KEY HOUSING ASSOCIATION LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

KEY HOUSING ASSOCIATION LIMITED

LEGAL AND ADMINISTRATIVE DETAILS

Scottish Charity registration number	SC006652
Financial Conduct Authority registration number	1938R(S)
Scottish Housing Regulator registration number	HEP141

Registered office
70 Renton Street
Glasgow
G4 0HT

Members of the Board

Sheenagh Simpson (Chairperson)
John Paterson (Vice Chairperson)
Anne McGuigan (Vice Chairperson)
David Meechan
David Le Sage
Gillian Anderson
Jack Crombie (retired 7 May 2026)
Karen Jamieson (retired 10 September 2025)
Dee Fraser (retired 10 September 2025)
Paul Hush
Brian Hemsley (retired 13 June 2025)
Rebecca O'Donnell (retired 15 May 2025)
James Cox (co-opted 1 October 2025)
Wendy Hall (co-opted 20 August 2025)
Liz Matheson (joined 10 September 2025)
Mary Parker (joined 18 September 2025)
Daniel McCafferty

Executive Officers

Andrea Wood, Chief Executive
Alison Wood, Director of Finance
Gordon Anderson, Director of Housing
Jean Ramsay, Director of Support
Glenn Harrold, Director of People

Secretary

Andrea Wood

Bankers

Virgin Money
1st Floor,
St Vincent Place,
Glasgow, G1 2HL

Solicitors

BTO Solicitors
48 St Vincent Street
Glasgow
G2 5HS

External Auditor

Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Internal Auditor

TIAA Ltd
Unit 53-55 Gosport Business Centre
Gosport
PO13 0FQ

KEY HOUSING ASSOCIATION LIMITED

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REPORT OF THE MEMBERS OF THE BOARD (INCORPORATING THE STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2026

The Board has pleasure in presenting its report together with the audited consolidated financial statements for the year ended 31 March 2026.

Structure, Governance and Management

Background

Key Housing Association Limited (hereafter referred to as "the Association") is a Registered Social Landlord incorporated under the Co-operative and Community Benefit Societies Act 2014, which provides housing and support to people with disabilities. The Group refers to Key Housing Association Limited (Key), Community Lifestyles Limited (Community Lifestyles) and KHA Developments Limited (KHA).

Our subsidiary Community Lifestyles also provided support in partnership with Key, but with the agreement of both Boards, we have taken steps to alter the structure of our Group and remove the formal arrangements associated with having a wholly owned subsidiary. As such, all of Lifestyle's services and staff transferred to Key on the 31st May 2025. The charity is currently non-operational and is being retained as a legal entity pending the completion of financial wind-down activities, including the closure of banking arrangements.

The principal activity of KHA is the redevelopment of housing which is used for the support of adults with disabilities. KHA is a limited company. It remains under control of Key Housing Association Limited, which holds 100% of the share capital of KHA.

We continue to have a service level agreement with The Advisory Group (TAG) which was set up by Key in 1996 to enable people with learning disabilities to have a stronger voice in the services they use and in their local communities. TAG is now an independent charity (SCIO), run for and by disabled people.

Employee issues

The Group has an equal opportunities policy which seeks to ensure that, in its role as employer, landlord and service provider, it does not discriminate against people on the grounds of sex (including gender re-assignment), marital or civil partnership status, pregnancy or maternity, religion or belief, sexual orientation, age, disability, colour, race, nationality or ethnic or national origins.

In respect of health and safety and welfare at work, the Group has a health and safety policy and a training programme covering a comprehensive range of relevant health and safety issues, including emergency aid and moving and handling. The Group has a health and safety advisor role as well as a health and safety committee for all office-based health and safety issues.

In employee relations, the Group recognises Trade Union representation for support service based and office-based employees and senior management meet regularly with Union representatives to discuss, and where appropriate negotiate, relevant matters relating to the activities of the Group.

Objectives and activities

The Group's Board agrees objectives and strategies for the Group normally within a 3–5-year strategic plan timescale. Our current Strategic Plan was developed for the period 2020-2026 and is designed to reflect our longer-term ambitions and allow for regular review and adaptation of our objectives in line with the ever-changing environment. The plan also incorporates the long-term funding of the Group.

The plan consists of two main parts, reflecting Support Activity and Housing Activity, each containing a range of strategies and targets designed to meet Key's objectives, and a Risk Analysis. The accompanying risk register is reviewed regularly.

To support our activities the Group operates a policy framework which is reviewed and updated on an annual basis. Areas of policy include Board control and responsibility, housing management, maintenance, development, finance, and HR. These include the following specific policies:

Governance - Board Control and Accountability - Standing Orders and Code of Conduct, Policy on Gifts and

Hospitality, Policy on Payments, Benefits and Corporate Accountability, Policy on Disclosure of Interest, Policy for Payment of Board Member Expenses, Delegation of Authority from the Board, Complaints Procedure,

Membership Policy, Risk Management Strategy, Equal Opportunities Policy, Participation Policy, Health and Safety Policy, Whistleblowing, Openness & Confidentiality, Sustainability, Information and Communication Technologies, IT Strategy, Data Protection, Insurances, Anti-fraud and Corruption, Media Guidelines, Performance Measurements and Business Continuity Planning.

Housing Management - Allocations Policies, Rent Policy, Arrears Policy, Estate Management Policy, Harassment Policy, Voids Management Policy, Recovery of Charges, Sub-letting, Lodgers, Assignation, Charging for Services, Legal Action, Abandonment, Furnished Lets and Anti-Social Behaviour.

Maintenance - Maintenance Standards, Tenant Feedback on Repairs and Maintenance, Monitoring of Emergency Repairs and Pre and Post inspections.

Development - Development Procurement, CDM Regulations and Building Defects.

Finance - Treasury Management Policy, Internal Audit, Charging for Services, Reserves and Purchasing and Procurement.

Human Resources - Training, Staff Retirals, Criminal Convictions, Salaries, Support Through Illness, Staff Welfare, No Smoking, Whistleblowing, Redundancy and Grievance Policy.

The treasury management policy aims to ensure that the Group's funds are safeguarded and wisely invested, and that loan finance is negotiated within parameters agreed by the Board.

The rent policy aims to achieve a committed rental income that enables the Association to offer a high-quality management and maintenance service to all tenants. The policy ensures that rents are viable, affordable and sustainable in the local housing context.

The long-term stock maintenance and repair policy aims to maintain a cost effective, responsive and reactive repair service to all tenants within the parameters of a 10-year strategic and 3-year implementation programme for planned and major repairs. This is within a longer term 60-year major repair profile.

Achievements and performance

Key remains a well-respected and prominent provider in the social care sector. On 31 March 2026, Key supported 1,962 people in 17 local authority areas with total direct support of 66,736 hours per week. This includes the support arrangements transferred from Community Lifestyles on 31 May 2025.

