Forth Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2026

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 2026

Contents

	Page
Members of the Management Committee, Executive and Advisers	1
Report of the Management Committee	2 - 10
Report by the Auditors on corporate governance matters	11
Report of the Auditors	12 - 15
Statement of comprehensive income	16
Statement of financial position	17
Statement of cash flows	18
Statement of changes in equity	19
Notes to the financial statements	20 - 43

FORTH HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2026

Management Committee

Andrea Finkel-Gates	Chair from September 2024
Ann Dickson	Joint Vice-Chair until September 2025
Kenny Hutton	Joint Vice-Chair
Andrea Mina	Joint Vice Chair from September 2025
Sharon Brady-Wardrope	Secretary
John Jenkins	Committee Member from September 2021
Priscilla Maramba	Committee Member from September 2019
Abira Sarwar	Committee Member from June 2023
Callum Wynd	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
Cllr David Wilson	Stirling Council Observer until Nov 2025
Cllor Willie Ferguson	Stirling Council Observer from Feb 2026

Executive Officers

Sharon Brady-Wardrope	Director from January 2024
Samantha Buggy	Head of Corporate Services from November 2023
Garry Savage	Head of Housing Services from March 2025
Kevin Urbanowicz	Head of Asset & Development from April 2025

Registered Office
Kildean Business & Enterprise Hub
146 Drip Road
Stirling
FK8 1RW

External Auditors
TC Group
180 St Vincent Street
Glasgow
G2 5SG

Internal Auditors
Cameron Audit
Ground Floor
4 Grosvenor Gardens
Edinburgh
EH12 5JU

Finance Agents
FMD Financial Services Limited
3 Clairmont Gardens
Glasgow
G3 7LW

Bankers
Virgin Money
Symington House 7-8 North Avenue
Clydebank Business Park
Clydebank
G81 2NT

Solicitors
TC Young LLP
7 West George Street
Glasgow
G2 1BA

Development Agents
MacDonald & Cameron
6 Argyll Square
SAMS
Oban
PA34 4AZ

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2026

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

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No 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.

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.

Review of Business and Future Developments

The Business Strategy and Strategic Delivery Plan for the period 2025-2030 was approved in June 2025. This was a new 5-Year Strategic Plan as we entered an exciting new phase, the strategic plan set out the robust framework that underpinned our ambitious plans for enhancing our services, embedding good practice, expanding our expertise and empowering our people to deliver excellent services for our tenants and their communities.

The Strategic Delivery plan is monitored throughout the course of the year with good progress being made against our new strategic goals.

REPORT OF THE MANANGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2026

Review of Business and Future Developments cont.

Our vision, values and strategic goals 2025 - 2030

There are 5 core elements to our vision:

- Our homes will be fit for the future, sustainable, desirable and a place people are happy to call home
- Our services will be accessible and we will be recognised as an excellent housing provider
- We collaborate with others to deliver a range of high quality services
- We have an ideal organisational culture and will be recognised as a good employer
- We have the right business model to ensure that we are a flexible, agile organisation

Values: Be Kind, Be Caring and Be Respectful

At Forth our core values are our fundamental beliefs that guide our decisions and actions, and we prioritise our resources in ways that empower tenants, staff and committee to have ambition for themselves and their futures. Our values have a people first focus with every business decision taken with integrity and fairness ensuring that we are looking after the interests of our people in a caring and collaborative way.

Strategic Goals

To ensure we achieve our ambitious strategy and deliver on our vision and values, we have set out a robust framework with four supporting pillars, our strategic goals and what achieving these will look like:

- Sustainable Homes - Our homes will be desirable, safe, energy efficient, accessible and affordable
- Responsive Services - Our services will meet local needs, demonstrate value for money and achieve high levels of satisfaction
- Inclusive Culture - Our culture will be open, collaborative and empowering, supporting learning and innovation
- Modern Organisation - Our organisation will be agile, financially stable, well governed and a great employer

Our Homes

Forth Housing Association is 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 we understand there are areas where we can continue to progress improvements in governance for our customers particularly when facing the ongoing challenges from the current economic climate.

REPORT OF THE MANANGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2026

Our Homes cont.

