure	-	214,000	262,000
Insurance-Linked Securities	8,000	14,000	68,000
Liability Driven Investment	572,000	809,000	1,030,000
Long Lease Property	1,000	17,000	82,000
Net Current Assets	3,000	3,000	5,000
Private Debt	-	90,000	109,000
Property	101,000	95,000	101,000
Risk Sharing	-	134,000	177,000
Secured Income	47,000	75,000	163,000
Opportunistic Illiquid Credit	-	89,000	107,000
High Yield	-	-	12,000
Cash	11,000	58,000	10,000
Private Equity	2,000	2,000	-
Real Assets	242,000	-	-
Private Credit	253,000	-	-
Credit	86,000	-	-
Investment Grade Credit	93,000	-	-
Liquid Alternatives	374,000	-	-
Total assets	2,031,000	2,238,000	2,432,000

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

Key Assumptions

	2025	2024	2023
Discount Rate	5.8%	4.9%	4.9%
Inflation (RPI)	3.1%	3.2%	3.2%
Inflation (CPI)	2.8%	2.8%	2.8%
Salary Growth	3.8%	3.8%	3.8%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance		

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

	Life expectancy at age 65 (years)
Male retiring in 2025	20.2
Female retiring in 2025	22.7
Male retiring in 2045	21.5
Female retiring in 2045	24.2

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

The Growth Plan

The Association participates in the scheme, a multi-employer scheme which provides benefits to some 521 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Defined Contributions

From 1 April 2025 to 31 March 2028:	£2,100,000 per (payable monthly) annum
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Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2023. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Defined Contributions

From 1 April 2022 to 30 January 2025:	£3,312,000 per (payable monthly) annum
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Present Values of Provision

	2025	2024
	£	£
Present Value of Provision	821	335

Reconciliation of Opening and Closing Provisions

	2025	2024
	£	£
Provision at start of period	335	717
Unwinding of the discount factor (interest expense)	9	28
Deficit contribution paid	(341)	(410)
Remeasurements - impact of any change in assumptions	5	-
Remeasurements - amendments to the contribution schedule	813	-
Provision at end of period	821	335
Total amount recognised in other comprehensive income - gain /(loss)	821	335

Income and Expenditure Impact

	2025	2024
	£	£
Interest expense	9	28
Remeasurements - impact of any change in assumptions	5	-
Remeasurements - amendments to the contribution scheme	813	-

Key Assumptions

	31 March 2025 % per annum	31 March 2024 % per annum
Rate of discount	4.8%	5.3%

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Additional Information

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

Defined Contribution Schedule

	2025	2024
	£	£
Year 1	293	341
Year 2	293	-
Year 3	293	-
Year 4	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

Pension Scheme Growth Plan Note

It is the opinion of the trustees the growth plan deficit of £293 (2024 - £341) is based on estimated calculations and is not material in relation to the accounts. Accordingly, this provision is not reflected in the annual financial statements.

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants			
At 1 April 2024	26,583,929	-	26,583,929
Additions in the year	342,256	-	342,256
Eliminated on disposal	-	-	-
At 31 March 2025	26,926,185	-	26,926,185
Amortisation			
At 1 April 2024	1,626,840	-	1,626,840
Amortisation in year	522,374	-	522,374
At 31 March 2025	2,149,214	-	2,149,214
Net book value			
At 31 March 2025	24,776,971	-	24,776,971
At 31 March 2024	24,957,089	-	24,957,089

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

	2025 £	2024 £
Amounts due within one year	492,592	386,613
Amounts due in more than one year	24,284,379	24,570,476
	24,776,971	24,957,089

19. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2025 £	2024 £
At 1 April	77	76
Issued in year	5	2
Cancelled in year	(2)	(1)
At 31 March	80	77

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.

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. CASH FLOWS

Reconciliation of net cash flow to movement in net debt

	£	2025 £	£	2024 £
(Decrease) / increase in cash	(1,263,090)		1,737,170	
Cashflow from change in net debt	(1,585,795)		(162,069)	
Movement in net debt during the year		(2,848,885)		1,575,101
Net debt at 1 April		(11,521,357)		(13,096,458)
Net debt at 31 March		(14,370,242)		(11,521,357)

Analysis of changes in net debt

	At 1 April 2024 £	Cashflows £	Other Changes £	At 31 March 2025 £
Cash and cash equivalents	4,417,351	(1,263,090)	-	3,154,261
	4,417,351	(1,263,090)	-	3,154,261
Debt: Due within one year	(849,496)	(1,585,795)	1,214,039	(1,221,252)
Due after more than one year	(15,089,212)	-	(1,214,039)	(16,303,251)
Net debt	(11,521,357)	(2,848,885)	-	(14,370,242)

21. CAPITAL COMMITMENTS

	2025 £	2024 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	4,196,679	4,502,199

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

22. COMMITMENTS UNDER OPERATING LEASES

	2025 £	2024 £
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	504	504
Expiring later than one year and not later than five years	882	1,386

FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

23. DETAILS OF ASSOCIATION

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

The Association's principal place of business is Kildean Business & Enterprise Hub, 146 Drip Road, Stirling, FK8 1RW.

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

24. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £6,404 (2024 - £2,139) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

25. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2025 No.	2024 No.
General needs - Built by Association	919	911
General Needs - Purchased by the Association	48	8
Shared ownership	9	10
	<u>976</u>	<u>929</u>

26. RELATED PARTY TRANSACTIONS

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

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

Transactions between the Association and members of the Management Committee (and their close family) were as follows:

	2025 £	2024 £
Rent received from tenants on the Management Committee and their close family members	9,946	23,583

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £23 (2024 - £nil).

At the year end total factoring arrears owed by owner occupiers on the Management Committee (and their close family) were £nil (2024 - £nil).

Members of the Management Committee who are tenants	<u>1</u>	<u>1</u>
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FORTH HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

NOTES TO THE FINANCIAL STATEMENTS (continued)

27. CONTINGENT LIABILITY

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.