Key employ 2,238 contracted staff (471 full time and 1,767 part-time) and on average a further 431 on a relief basis. This includes the Community Lifestyles workers who transferred to Key on 31 May 2025. This compares to 1,761 contracted staff (358 full-time and 1,403 part-time) and on average a further 511 on a relief basis. Details regarding the average number of staff employed during the year is included in note 9 of the financial statements.

Social care in Scotland is at a critical juncture with widespread recognition of the need for reform to make the provision of social care support fairer, more sustainable, and centred on human rights. Translating this ambition into reality is proving difficult, and the sector are currently facing financial, workforce, and structural challenges.

Although Scotland has a strong legislative and policy basis that covers social care and integration, this has been undermined by poor implementation linked to a lack of adequate resourcing. Following the Independent Review of Adult Social Care in 2021, the Scottish Government proposed creating a National Care Service (NCS). Initially this represented a major structural change, aiming to bring consistency, better quality, and fair work conditions across the sector.

A combination of financial uncertainties, planning issues, and stakeholder opposition led to insufficient parliamentary support for the NCS bill, making it impractical for the government to proceed with the proposed reforms. Instead, the government has opted to discontinue the structural reforms associated with the NCS and explore alternative methods for improving social care services within the existing framework. Agreed initiatives include establishing a non-statutory Advisory Board, consisting of individuals with lived experience, social care workers, providers, trade unions and local government officials, to provide guidance and drive improvements in the sector.

In addition, the government has produced a series of new 10-year plans to support Public Service Reform and Service Renewal agendas which will be a feature for the new government in 2026-27. These agendas are driven by both an ambition for a more preventative and joined-up approach as well as a growing need to make cost savings.

Despite the political and policy uncertainty, the profile for our services remains dominated by a strong commitment to Self-directed Support and we have continued to work closely with a number of local authorities on increasingly individualised approaches to support. We see this as a very positive commitment to ensuring people who need support can have as much control and choice as possible, and that support remains flexible and responsive to their outcomes.

This approach is particularly important for Scotland's "Coming Home" agenda which aims to address the issue of individuals with learning disabilities being placed in out-of-area residential settings or remaining in hospitals longer than necessary. We have maintained our focus on supporting people with very complex needs, including those who previously lived in hospital environments, and this year supported more people to move to their own tenancies in the community. Our approach means that people are living good lives, with personalised support, in specially designed homes with bespoke assistive technologies and housing adaptations. Demand for our services continues to grow and the need to ensure there is capacity in our workforce, and suitable housing, is seen as a priority for the coming years.

Our strategic plan sets out our intention to continue to deliver flexible, responsive, individual support and to promote, develop and extend this approach in order to meet increased demand and complexity of need. We have continued to extend our approach to people with dementia, autism, mental ill-health, and long-term conditions as well as younger and older people. This approach has supported steady, incremental growth and we end the year with an overall increase in support hours of circa 3%.

Having a flexible, positive and skilled workforce is the most essential element in sustaining our delivery of high-quality personalised services. Difficulties in recruitment and a higher turnover of staff have been frequently cited as challenges for the sector and our Strategic Plan places strong emphasis on improving recruitment, retention and staff well-being. Meaningful progress has already been made through revised recruitment practices and the introduction of a range of additional well-being initiatives.

We have maintained our positive track record of retaining staff with our annual turnover remaining consistently lower than the sector average. However, despite a commitment to Fair Work back in 2019, our sector's salaries continue to fall behind those of other social care workers in the Public Sector. Key remains committed to maintaining the constructive and proactive engagement we have with our recognised trade union, Unite, and together we will continue to advocate parity for our workforce and raise awareness of the essential and skilled nature of the work undertaken by colleagues across the organisation.

The increase in Employers National Insurance Contributions from 6th April 2025, increased Key's workforce costs by £2.5M per year and required a financial recovery plan, which focused on operational effectiveness, reduced spending and a restricted pay uplift for 2025/26. The plan was implemented and allowed us to manage the costs and risks associated with this unfunded tax bill.

Despite these challenges Key has remained an accredited Real Living Wage (RLW) employer, given the Scottish Government's agreement to paying this increase, which allows additional salary to be expedited to the workforce. During the year to 31 March 2026, additional funding was made available, via local authorities to ensure that all social care staff were being paid at least the Real Living Wage of £12.60 per hour. This resulted in increases to funding across all local authority areas which in turn allowed a salary increase for all staff, backdated to 1 April 2025.

We continued to invest in resources and initiatives to support staff throughout the year and retained our focus on staff learning and development activities, which include face-to-face opportunities for learning as well as maintaining our remote and virtual inputs. Our new learning management system, The Learning Zone, enables our workforce to access the required pathways for their role and their training records, as well as wider learning. We continue to maintain our Qualifications Scotland accredited centre, which focuses on supervisory

qualifications, and retained the highest 'High Confidence' rating again this year. This, alongside our well-established partnerships, support the delivery of our Scottish Social Services Council Qualification Strategy.

We have continued making progress in adopting digital technologies and remote ways of working with Teams and Microsoft 365 offering ways of communicating and engaging with colleagues across Scotland. In 2025 we achieved Cyber Essentials Plus, the highest level of cyber security certification under the UK Government-backed scheme, requiring independent, hands-on technical verification of our security controls.

Over the timescale of our new strategic plan (2025-28) Key will complete the replacement of its core information systems and further enhance our digital capabilities. After a detailed review, supported by external advice, an industry recognised solution has been selected and work has begun on an ambitious and timely implementation plan.

Our partnership with TAG (an independent charity run for and by disabled people) continues to go from strength to strength and over the past three years TAG have facilitated regional consultation events with people we support and their families in all the areas we work in. These sessions were designed to explore how people felt they were being supported related to human rights principles (being respected and listened to, having choice and control and being fully involved). 100% of people who attended knew how to raise a concern about their support or make a complaint and were confident in doing so.

All of our Branches have now been inspected by the Care Inspectorate with 100% being were awarded grades of good or very good across all quality themes. A range of satisfaction surveys were completed in 2025 with excellent feedback from staff and other stakeholders. 97% of staff said they were proud to work for Key, and 100% of external stakeholders agreed that our services were responsive and that staff treated people with dignity and respect. In our family and friends survey staff were praised for being compassionate, getting to know people as individuals and involving them and their families in decisions.

Key Housing have a full repairs and replacement program in place and engage tenants in-person through the My Home group. We have continued to identify opportunities to work with others to increase the supply of leased and purchased properties.

Financial review

Key Housing Association Limited generated a surplus of £9,911,924 (*2025 - £1,797,248*), which included the gain associated with the transfer of assets from Community Lifestyles of £8,167,835, and had reserves of £31,782,507 (*2025 - £21,137,586*). Included in other comprehensive income was £733,000 of an actuarial gain (2025 - *£451,544 actuarial gain).* The financial challenges of prior years have continued in this financial year with inflationary pressures continuing to impact on our costs. Recruitment has continued to be an issue in some areas and staffing shortages have resulted in continued use of agency staff with an associated financial premium. The temporary cessation of the monthly payments towards the SHAPS final salary pension scheme deficit has had a positive impact on cash flow.