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. Over the course of the year we delivered 21 units at Croftside in Stirling and saw the handover of the final phases of our development at Raploch Site 8 and 9 with an additional 41 homes being allocated. There was one shared ownership property purchased back by the Association and allocated to fully rented in the year. As of 31st March 2026 the Association owned 1,023 self-contained properties, two non-self-contained properties with 8 bedspaces as well as 5 commercial/office units. In addition, we factor 56 privately owned properties and manage 8 shared ownership properties.

Whilst we continue to seek opportunities to deliver more affordable homes, 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. We appreciate the challenges that this will mean in the coming years given the budget constraints alongside increased construction costs. We will take this into consideration for our future investment planning with the review of our Asset and Development Strategy and our feasibility assessment for each development project.

We are mindful of the investment needs to ensure we maintain our existing properties to a high standard and that we are compliant with the government's targets for tenant health and safety. We have invested just under £928k in our reactive and planned maintenance over the year and have good levels of satisfaction with our maintenance service and the quality of homes.

Looking to the future, we need to ensure that we meet the challenging targets to achieve Net Zero but more so the need to ensure that we tackle fuel poverty whilst keeping our rents affordable. With an average weekly rent ranging between £92.32 for a two apartment to £119.49 for a 5+ apartment we compare favourably with our peers and the Scottish Average weekly rent.

Our People

At the end of the year we had 21.91 fulltime equivalent members of staff which included some temporary staff to support the transition to the new housing management system. We completed the implementation of the new staff structure in April 2025 which saw the increased resource supporting the housing management team and the asset management team.

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 again seen several members of staff succeed in internal promotions through an open recruitment process which sees key skills being retained in the organisation. We have also seen the successful completion into permanent roles for two modern apprenticeships and we will continue to look for opportunities to continue to encourage people into housing. Our 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 have developed our Wellbeing Strategy and Delivery Plan with support from our Wellbeing Consultant and we have already made good progress with this.

Performance and Achievements

We received encouraging results from the Tenant Satisfaction Survey completed in quarter 4 2025/26. The survey shows strong and consistent performance across key service areas including our repairs service, quality of home and opportunities to participate, reflecting Forth's ongoing commitment to providing high-quality homes and responsive services.

REPORT OF THE MANANGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2026

Performance and Achievements cont.

Most tenants told us they are satisfied with the services they receive, which is very encouraging. While there is always more to do, these results show that we are moving in the right direction and provide a strong foundation to continue improving services for everyone.

Right first time performance was revised to take into account the new guidance but remains high with 99.47% of repairs completed successfully. We have 100% compliance across all our Tenant Health and Safety performance including positive results on our Damp and Mould indicators.

Our commitment to delivering adaptations without delay resulted in fully utilising our £300,000 Scottish Government Grant for Stage 3 Adaptations with over 83 adaptations being complete within the year.

Our arrears management performance was similar to the equivalent position for 2024/25 at 3.71%. Whilst this is still above our target position, performance levels have improved from last year in relation to current tenant rent arrears, reflecting a firm focus on early intervention and the active management of higher level cases.

Our Housing Management team have maintained a strong level of performance in resolving reported anti-social behaviour cases despite seeing a significant increase in the number of cases and the complexity of cases from last year.

Our Joint Tenant Scrutiny Group with Rural Stirling Tenants completed a further scrutiny project on Repairs Service having already completed projects on our Annual Assurance Statement to the Regulator and our Annual Return on the Tenants Charter. They have provided us with valuable insight into the repair service they receive and how we can improve this further.

Governance

The members of the governing body, our Management Committee, and Executive Officers are listed on page 1. 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, in September 2025,10 members were elected and this represented a wide range of skills and experience including financial and development expertise. The 2025/26 Committee involves members with a range of professional backgrounds however with the recent resignation of our only tenant member, we are focusing on recruiting tenant representation on our committee, who will be able to provide first hand customer insight into the decision making process.

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, risk 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.

We continue to focus on delivering excellent governance and continuous improvement in our services maintaining our regulatory status of 'Compliant'.

REPORT OF THE MANANGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2026

Governance (Contd.)