In order to mitigate the risk in relation to the Scottish Housing Association Pension Scheme (SHAPS), the Association closed the defined benefit scheme on 1 April 2014 with all members transferring to the defined contribution scheme. Further details regarding SHAPS can be found in note 21 of the financial statements. The risks associated with the pension scheme, and how these are managed, are included within principal risks and uncertainties detailed below.

Key continued to meet obligations to support staff in terms of both Real Living Wage, and latterly Scottish Government requirements and were able to secure additional funding during the year to enable salary increases to all staff.

Community Lifestyles transferred all services and staff to Key on 31 May 2025. The income and expenditure for the two months of trading results in net income for the year to 31 March 2026 for Community Lifestyles Limited of £438,507 (*2025 – (£120,519)*). Included in other comprehensive income was £98,045 of an actuarial loss (*2025 - £4,000 of an actuarial gain)* in respect of SHAPS. There was additional other expenditure of £8,167,835 associated with the transfer of assets to Key, to give total comprehensive income of (£7,827,373) (*2025 - £116,519*). Community Lifestyles Limited has reserves of £132,633 as at 31 March 2026 (*2025 - £ 7,959,996*).

There was no financial activity in the year for KHA Developments Limited as it was dormant from 1 April 2020.

The Group's surplus for the year was £2,182,596 (*2025 - £1,676,729*) with reserves of £31,915,130 (*2025 - £29,097,582).* Included in other comprehensive income was £634,955 of an actuarial gain *(2025 - £455,444 actuarial gain)* to give total comprehensive income of £2,817,551 *(2025 – £2,132,273).*

Value for money

Key continue to monitor value for money across all areas of housing and support activity.

The main elements of these initiatives are described below:

Central services and costs

We undertake regular reviews of expenditure, such as telecommunications, insurance, cleaning services and printing and stationery. We review our procurement strategy regularly to ensure that maximum savings are achieved, and in line with regulatory requirements supplies/services over £50,000 are advertised on the Public Contracts Scotland website. Cost savings have however been offset by inflationary increases during the year in some areas.

Head office costs

Most office-based staff can take advantage of a blended approach with some home working. This has resulted in some cost savings however again these have been offset by inflationary cost increases during the year in some areas.

Support service activity

Our support services are based on fully spot purchased arrangements with funding based on agreed levels of support or individual budgets for self-directed support arrangements. A number of local authorities monitor actual support delivery and adjust funding accordingly.

We continue to explore ways of supporting people in an environment with significantly less resources, and this year we are seeing a clear tightening of eligibility criteria. This is often a standard response in face of budgetary limitations and rising demand and can mean that an increasing number of people, particularly younger people, will be excluded from much needed support. While we would acknowledge that local authorities have inadequate funding, the means of rationing resources to only meet the most critical of need will result in a lack of prevention and deteriorating quality of life for many.

Key have, however, been able to maintain the ability to respond positively to new support opportunities, particularly for people with complex needs, and we remain mindful of evolving commissioning priorities, particularly in this financial environment. This is especially relevant as we shape our response to supporting people to move back from inappropriate hospital placements in a climate where other providers may align their operations with less individual approaches.

Issues with staff recruitment in the social care sector have resulted in an increased use of external agency staff in some of our services to ensure that we can deliver essential support. This has resulted in some additional expenditure and although separately funded in a small number of support arrangements, more generally has had a negative impact on our financial performance. A clear focus on reducing agency use this year has seen some very positive outcomes in most areas, although is can be offset by other local service costs affected by cost increases.

The integrated management system (Evolve) is used across all of Key local services. This assists with the monitoring of deployment, staffing costs and direct support delivery. Having a credible and effective system to manage our support is critically important and as such we intend to replace Evolve as part of the overall replacement of our core information systems. The implementation work has started and is due to be completed by November 2026. We continue to monitor and review our central and local service management structures and make efficiencies where possible. Key have been successful this year in being appointed to the new Glasgow framework, as well as being successful in a number of other framework opportunities and tenders. This has resulted in an over 3% increase in support over the year.

Statement on internal financial control

The Board is responsible for keeping proper books of account with respect to the Association's and Group's transactions and its assets and liabilities, and for maintaining a satisfactory system of control over the Association's and the Group's books of account and transactions. The Board is also responsible for safeguarding the assets of the Association and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

I) the reliability of financial information used within the Association or the Group or for publication;
ii) the maintenance of proper accounting records; and
iii) the safeguarding of assets against unauthorised use or disposition.

It is the Board's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of such systems are:

i) Formal policies and procedures to restrict the unauthorised use of the Association's or the Group's assets;
ii) Experienced and suitably qualified staff take responsibility for important business functions;
iii) Forecasts and budgets are prepared which allow the Members of the Board to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term. Managements accounts are prepared and significant variances from budget are investigated as appropriate;
iv) Major business risks and the financial implications are identified and monitored;
v) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures by the Board;
vi) The appointment by the Board of an internal auditor to carry out a programme of internal audit of the Association's and the Group's policies and control systems;
vii) The Board reviews reports from management, the internal auditor and external auditor to provide reasonable assurance that the control procedures in place are being followed; and
(viii) Formal practices have been established for instituting appropriate action to correct weaknesses identified from the reports of the external auditor and internal auditor.

The Members of the Board have reviewed the effectiveness of the system of internal control in existence in the Association and the Group for the year ended 31 March 2026. In the opinion of the Members of the Board, no weaknesses were found in the internal controls which would result in material loss, contingencies, or uncertainties requiring disclosure in the financial statements or the auditor's report.

Going concern

After making enquiries, the Board has a reasonable expectation that the Group and the Association have adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months after the date on which the report and financial statements are signed. The Board receive regular cash flow and financial reports during the year to enable an informed assessment to be made. For this reason, it continues to adopt the going concern basis in the financial statements.

Plans for future periods

Our strategic plan for 2020-2026 sets out our intention to continue to deliver flexible, responsive, individual support and to promote, develop and extend this approach in order to meet increased demand and complexity of need.

The main objectives within the Strategic Plan for support activity for Key are as follows:

1. **To deliver high quality personalised support and innovative housing solutions**
2. **To increase opportunities for citizenship, inclusion, and participation**
3. **To have a skilled, committed, creative and well-supported workforce**
4. **To be a collaborative partner**

For each objective there is a range of strategies and targets detailing how the objectives are to be achieved, with timescales. The drivers of these strategies include our continued commitment to Self-directed Support, the development of more innovative and creative supports, better engagement and more opportunity for the workforce and increased collaboration with others.

Despite the uncertain landscape, we will continue to maintain our focus on the initiatives in our plan which will help people live good lives of their choice, and ensure our workforce is valued for the work they do. Our focus on community connecting, harnessing digital solutions, collaboration, and inclusion are approaches which will support our vision-that people can stay in their own homes and communities, surrounded by people who care about them and living the life of their choice.

For the past 30 years, in Glasgow, our subsidiary Community Lifestyles provided support in partnership with Key. With the agreement of both Boards, we have taken steps to alter the structure of our Group and remove the formal arrangements associated with having a wholly owned subsidiary. As such, all of Lifestyle's services and staff were transferred to Key on the 31st May 2025.

Although there will be no changes to the support delivery as a result of the transfer, the staff will now be employees of Key and the contracts with local authority funders have been transferred over. All assets and liabilities have also been transferred over to Key Housing Association from this date.

For Key's Housing activity, the Housing Strategic Plan reflects the following objectives:

1. **To achieve a housing service that meets individual needs and enables housing choice.**
2. **To achieve a service that provides housing that is well managed and maintained.**
3. **To achieve a housing service that is adequately funded.**

We continue to work with our local authority partners to explore options for securing new housing, particularly for people with very complex needs who have requirements for assistive technology and specialist housing adaptations.

Principal risks and uncertainties

The Group is committed to ensuring that it responds to, and manages, any challenges that may impact on the organisation, and recognises that a certain amount of risk is inevitable if the organisation is to achieve its priorities. A risk management framework is in place to assist with taking informed decisions regarding the risks that impact on Association's priorities, whether Strategic or Operational.

Principal risks identified through the Association's strategic risk register which have the potential to seriously affect the performance, future prospects or reputation of the Association are detailed below along with mitigating actions being taken by the Association. These risk areas were reassessed and updated during 2025/26.

In terms of Group wide risks, the main risks identified are:

Risk	Actions to mitigate
Board not equipped to control organisation	• Regular review of Board profile and performance. • Comprehensive delegation guidelines. • Clear remits for Audit Committee. • System of Review Groups, and regular in-house training programme.
Failure to meet regulatory requirements	• SHR requirements regularly reviewed and measures/arrangements/training in place to ensure compliance. • Comprehensive self-assessment of compliance against SHR regulatory framework with annual review • Governance, Regulation and Compliance Manager in place to support regulatory requirements • Governance session training on Regulatory responsibilities provided annually. • Operational Manager in regular contact with Care Inspectorate relationship manager and coordinating reporting and notification requirements. • Health and Safety Personnel reviewing and coordinating information from the HSE.
Pension scheme deficit grows; or loss of income inhibits capacity to meet deficit	• Following the 2018 scheme revaluation, concessionary payments have been paid to end of current agreement. Revaluation expected 2026/27
Failure to meet requirements of SPSO Complaints Handling Procedures	• Regular review of compliance introduced. • SPSO requirements monitored, and updates applied
Failure to meet Health and Safety statutory requirements	• Comprehensive Health and safety Policies and Procedures to ensure risks are assessed and necessary action taken • Fulltime H&S Advisor role
Increased cyber security risks	• Increased access controls are in place • External 24-7 managed detection and response service utilised to protect systems. • Email protection service in place • Annual cyber security training provided to all staff. • User access permissions framework in place which limits the scope of any breach. • Cyber incident response plan developed and offsite backups
IT infrastructure inadequate to meet needs/system overload/ breakdown	• Work underway to replace all in-house and third-party systems with cloud-based services by 2030 • In-house ability to host and maintain current systems including Evolve and HR.

Principal risks and uncertainties (continued)

For Support activity:

Risks	Actions to mitigate
Workforce negativity and inflexibility	• Management Development programme to assist local management teams to provide fair and responsive management. • Developing reward and recognition policies and new focus on staff wellbeing and mental health. Over 30 Mental Health First Aiders now in place. • Developing use of enhanced Support Worker role, to support managers and improve career opportunities. • Enhanced communication systems and comprehensive training. • Supportive management, with regular professional supervision.
Overstretched services/ insufficient resources to support managers	• Continual review of management resources (including admin support) in local services through deployment meetings. • Deployment monitoring meetings happening 4-weekly / 6 monthly budget meetings. • Comprehensive policies, procedures and training. • Serious incident reporting system and follow up. • Access to independent counselling and wellbeing resources via the new Hub. • Codes of Conduct distributed and used as a basis for initial and ongoing professional development.
Procedures and training against abuse are inadequate to keep people safe	• Comprehensive guidance on Adult Protection is included in initial training for support workers and managers. • Codes of Conduct distributed to all workers. • Respect and Protect materials distributed to all services. • Zero tolerance of abuse emphasised in training and in professional practice expectation. • Financial Internal audit programme, and management checks, to back up rigorous Financial Procedures.
Health and Safety training and audit inadequate to keep workers and service users safe	• Comprehensive Health & Safety policies/ procedures updated and published. • Update Health and safety training included in management induction programme • FT H&S training officer and H&S advisor • Comprehensive H & S training programme embedded in induction. • Clear guidelines for Risk Assessment. • Whistleblowing policy • Serious incident analysis. • Use of accredited Behavioural Support Strategy (BSS
Recruitment Difficulties	• New recruitment system, See Me Hired, introduced in 2026 and enhanced reporting mechanisms in place. • Rigorous recruitment process with competency framework being developed. • Competitive terms and conditions in our sector. • Review of contracts and work/life balance approaches
Losing financial viability / failure to manage additional costs	• Considered approach to managing additional costs for a three-year period. • Active focus on increasing hourly rates and positive attitude to controlled growth. • Regular deployment analysis, budget review and operational reviews. • Quarterly reports on service funding and development to Board.
Breach of employment legislation / tribunal claims	• Local managers given appropriate training, guidance and personnel support • Access to legal advice
Not being able to evidence improved outcomes for the people we support, for evidence based self-assessment and tendering	• Information systems to gather accurate information and knowledge across Key for evidence based self-assessments • Working with TAG to reflect Care Inspectorate requirements for involvement. • Development of comprehensive and outcome focused framework for continual improvement via new systems

Principal risks and uncertainties (continued)

For Housing activity:

In our Housing activity, the main risk areas relate to compliance with the regulatory requirements from the Scottish Housing Regulator, a continued focus on rent affordability/value for money and the promotion of tenant safety.

The main risks and actions to mitigate these are as follows:

Risks	Actions to mitigate
Poor satisfaction rating from tenants on quality of service received	Range of mechanisms in place including annual satisfaction survey, establishment of tenant engagement group and regular consultations as required (for example on rent increases). Overall focus on tenant satisfaction in all activity.
Failure to meet requirements of the SHR (including adhering to all statutory and good practice in relation to tenant safety)	Board review of compliance against regulatory framework takes place annually. Governance, Regulation and Compliance Manager in place with oversight of regulatory updates and reviews. Full review of policies, procedures and practice in relation to our duties for tenant safety completed in 2025. Reporting requirements captured and routine systems in place.
Failure to consider rental affordability	Rent setting policy has comparability and affordability as key factors to be considered. Majority of stock classified as supported accommodation in benefits terms. Issue of affordability of rents (unsupported base line) considered against a range of measures. Commitment to explore value for money with the My Home Group
Housing stock fails to meet needs of tenants, without long term flexibility of use	Active housing remodeling programme taken forward over last 15 years but there remain a small number of larger shared properties with no active proposals to change. Whilst meeting the needs of the current tenants this will be reviewed should this position change and/or appropriate funding is available.