The Scottish Housing Regulator engages with Forth due to our ongoing 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 previously provided by us detailed in Stirling Council's Strategic Housing Investment Programme (SHIP), was significantly reduced following the reduction in funding from the Scottish Government in 2024/25 and the extent of the programme has been adjusted. We continue to review our appetite and financial ability to develop.

Risk Assurance

The Strategic Plan also summarised the Risk Assurance Assessment and Risk Strategy, which again influenced the work objectives for the year. The Association carried out a comprehensive review of our approach in line with our revised Risk Management Policy and Framework in 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 Government's Zero carbon targets through retrofitting green heating etc to our stock.

A Business Continuity Plan revised in August 2025 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 is undertaken supported by the scrutiny from the Asset and Development Sub Committee in relation to appraisal of new housing development.

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.

Future Plans

Our goals for 2026/27 are set out earlier in this report and will contribute to the organisation's desired outcomes in the coming year.

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. We have contacted and offered annual tenant visits to all our tenants and continue to prioritise our most vulnerable tenants to provide early intervention to sustain tenancies well.

REPORT OF THE MANANGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2026

Future Plans (Contd.)

Partnership working remains a focus for many of our business areas as we recognise our resource limitations. We are underway with a joint procurement exercise with our StrathFor Alliance partners for our Reactive Maintenance contract, a combine IT and Telephony Support Services contract and a feasibility study on the inhouse provision of landscaping and close cleaning services.

A member of the Inclusive Living Alliance with other partners including Stirling University, Public Health Scotland, Care and Repair Scotland, Motionspot and Foundations, Forth is supporting the work of Intersectional Stigma of Place-based Ageing (ISPA), a five-year participatory study to explore and understand how the stigma attached to where people live can link to experiences of disability and ageing. We are also working with the University and Talking Mats on developing accessible communication tools for a wide range of transactional tenant surveys seeking to improve engagement with tenants in an easy and accessible way.

Our Strategic Plan incorporates a 30-year financial projection which demonstrates that we are a viable going concern, able to meet our financial commitments and requirements in relation to service and asset management as well as maintaining and complying with various obligations required by our lenders.

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.

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2026

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.

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2026

Statement of Internal Financial Controls

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:

- 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 2026. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

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.

REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2026

Auditor

A resolution to reappoint the Auditors, TC Group, will be proposed at the Annual General Meeting.

B order of the Mana ement Committee

[redacted]

S aron ra y- ar rope
Secretary
25 August 2026

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 page 9 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 page 9 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.



TC Group
Statutory Auditors
180 St Vincent Street
Glasgow
G2 5SG

25 August 2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORTH HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026

Opinion
We have audited the financial statements of Forth Housing Association Limited (the 'Association') for the year ended 31 March 2026 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORTH HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026 (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 8, 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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORTH HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026 (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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FORTH HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026 (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.

[redacted]

TC Group
Statutory Auditors
180 St Vincent Street
Glasgow
G2 5SG

25 August 2026

FORTH HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes	£	2026 £	£	2025 £
Revenue	2		6,237,606		*5,336,095*
Operating costs	2		4,505,683		*4,021,123*
OPERATING SURPLUS			1,731,923		1,314,972
(Loss) on sale of housing stock	7	(28,000)		*(1,153)*	
Interest receivable and other income		82,750		*77,177*	
Interest payable and similar charges	8	(863,443)		*(880,635)*	
Other Finance income/(charges)	10	(17,000)		*(16,000)*	
			(825,693)		*(820,611)*
Surplus on ordinary activities before taxation	9		906,230		*494,361*
SURPLUS FOR THE YEAR			**906,230**		***494,361***
Other comprehensive income Actuarial gains/(losses) on defined benefit pension plan	17		31,000		*48,000*
TOTAL COMPREHENSIVE INCOME			**937,230**		***542,361***

The results relate wholly to continuing activities.

The notes on pages 20 to 43 form an integral part of these financial statements.