Statement of the Board's Responsibilities

Housing Association legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Association and of the income and expenditure of the Group and the Association for the year ended on that date. In preparing those financial statements the Board are 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 Group and the Association will continue in business; and
- Prepare a statement on internal control.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements. The Board is also responsible for safeguarding the assets of the Group and the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

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

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

Auditor

Azets Audit Services have expressed their willingness to continue in office as auditor and will be proposed for reappointment at the Annual General Meeting.

By order of the Board

Andrea Wood
Secretary

Date: 19 August 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the Association's affairs as at 31 March 2026 and of the Group's and the Association's income and expenditure 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 Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements issued by the Scottish Housing Regulator.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

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

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

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

Auditor's responsibilities for the audit of the financial statements (continued)

We obtain and update our understanding of the Group and the Association, their activities, their control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Group and the Association are complying with that framework. Based on this understanding,we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Group and the Association that were contrary to applicable laws and regulations, including fraud.

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

- the engagement director 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 identified the laws and regulations applicable to the Group and the Association through discussions with the Board members and the senior management team, and from our 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 Group and the Association, including the Co- operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies(Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator, and taxation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Board 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.

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;
- reading the minutes of meetings of the Board and relevant sub-committees;
- enquiring of the senior management team and the Board as to actual and potential litigation and claims;
- reviewing legal and professional fees paid in the year for indication of any actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Scottish Housing Regulator, OSCR and the Group's and the Association's legal advisors.

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

- making enquiries of the senior management team and the Board 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 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Auditor's responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Section 87 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, as a body, 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.

Azets Audit Services
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 19 August 2026

Azets Audit Services is eligible for appointment as auditor of the Group and the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

REPORT OF THE AUDITOR TO THE BOARD OF KEY HOUSING ASSOCIATION LIMITED ON INTERNAL FINANCIAL CONTROL FOR THE YEAR ENDED 31 MARCH 2026

In addition to our audit of the Financial Statements, we have reviewed your statements on page 9 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on 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 Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control 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 Members of the Board and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Board'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 control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control.

Azets Audit Services
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 19 August 2026

Azets Audit Services is eligible for appointment as auditor of the Group and the Association by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	*2025 £*
Turnover	4	**97,424,459**	*92,544,822*
Operating expenditure	4	**(95,164,937)**	*(90,825,997)*
Operating surplus	4, 8	**2,259,522**	*1,718,825*
Interest receivable and other income	11	**242,074**	*242,904*
Interest payable and similar charges	11	**(319,000)**	*(285,000)*
Movement in market value of investments	16	**-**	*-*
Surplus before tax		**2,182,596**	*1,676,729*
Taxation	12	**-**	*-*
Surplus for the year		**2,182,596**	*1,676,729*
Other comprehensive income			
Actuarial gain in respect of pension scheme	21	**634,955**	*455,544*
Total comprehensive income for the year		**2,817,551**	*2,132,273*

The results for the year relate wholly to continuing activities.

The financial statements were authorised for issue by the Members of the Board on 19 August 2026 and were signed on its behalf by:

Andrea Wood	**John Paterson**	**David Meechan**
Secretary	**Board Member**	**Board Member**

The notes form part of these financial statements.

ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	*2025 £*
Turnover	5	**93,552,139**	*72,890,637*
Operating expenditure	5	**(91,689,366)**	*(70,930,195)*
Operating surplus	5, 8	**1,862,773**	*1,960,442*
Interest receivable and other income	11	**200,316**	*116,806*
Interest payable and similar charges	11	**(319,000)**	*(280,000)*
Movement in market value of investments	16	**-**	*-*
Gain on business combination	29	**8,167,835**	*-*
Surplus before tax		**9,911,924**	*1,797,248*
Taxation	12	**-**	*-*
Surplus for the year		**9,911,924**	*1,797,248*
Other comprehensive income			
Actuarial gain in respect of pension scheme	21	**733,000**	*451,544*
Total comprehensive income for the year		**10,644,924**	*2,248,792*

The results for the year relate wholly to continuing activities.

The financial statements were authorised for issue by the Members of the Board on 19 August 2026 and were signed on its behalf by:

Andrea Wood	**John Paterson**	**David Meechan**
Secretary	**Board Member**	**Board Member**

The notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 MARCH 2026

	Note	Share Capital £	Revenue Reserve £	Total Reserves £
Balance at 1 April 2025		**197**	**29,097,385**	**29,097,582**
Total comprehensive income for the year		**-**	**2,817,551**	**2,817,551**
Shares cancelled during the year	23a	**(6)**	**-**	**(6)**
Shares issued in the year	23a	**3**	**-**	**3**
Balance at 31 March 2026		**194**	**31,914,936**	**31,915,130**

CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 MARCH 2025

	Note	*Share Capital £*	*Revenue Reserve £*	*Total Reserves £*
Balance at 1 April 2024		*211*	*26,965,112*	*26,965,323*
Total comprehensive income for the year		*-*	*2,132,273*	*2,132,273*
Shares cancelled during the year	23a	*(16)*	*-*	*(16)*
Shares issued in the year	23a	*2*	*-*	*2*
Balance at 31 March 2025		*197*	*29,097,385*	*29,097,582*

The notes form part of these financial statements.

ASSOCIATION STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 MARCH 2026

	Note	Share Capital £	Revenue Reserve £	Total Reserves £
Balance at 1 April 2025		**197**	**21,137,389**	**21,137,586**
Total comprehensive income for the year		**-**	**10,644,924**	**10,644,924**
Shares cancelled during the year	23a	**(6)**	**-**	**(6)**
Shares issued in the year	23a	**3**	**-**	**3**
Balance at 31 March 2026		**194**	**31,782,313**	**31,782,507**

ASSOCIATION STATEMENT OF CHANGES IN CAPITAL AND RESERVES AS AT 31 MARCH 2025

	Note	*Share Capital £*	*Revenue Reserve £*	*Total Reserves £*
Balance at 1 April 2024		*211*	*18,888,597*	*18,888,808*
Total comprehensive income for the year		*-*	*2,248,792*	*2,248,792*
Shares cancelled during the year	23a	*(16)*	*-*	*(16)*
Shares issued in the year	23a	*2*	*-*	*2*
Balance at 31 March 2025		*197*	*21,137,389*	*21,137,586*

The notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Notes	2026 £	2025 £
Tangible fixed assets			
Housing properties	13	**15,212,819**	*14,822,107*
Other fixed assets	14	**3,503,327**	*3,671,337*
		18,716,146	*18,493,444*
Current assets			
Debtors	15	**8,996,888**	*9,089,527*
Stock		**-**	*10,049*
Investments	16	**-**	*657,486*
Cash and cash equivalents	17	**22,501,124**	*18,143,875*
		31,498,012	*27,900,937*
Creditors: amounts falling due within one year	18	**(12,810,978)**	*(11,348,024)*
Net current assets		**18,687,034**	*16,552,913*
Total assets less current liabilities		**37,403,180**	*35,046,357*
Creditors: amounts falling due after more than one year	19	**(336,050)**	*(297,775)*
Pension – defined benefit liability	21	**(5,152,000)**	*(5,651,000)*
Net assets		**31,915,130**	*29,097,582*
Capital and reserves			
Share capital	23a	**194**	*197*
Revenue reserve	23b	**31,914,936**	*29,097,385*
		31,915,130	*29,097,582*

The financial statements were authorised for issue by the Members of the Board on 19 August 2026 and were signed on its behalf by:

Andrea Wood	**John Paterson**	**David Meechan**
Secretary	**Board Member**	**Board Member**

Regulated number: 1938R(S)

The notes form part of these financial statements.

ASSOCIATION STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Notes	2026 £	*2025 £*
Tangible fixed assets			
Housing properties	13	**15,212,819**	*14,822,107*
Other fixed assets	14	**3,503,327**	*2,001,804*
		18,716,146	*16,823,911*
Current assets			
Debtors	15	**8,961,924**	*7,082,974*
Stock		**-**	*10,049*
Investments	16	**1**	*1*
Cash and cash equivalents	17	**21,913,524**	*10,889,716*
		30,875,449	*17,982,740*
Creditors: amounts falling due within one year	18	**(12,321,038)**	*(7,805,290)*
Net current assets		**18,554,411**	*10,177,450*
Total assets less current liabilities		**37,270,557**	*27,001,361*
Creditors: amounts falling due after more than one year	19	**(336,050)**	*(297,775)*
Pension – defined benefit liability	21	**(5,152,000)**	*(5,566,000)*
Net assets		**31,782,507**	*21,137,586*
Capital and reserves			
Share capital	23a	**194**	*197*
Revenue reserve	23b	**31,782,313**	*21,137,389*
		31,782,507	*21,137,586*

The financial statements were authorised for issue by the Members of the Board on 19 August 2026 and were signed on its behalf by:

Andrea Wood	**John Paterson**	**David Meechan**
Secretary	**Board Member**	**Board Member**

Regulated number: 1938R(S)

The notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	*2025 £*
Net cash generated from operating activities	24a	**4,457,352**	*1,579,460*
Cash flow from investing activities			
Payments to acquire and improve housing stock		**(1,031,082)**	*(886,854)*
Housing grant received		**47,500**	*-*
Purchase of other property, plant and equipment		**(19,803)**	*(146,798)*
Proceeds from sale of property, plant and equipment		**3,720**	*15,800*
Interest received		**242,074**	*242,904*
		(757,591)	*(774,948)*
Cash flow from financing activities			
Shares issued		**3**	*2*
Withdrawal from/(deposit to) current asset investments		**657,485**	*(28,712)*
		657,488	*(28,710)*
Net change in cash and cash equivalents		**4,357,249**	*775,802*
Cash and cash equivalents at beginning of year		**18,143,875**	*17,368,073*
Cash and cash equivalents at end of the year		**22,501,124**	*18,143,875*

The notes form part of these financial statements.

(i) Analysis of changes in net debt

Cash and cash equivalents	**At 1 April 2025 £**	**Cash flows £**	**Other non-cash changes £**	**At 31 March 2026 £**
Cash	**18,143,875**	**4,357,249**	**-**	**22,501,124**
Investments - deposit accounts	**657,486**	**(657,486)**	**-**	**-**
Borrowings				
Debt due within one year	**-**	**-**	**-**	**-**
Debt due after one year	**-**	**-**	**-**	**-**
	-	**-**	**-**	
Total	**18,801,361**	**3,699,763**	**-**	**22,501,124**

ASSOCIATION STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	*2025 £*
Net cash generated from operating activities	24b	**5,787,361**	*1,816,095*
Cash flow from investing activities			
Payments to acquire and improve housing stock		**(1,031,082)**	*(886,854)*
Housing grant received		**47,500**	*-*
Purchase of other property, plant and equipment		**(19,802)**	*(129,745)*
Proceeds from sale of property, plant and equipment		**3,720**	*15,800*
Interest received		**200,316**	*116,806*
Cash received from business combination		**6,035,794**	*-*
		5,236,445	*(883,993)*
Cash flow from financing activities			
Shares issued		**3**	*2*
Net change in cash and cash equivalents		**11,023,809**	*932,104*
Cash and cash equivalents at beginning of year		**10,889,716**	*9,957,612*
Cash and cash equivalents at end of the year		**21,913,525**	*10,889,716*

The notes form part of these financial statements.

(i) Analysis of changes in net debt

Cash and cash equivalents	**At 1 April 2025**	**Cash flows**	**Other non-cash changes**	**At 31 March 2026**
	£	**£**	**£**	**£**
Cash	**10,889,716**	**11,023,808**	**-**	**21,913,524**
Borrowings				
Debt due within one year	**-**	**-**	**-**	**-**
Debt due after one year	**-**	**-**	**-**	**-**
	-	**-**	**-**	**-**
Total	**10,889,716**	**11,023,808**	**-**	**21,913,524**

1. General information

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements issued by the Scottish Housing Regulator. The principal accounting policies are set out below.

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

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

The Association is a Co-operative and Community Benefit Society limited by shares and is incorporated in the United Kingdom. The Association is a registered social landlord in Scotland and its registered number is HEP141. The registered address is available on the first page of the financial statements.

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

2. Principal accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, subject to the revaluation of certain fixed assets, and in accordance with applicable accounting standards. However, please note that on transition to FRS 102, an existing use value was used as deemed cost for housing properties.

The effect of events relating to the year ended 31 March 2026, which occurred before the date of approval of the financial statements by the Board have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2026 and of the results for the year ended on that date.

Basis of consolidation

These financial statements consolidate those of Key Housing Association Limited and its subsidiary undertakings, Community Lifestyles Limited and KHA Developments Limited (dormant from 1 April 2020), drawn up to 31 March 2026 as obliged by statute. Surpluses or deficits on intra-group transactions are eliminated in full.

2. Principal accounting policies (continued)

Turnover

Housing Activities

Turnover represents rental income earned in the period and grants of a revenue nature from local authorities and the Scottish Government for the provision of support services in the period which are recognised in line with the provision of the service.

Income from rental and service charges is recognised when the Association is entitled to it, it is probable it will be received, and it can be measured reliably.

Care Activities

All incoming resources are included in the Statement of Financial Activities when the charitable company is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- All income is included in the Statement of Financial Activities when the charitable company is entitled to the income after any performance conditions have been met, it is probable that the income will be received, and the amount can be measured reliably.
- Investment income is included when receivable.