FORTH HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	£	2026 £	£	2025 £
NON-CURRENT ASSETS					
Housing properties - depreciated cost	11		64,705,278		*57,498,371*
Other tangible assets	11		337,755		*364,468*
			65,043,033		*57,862,839*
CURRENT ASSETS					
Receivables	12	362,089		*315,579*	
Cash and cash equivalents	13	3,710,683		*3,154,261*	
		4,072,772		*3,469,840*	
CREDITORS: Amounts falling due within one year	14	(2,838,442)		*(1,950,393)*	
NET CURRENT ASSETS			1,234,330		*1,519,447*
TOTAL ASSETS LESS CURRENT LIABILITIES			66,277,363		*59,382,286*
CREDITORS: Amounts falling due after more than one year	15		(16,736,571)		*(16,303,251)*
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	17	(272,000)		*(286,000)*	
			(272,000)		*(286,000)*
DEFERRED INCOME					
Social housing grants	18	(30,315,498)		*(24,776,971)*	
			(30,315,498)		*(24,776,971)*
NET ASSETS			**18,953,294**		***18,016,064***
EQUITY					
Share capital	19		80		*80*
Revenue reserves			19,225,214		*18,301,984*
Pension reserves			(272,000)		*(286,000)*
			18,953,294		***18,016,064***

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

[redacted] [redacted] [redacted]

Chairperson **Vice-Chair** **Secretary**

The notes on pages 20 to 43 form an integral part of these financial statements.

FORTH HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Notes		2026		2025
		£	£	£	£
Surplus for the Year			1,731,923		*1,314,972*
Adjustments for non-cash items:					
Depreciation of tangible fixed assets	11	1,612,103		*1,410,426*	
Amortisation of capital grants	18	(652,301)		*(522,374)*	
Loss on disposal of tangible fixed assets		-		*(4,066)*	
Share capital written off	19	-		*(2)*	
			959,802		*883,984*
Operating cash flows before movements in working capital			2,691,725		*2,198,956*
Change in debtors		(46,510)		*(69,482)*	
Change in creditors		960,778		*(1,164,056)*	
			914,268		*(1,233,538)*
Net cash inflow from operating activities			3,605,993		965,418
Investing Activities					
Acquisition and construction of properties		(8,816,427)		*(3,379,453)*	
Purchase of other fixed assets		(3,869)		*(8,703)*	
Social housing grant received		6,190,827		*342,256*	
Proceeds on sale of investments		-		*35,050*	
Net cash outflow from investing activities			(2,629,469)		(3,010,850)
Financing Activities					
Loan Advances Received		1,255,000		*2,440,000*	
Interest received on cash and cash equivalents		82,750		*77,177*	
Interest paid on loans		(863,443)		*(880,635)*	
Loan principal repayments		(894,409)		*(854,205)*	
Share capital issued	19	-		*5*	
Net cash (outflow) / inflow from financing activities			(420,102)		*782,342*
Increase/(decrease) in cash	20		556,422		*(1,263,090)*
Opening cash & cash equivalents			3,154,261		*4,417,351*
Closing cash & cash equivalents			**3,710,683**		***3,154,261***
Cash and cash equivalents as at 31 March					
Cash	20		3,710,683		*3,154,261*
			3,710,683		***3,154,261***

The notes on pages 20 to 43 form an integral part of these financial statements.

FORTH HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2026

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 31 March 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*
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***
Balance as at 1 April 2025	80	(286,000)	18,301,984	18,016,064
Other comprehensive income	-	31,000	-	31,000
Other movements	-	(17,000)	17,000	-
Surplus for the year	-	-	906,230	906,230
Balance as at 31 March 2026	**80**	**(272,000)**	**19,225,214**	**18,953,294**

The notes on pages 20 to 43 form an integral part of these 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.

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.

Component	*Useful Economic Life*
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:

Asset Category	*Depreciation Rate*
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.

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 extention of the life of the property.

Capitalisation Of Development Overheads

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

Borrowing Costs

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

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.

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

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

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

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 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 signficant 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. Judegements relating to the benefits issue are included in Note 27.

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.