KHA Developments Limited

This company was dormant during the current and prior year.

Going concern

The Board expect the Association and the Group to generate a surplus in 2026/27 and 2027/28 and the Boardis satisfied that the Association and the Group has adequate resources to continue in operational existence forthe foreseeable future, being a period of twelve months after the date on which the report and financial statements are signed. For this reason, the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

Government Capital Grants

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

2. Principal accounting policies (continued)

Government Revenue Grants

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

Non-government capital and revenue grants

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

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

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

Interest receivable

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

Interest payable

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

Operating leases

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

Fixed assets and depreciation

Housing properties are stated at deemed cost based on an Existing Use Value at 1 April 2014. From this date, housing properties have been accounted for under historical cost. The cost of properties includes land cost, all construction costs, professional fees, and development administration costs.

The Group separately identifies the major components which comprise its housing properties, and charges depreciation, so as to write off the cost of each component to its estimated residual value, on a straight line basis, over its estimated useful economic life.

The Association depreciates the major components of its housing properties over the following years with the corresponding annual rates:

Land	Not depreciated
Buildings	50 years (2%)
Kitchens	18 years (5.56%)
Bathrooms	20 years (5%)
Heating systems	15 years (6.67%)
Roof structure and coverings	50 years (2%)
Windows	25 years (4%)

No depreciation is charged on assets during the course of construction.

2. Principal accounting policies (continued)

Fixed assets and depreciation (continued)

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on the following basis:

Motor vehicles	-	20% - 33% per annum straight line method
Office Accommodation	-	2.5% per annum straight line method
Office Equipment		
- Equipment and Furniture	-	10% per annum reducing balance method
- Computer Equipment	-	25% per annum reducing balance method
- Photocopier	-	20% per annum reducing balance method
Wemyss Bay Lodge	-	3.33% per annum straight line method

Depreciation is charged on these fixed assets from the year of purchase, but no charge is made in the year of disposal.

Debtors

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

Rental arrears

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 15.

Cash and cash equivalents

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

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method.

2. Principal accounting policies (continued)

Financial instruments (continued)

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a rental arrear deferred beyond normal Group terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

Investments in subsidiary

The investment in the subsidiary, KHA Developments Limited, is stated at cost, less any provisions required where there has been a permanent diminution in their value.

Retirement benefits (note 21)

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

The SHAPS is accounted for as a defined benefit scheme and as such the amount charged to the Statement of Comprehensive Income in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost is included within other finance costs/income. Actuarial gains and losses arising from new valuations and from updating valuations to the reporting date are recognised in Other Comprehensive Income.

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date.

The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

The defined benefit scheme was closed to future accrual on 1 April 2014.

2. Principal accounting policies (continued)

Defined Contribution Scheme

The Group and the Association also participates in defined contribution schemes with SHAPS and with Standard Life. The pension costs charged against operating profits are contributions payable to the respective scheme in respect of the financial year.

Reserves

In line with recommended practice, the reserves which had been previously designated for specific purposes are no longer disclosed separately within the financial statements. These included reserves for major repairs and future trading commitments as well as other smaller reserves. The Group and the Association continue to internally monitor these sums.

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

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The members of the Board consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing properties as property, plant, and equipment in line with the requirements of the SORP; and
- The amount disclosed as 'operating surplus' is representative of activities that would normally be regarded as 'operating'.

The Board are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

Estimate	**Basis of estimation**
Valuation of Housing Properties	Housing Properties are held at deemed cost which is based on an existing use valuation at the date of transition of 1 April 2014. The assumptions used in the existing use value were reviewed and are considered reasonable.
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.

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

Estimate	Basis of estimation
The obligations under the SHAPs pension scheme	This has relied on the actuarial assumptions of a qualified actuary which have been reviewed and are considered reasonable and appropriate.

4. Particulars of turnover, operating expenditure and operating surplus - Consolidated

	Turnover 2026 £	Operating expenditure 2026 £	Operating surplus 2026 £	*Operating surplus 2025 £*
Affordable lettings (note 6)	**7,798,865**	**7,081,314**	**717,551**	*442,093*
Other activities (note 7a)	**89,625,594**	**88,083,623**	**1,541,971**	*1,276,732*
Total 2026	**97,424,459**	**95,164,937**	**2,259,522**	
Total 2025	*92,544,822*	*90,825,997*		*1,718,825*

5. Particulars of turnover, operating expenditure and operating surplus – The Association

	Turnover 2026 £	Operating expenditure 2026 £	Operating surplus 2026 £	*Operating surplus 2025 £*
Affordable lettings (note 6)	**7,798,865**	**7,081,314**	**717,551**	*442,093*
Other activities (note 7b)	**85,753,274**	**84,608,052**	**1,145,222**	*1,518,349*
Total 2026	**93,552,139**	**91,689,366**	**1,862,773**	
Total 2025	*72,890,637*	*70,930,195*		*1,960,442*

6. Particulars of turnover, operating expenditure and operating surplus from affordable letting activities – Consolidated and Association

	General Needs Housing £	Supported Housing £	2026 Total £	*2025 Total £*
Rent receivable net of service charges	**550,661**	**6,427,778**	**6,978,439**	*6,448,332*
Service charges	**30,494**	**818,543**	**849,037**	*760,052*
Gross income from rents and service charges	**581,155**	**7,246,321**	**7,827,476**	*7,208,384*
Less voids	**(5,056)**	**(31,830)**	**(36,886)**	*(50,846)*
Net income from rents and services	**576,099**	**7,214,491**	**7,790,590**	*7,157,538*
Amortisation of deferred government capital grants	**-**	**8,275**	**8,275**	*7,325*
Total turnover from affordable letting activities	**576,099**	**7,222,766**	**7,798,865**	*7,164,863*
Management and maintenance administration costs	**166,997**	**1,051,397**	**1,218,394**	*1,165,653*
Service costs	**78,638**	**3,737,660**	**3,816,298**	*3,588,383*
Planned and cyclical maintenance costs including major repairs	**110,559**	**696,068**	**806,627**	*802,480*
Reactive maintenance costs	**82,186**	**517,439**	**599,625**	*580,324*
Depreciation of social housing	**87,771**	**552,599**	**640,370**	*585,930*
Operating expenditure for affordable letting activities	**526,151**	**6,555,163**	**7,081,314**	*6,722,770*
Operating Surplus on affordable letting activities, 2026	**49,948**	**667,603**	**717,551**	**-**
Operating Surplus on affordable letting activities, 2025	*34,154*	*407,939*	-	*442,093*

7a. Particulars of turnover, operating expenditure and operating surplus from other activities – Consolidated