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

	Notes	2026 Turnover £	2026 Operating costs £	2026 Operating surplus / (deficit) £	2025 Turnover £	2025 Operating costs £	2025 Operating surplus / (deficit) £
Affordable letting activities	3	6,164,482	4,429,854	*1,734,628*	*5,289,000*	*3,978,788*	*1,310,212*
Other Activities	4	73,124	75,829	*(2,705)*	*47,095*	*42,335*	*4,760*
Total		**6,237,606**	**4,505,683**	***1,731,923***	***5,336,095***	***4,021,123***	***1,314,972***

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

	General Needs Housing £	Shared Ownership £	2026 Total £	2025 Total £
Revenue from Lettings				
Rent receivable net of service charges	5,518,298	24,452	5,542,750	*4,780,742*
Gross income from rent and service charges	5,518,298	24,452	5,542,750	*4,780,742*
Less: Rent losses from voids	(30,569)	-	(30,569)	*(14,116)*
Income from rents and service charges	5,487,729	24,452	5,512,181	*4,766,626*
Grants released from deferred income	652,301	-	652,301	*522,374*
Total turnover from affordable letting activities	6,140,030	24,452	6,164,482	*5,289,000*
Expenditure on affordable letting activities				
Management and maintenance administration costs	1,668,153	-	1,668,153	*1,577,752*
Service costs	157,165	-	157,165	*144,363*
Planned and cyclical maintenance, including major repairs	250,661	-	250,661	*213,731*
Reactive maintenance costs	677,482	-	677,482	*597,765*
Bad Debts - rents and service charges	55,093	-	55,093	*50,278*
Bad Debts - other (recharges/factoring/legal)	39,784	-	39,784	-
Depreciation of affordable let properties	1,578,520	2,996	1,581,516	*1,394,899*
Operating costs of affordable letting activities	4,426,858	2,996	4,429,854	*3,978,788*
Operating surplus on affordable letting activities	**1,713,172**	**21,456**	**1,734,628**	***1,310,212***
2025	*1,288,122*	*22,090*		

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) 2026	Operating surplus / (deficit) 2025
	£	£	£	£	£	£
Wider role activities	-	-	-	10,100	(10,100)	*(1,842)*
Factoring	-	3,811	3,811	3,707	104	*99*
Office Premises Rental Income	-	34,512	34,512	45,786	(11,274)	*3,777*
Other activities	27,345	7,456	34,801	-	34,801	*10,337*
Tenant Participation	-	-	-	16,236	(16,236)	*(7,611)*
Total From Other Activities	**27,345**	**45,779**	**73,124**	**75,829**	**(2,705)**	***4,760***
2025	*8,108*	*38,987*	*47,095*	*42,335*	*4,760*	

5. OFFICERS' EMOLUMENTS

	2026	2025
	£	£
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)	278,061	*141,441*
Pension contributions were made to four Officers receiving emoluments greater than £60,000.	21,588	*10,960*
Emoluments payable to the Directors during the year (excluding pension contributions and social security payments)	83,763	*79,176*
Pension contributions paid on behalf of the Directors during the year	6,538	*6,157*
Total emoluments payable to the Directors during the year	90,301	*85,333*
Total emoluments paid to key management personnel (excluding social security payments)	299,649	*220,964*

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	2	*1*
£70,001 to £80,000	1	-
£80,001 to £90,000	1	*1*

6. EMPLOYEE INFORMATION

	2026	2025
	No.	No.
Average monthly number of full time equivalent persons employed during the year	20	*18*
Average total number of employees employed during the year	20	*18*
Staff costs were:	£	£
Wages and salaries	924,057	*806,389*
National insurance costs	108,158	*77,195*
Pension costs	78,405	*59,399*
Temporary, agency and seconded staff	28,948	*45,411*
	1,139,568	*988,394*

7. GAIN ON SALE OF HOUSING STOCK

	2026	2025
	£	£
Components replaced - cost	147,551	14,389
Cumulative depreciation on replaced components	(119,551)	(9,170)
Loss on disposal of replaced components	(28,000)	(5,219)
Sales Proceeds		36,250
Cost of Sales	-	(32,184)
Gain on sale of housing stock	-	4,066
Overall Loss on sale of housing stock	(28,000)	(1,153)

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2026	2025
	£	£
On bank loans and overdrafts	(863,443)	(928,365)
	(863,443)	(928,365)
Less: Interest Capitalised on developments	-	47,730
	(863,443)	(880,635)

The capitalisation rate of capitalised development period interest was 0% (2025 - 6.6%).

9. SURPLUS FOR THE YEAR

	2026	2025
Surplus For The Year is stated after charging/(crediting):	£	£
Depreciation - non-current assets	1,612,102	1,427,241
Auditors' remuneration - audit services	16,200	15,540
Operating lease rentals - other	504	504

10. OTHER FINANCE INCOME / (CHARGES)

	2026	2025
	£	£
Net interest on pension obligations	(17,000)	(16,000)

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 2025	61,656,076	4,971,430	158,229	66,785,735
Additions	883,638	7,932,789	-	8,816,427
Disposals	(147,551)	-	-	(147,551)
Transfers	9,325,576	(9,317,161)	(8,415)	-
At 31 March 2026	71,717,739	3,587,058	149,814	75,454,611
DEPRECIATION				
At 1 April 2025	9,252,616	-	34,748	9,287,364
Charge for Year	1,578,524	-	2,996	1,581,520
Transfers	1,848	-	(1,848)	-
Disposals	(119,551)	-	-	(119,551)
At 31 March 2026	10,713,437	-	35,896	10,749,333
NET BOOK VALUE				
At 31 March 2026	61,004,302	3,587,058	113,918	64,705,278
At 31 March 2025	*52,403,460*	*4,971,430*	*123,481*	*57,498,371*

	2026		***2025***	
Expenditure on Existing Properties	Component replacement £	Non-component £	*Component replacement* £	*Non-component* £
Amounts capitalised	883,638	-	*131,349*	-
Amounts charged to the statement of comprehensive income	-	*928,143*	-	*811,496*

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £31,595,303 (2025 - £31,839,743).

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Office Equipment £	Computer Equipment £	Total £
COST				
At 1 April 2025	377,099	34,016	131,938	543,053
Additions	-	-	3,869	3,869
Eliminated on disposals	-	-	-	-
At 31 March 2026	377,099	34,016	135,807	546,922
DEPRECIATION				
At 1 April 2025	47,177	25,077	106,331	178,585
Charge for year	6,842	3,252	20,488	30,582
Eliminated on disposals	-	-	-	-
At 31 March 2026	54,019	28,329	126,819	209,167
NET BOOK VALUE				
At 31 March 2026	323,080	5,687	8,988	337,755
At 31 March 2025	*329,922*	*8,939*	*25,607*	*364,468*

12. RECEIVABLES

	2026	2025
	£	£
Gross arrears of rent & service charges	197,868	*182,654*
Less: Provision for doubtful debts	(102,165)	*(48,905)*
Net arrears of rent and service charges	95,703	*133,749*
Other receivables	266,386	*181,830*
	362,089	*315,579*

13. CASH AND CASH EQUIVALENTS

	2026	2025
	£	£
Cash at bank and in hand	1,970,683	*1,554,261*
Balances held in deposit accounts	1,740,000	*1,600,000*
	3,710,683	*3,154,261*

14. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026	2025
	£	£
Bank loans	1,148,523	*1,221,252*
Trade payables	650,472	*233,029*
Rent received in advance	259,186	*265,251*
Other taxation and social security	38,029	*38,678*
Other payables	6,256	*5,392*
Accruals and deferred income	735,976	*186,791*
	2,838,442	*1,950,393*

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

	2026	2025
	£	£
Bank loans	16,736,571	*16,303,251*
	16,736,571	*16,303,251*

16. DEBT ANALYSIS - BORROWINGS

	2026	2025
	£	£
Bank Loans		
Amounts due within one year	1,148,523	*1,221,252*
Amounts due in one year or more but less than two years	1,310,090	*1,111,654*
Amounts due in two years or more but less than five years	8,528,731	*3,358,622*
Amounts due in more than five years	6,897,749	*11,832,975*
	17,885,094	*17,524,503*

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	4.60%-4.10% all in rate	2036	Variable
Nationwide	542	4.12-4.84% 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.

	2026	2025
	£	£
Due to lenders at 31 March 2026	17,885,094	*17,524,503*

17. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Associations' Pension Scheme

Forth Housing Association Limited participates in the Scottish Housing Associations' 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 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 trennial valuation of the Scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. A Recovery Plan was put in place to eliminate the deficit which runs to 31 March 2030.

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accoutning valuation was carried out with an effective date of 30 September 2025. The liability figures from the valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

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

	2026	2025
	£	£
Fair value of plan assets	2,070,000	*2,031,000*
Present value of defined benefit obligation	2,342,000	*2,317,000*
(Deficit) / Surplus in plan	(272,000)	*(286,000)*
Unrecognised surplus	-	-
Defined benefit (liability) / asset to be recognised	(272,000)	*(286,000)*

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of defined benefit obligation

	2026	2025
	£	£
Defined benefit obligation at the start of period	2,317,000	*2,556,000*
Expenses	4,000	*4,000*
Interest expense	132,000	*123,000*
Actuarial losses / (gains) due to scheme experience	(19,000)	*15,000*
Actuarial losses (gains) due to changes in demographic assumptions	24,000	-
Actuarial losses / (gains) due to changes in financial assumptions	(18,000)	*(275,000)*
Benefits paid and expenses	(98,000)	*(106,000)*
Defined benefit obligation at the end of period	2,342,000	*2,317,000*

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

	2026	2025
	£	£
Fair value of plan assets at start of period	2,031,000	2,238,000
Interest income	115,000	107,000
Experience on plan assets (excluding amounts included in interest income) - gain / (loss)	18,000	(212,000)
Contributions by the employer	4,000	4,000
Benefits paid and expenses	(98,000)	(106,000)
Fair value of plan assets at the end of period	2,070,000	*2,031,000*

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 was £133,000 *(2025 - (£105,000))* .

17. RETIREMENT BENEFIT OBLIGATIONS (coninued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2026	2025
	£	£
Expenses	4,000	*4,000*
Net interest expense	17,000	*16,000*
Defined benefit costs recognised in statement of comprehensive income	*21,000*	*20,000*

Defined benefit costs recognised in the other comprehensive income

	2026	2025
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain / (loss)	18,000	*(212,000)*
Experience gains and losses arising on plan liabilities - gain / (loss)	19,000	*(15,000)*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain / (loss)	(24,000)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	18,000	*275,000*
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	31,000	*48,000*
Total amount recognised in other comprehensive income - gain / (loss)	31,000	*48,000*

17. RETIREMENT BENEFIT OBLIGATIONS (continued.)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2026	2025	2024
	£	£	£
Absolute Return	-	-	*101,000*
Alternative Risk Premia	-	-	*81,000*
Credit Relative Value	-	-	*79,000*
Currency Hedging	-	*3,000*	*(1,000)*
Distressed Opportunities	-	-	*82,000*
Emerging Markets Debt	-	-	*39,000*
Global Equity	273,000	*235,000*	*257,000*
Infrastructure	-	-	*214,000*
Insurance-Linked Securities	4,000	*8,000*	*14,000*
Liability Driven Investment	571,000	*572,000*	*809,000*
Long Lease Property	-	*1,000*	*17,000*
Net Current Assets	31,000	*3,000*	*3,000*
Private Debt	-	-	*90,000*
Property	108,000	*101,000*	*95,000*
Risk Sharing	-	-	*134,000*
Secured Income	28,000	*47,000*	*75,000*
Opportunistic Illiquid Credit	-	-	*89,000*
Cash	1,000	*11,000*	*58,000*
Private Equity	5,000	*2,000*	*2,000*
Real Assets	205,000	*242,000*	-
Private Credit	267,000	*253,000*	-
Credit	94,000	*86,000*	-
Investment Grade Credit	87,000	*93,000*	-
Liquid Alternatives	396,000	*374,000*	-
Total assets	2,070,000	*2,031,000*	*2,238,000*

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

Key Assumptions

	2026	2025	2024
Discount Rate	6.0%	*5.8%*	*4.9%*
Inflation (RPI)	3.3%	*3.1%*	*3.2%*
Inflation (CPI)	3.0%	*2.8%*	*2.8%*
Salary Growth	4.0%	*3.8%*	*3.8%*
Allowance for commutation of pension for cash at retirement	75% of maximum allowance		

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

	Life expectancy at age 65 (years)
Male retiring in 2026	20.7
Female retiring in 2026	22.9
Male retiring in 2046	21.9
Female retiring in 2046	24.4

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 annum (payable monthly)

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 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee 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 annum (payable monthly)

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.

17. RETIREMENT BENEFIT OBLIGATIONS (coninued)

Scottish Housing Association Pension Scheme (continued.)

Present Values of Provision

	2026	2025
	£	£
Present Value of Provision	560	*821*

Reconciliation of Opening and Closing Provisions

	2026	2025
	£	£
Provision at start of period	821	*335*
Unwinding of the discount factor (interest expense)	32	*9*
Deficit contribution paid	(293)	*(341)*
Remeasurements - impact of any change in assumptions	-	*5*
Remeasurements - amendments to the contribution schedule	-	*813*
Provision at end of period	560	*821*
Total amount recognised in other comprehensive income - gain /(loss)	560	*821*

Income and Expenditure Impact

	2026	2025
	£	£
Interest expense	32	*9*
Remeasurements - impact of any change in assumptions	-	*5*
Remeasurements - amendments to the contribution scheme	-	*813*
Total amount recognised in other comprehensive income - gain /(loss)	-	*813*

Key Assumptions

	31 March 2026 % per annum	31 March 2025 % per annum
Rate of discount	4.9%	*4.8%*

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.

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

	2026	2025
	£	£
Year 1	293	*293*
Year 2	293	*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 *(2025 - £293)* 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.

18. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants			
At 1 April 2025	26,926,185	-	26,926,185
Additions in the year	6,190,827	-	6,190,827
Eliminated on disposal	-	-	-
At 31 March 2026	33,117,012	-	33,117,012
Amortisation			
At 1 April 2025	2,149,214	-	2,149,214
Amortisation in year	652,301	-	652,301
Eliminated on disposal	-	-	-
At 31 March 2026	2,801,515	-	2,801,515
Net book value			
At 31 March 2026	30,315,497	-	30,315,497
At 31 March 2025	*24,776,971*	-	*24,776,971*

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

	2026 £	2025 £
Amounts due within one year	622,332	*492,592*
Amounts due in more than one year	29,693,165	*24,284,379*
	30,315,497	*24,776,971*

19. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2026 £	2025 £
At 1 April	80	*77*
Issued in year	-	*5*
Cancelled in year	-	*(2)*
At 31 March	80	*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.

20. CASH FLOWS

Reconciliation of net cash flow to movement in net debt		**2026**		**2025**
	£	**£**	**£**	**£**
Increase / (decrease) in cash	556,422		*(1,263,090)*	
Cashflow from change in net debt	(360,591)		*(1,585,795)*	
Movement in net debt during the year		195,831		*(2,848,885)*
Net debt at 1 April		(14,370,242)		*(11,521,357)*
Net debt at 31 March		(14,174,411)		*(14,370,242)*

Analysis of changes in net debt	***At 1 April 2025***	**Cashflows**	**Other Changes**	***At 31 March 2026***
	£	**£**	**£**	**£**
Cash and cash equivalents	*3,154,261*	556,422	-	3,710,683
	3,154,261	556,422	-	3,710,683
Debt: Due within one year	*(1,221,252)*	(360,591)	433,320	(1,148,523)
Due after more than one year	*(16,303,251)*	-	(433,320)	(16,736,571)
Net debt	*(14,370,242)*	195,831	-	(14,174,411)

21. CAPITAL COMMITMENTS

	2026	**2025**
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the finanical statements	10,294,665	*4,196,679*

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

	2026	**2025**
	£	**£**
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	378	*882*

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 £4,677 (2025 - £6,404) 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:-	2026 No.	2025 No.
General needs - Built by Association	967	*919*
General Needs - Purchased by the Association	63	*48*
Shared ownership	8	*9*
	1,038	*976*

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:

	2026 £	2025 £
Rent received from tenants on the Management Committee and their close family members	10,954	*9,946*

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £nil (2025 - £23).

At the year end total factoring arrears owed by owner occupiers on the Management Committee (and their close family) were £nil (2025 - £nil).

Members of the Management Committee who are tenants	1	*1*

27. CONTINGENT LIABILITY

Scottish Housing Associations' Pension Scheme

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 2026 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.