	Grants from Scottish Ministers	Support funding	Total turnover	Operating expenditure	Operating surplus	*Operating surplus*
	2026	**2026**	**2026**	**2026**	**2026**	*2025*
	£	**£**	**£**	**£**	**£**	*£*
Development activities	**169,408**	**-**	**169,408**	**122,847**	**46,561**	*(41,180)*
Care activities	**-**	**89,456,186**	**89,456,186**	**87,960,776**	**1,495,410**	*1,317,912*
Total from other activities 2026	**169,408**	**89,456,186**	**89,625,594**	**88,083,623**	**1,541,971**	
Total from other activities 2025	*78,360*	*85,301,599*	*85,379,959*	*79,546,963*		*1,276,732*

7b. Particulars of turnover, operating expenditure and operating surplus from other activities – Association

	Grants from Scottish Ministers	Support funding	Other Agency / Management Services	Total turnover	Operating expenditure	Operating surplus	*Operating surplus/(deficit)*
	2026	**2026**	**2026**	**2026**	**2026**	**2026**	*2025*
	£	**£**	**£**	**£**	**£**	**£**	*£*
Development activities	**169,408**	**-**	**-**	**169,408**	**122,847**	**46,561**	*(41,180)*
Care activities	**-**	**85,428,273**	**155,593**	**85,583,866**	**84,485,205**	**1,098,661**	*1,559,529*
Total from other activities 2026	**169,408**	**85,428,273**	**155,593**	**85,753,274**	**84,608,052**	**1,145,222**	
Total from other activities 2025	*78,360*	*64,729,834*	917,580	*65,725,774*	*64,207,425*		*1,518,349*

8. Operating Surplus

	Consolidated		Association	
	2026	*2025*	**2026**	*2025*
Operating surplus is stated after:	**£**	*£*	**£**	*£*
Depreciation:				
- property	**582,707**	*539,417*	**582,707**	*539,417*
- other fixed assets	**175,504**	*196,104*	**175,504**	*119,928*
- loss on disposal of components	**57,663**	*46,513*	**57,663**	*46,513*
Loss on disposal of fixed assets	**8,589**	*39,496*	**8,589**	*39,496*
External auditor's remuneration exc VAT:				
- external audit services	**40,500**	*43,518*	**26,500**	*25,467*
Internal auditor's remuneration:	*18,545*	*16,813*	**18,545**	*16,813*
- internal audit services				
Operating lease costs:				
- motor vehicles	**22,400**	*35,166*	**22,400**	*35,166*
- land and buildings	**527,366**	*484,840*	**527,366**	*484,840*

9. Remuneration

Board members are not remunerated.

The number of employees in the year whose emoluments (excluding pension contributions) exceeded £60,000 were as follows:

	2026	*2025*
More than £60,000 but not more than £70,000	**7**	*3*
More than £70,000 but not more than £80,000	**6**	*6*
More than £80,000 but not more than £90,000	**1**	*1*
More than £90,000 but not more than £100,000	**2**	*2*
More than £100,000 but not more than £110,000	**1**	*1*
More than £110,000 but not more than £120,000	**-**	*-*
More than £120,000 but not more than £130,000	**1**	*1*

Total emoluments paid to employees whose emoluments (excluding pension contributions) exceeded £60,000 were as follows:

Emoluments of those earning > £60,000	Consolidated		Association	
	2026	*2025*	**2026**	*2025*
	£	*£*	**£**	*£*
Salary	**1,405,470**	*1,143,328*	**1,405,470**	*1,143,328*
Pension contributions	**61,865**	*51,163*	**61,865**	*51,163*
	1,467,335	*1,194,491*	**1,467,335**	*1,194,491*

9. Remuneration (continued)

The Association considers key management personnel to be the Board and the senior management team of the Association as detailed on the first page of the accounts under Executive Officers.

Key management emoluments	Consolidated		Association	
	2026	*2025*	**2026**	*2025*
	£	*£*	**£**	*£*
Salary	**506,015**	*499,688*	**506,015**	*499,688*
Employers' national insurance	**72,197**	*62,678*	**72,197**	*62,678*
Pension contributions	**22,885**	*22,567*	**22,885**	*22,567*
	601,097	*584,933*	**601,097**	*584,933*

The emoluments excluding pension contributions of the highest paid director who is the Chief Executive were £124,698 (*2025 - £123,507*).

The Chief Executive is an ordinary member of the Scottish Housing Association Pension Scheme (SHAPS) as described in note 21. No enhanced or special terms apply to membership. The Chief Executive had no personal pension arrangements. Pension contributions in respect of the Chief Executive amounted to £5,654 (*2025 - £5,598*).

	Consolidated		Association	
	2026	*2025*	**2026**	*2025*
	£	*£*	**£**	*£*
Expenses paid to members of the Board	**635**	*1,344*	**635**	*1,344*

Staff costs (including Directors' emoluments) during the year:

Wages and salaries	**75,149,775**	*72,468,805*	**72,202,059**	*55,530,824*
Social security costs	**9,518,257**	*7,155,573*	**9,132,334**	*5,379,543*
Pension costs	**1,473,639**	*1,399,287*	**1,417,712**	*1,094,975*
Pension costs – Past service scheme expenses	**72,429**	*71,157*	**72,237**	*70,040*
	86,214,100	*81,094,822*	**82,824,342**	*62,075,382*

In addition to expenditure on direct salaries, the group incurred £ 832,520 *(2025 - £2,014,935)* expenditure on the use of agency staff. For Key this was £818,430 (*2025 - £1,811,747*).

9. Remuneration (continued)

The average weekly number of persons employed and the full time equivalent (FTE) was as follows:

	Consolidated			
	2026 Average weekly Nos	*2025 Average Weekly Nos*	**2026 FTE Nos**	*2025 FTE Nos*
Head Office	**107**	*102*	**102**	*96*
Services	**2,632**	*2,648*	**2,107**	*2,108*
	2,739	*2,750*	**2,209**	*2,204*

	Association			
	2026 Average weekly Nos	*2025 Average Weekly Nos*	**2026 FTE Nos**	*2025 FTE Nos*
Head Office	**107**	*102*	**102**	*96*
Services	**2,511**	*2,106*	**1,995**	*1,608*
	2,618	*2,208*	**2,097**	*1,704*

10. Creditor payments

The group policy is to pay purchase invoices at the end of the month following receipt. On average, invoices are paid within 30 days (*2025 - 30 days*) of receipt.

11. Interest receivable and payable

	Consolidated		Association	
	2026 £	*2025 £*	**2026 £**	*2025 £*
Interest receivable and similar income				
Bank deposit interest	**240,659**	*241,392*	**198,901**	*115,294*
Union commission	**1,415**	*1,512*	**1,415**	*1,512*
	242,074	*242,904*	**200,316**	*116,806*
Interest payable and similar charges:				
Bank loans and other loan	**-**	-	**-**	-
Defined benefit pension liability – interest charge (note 21)	**(319,000)**	*(285,000)*	**(319,000)**	*(280,000)*
	(319,000)	*(285,000)*	**(319,000)**	*(280,000)*

12. Taxation

Group

The Association and Community Lifestyles Limited have charitable status and thus no corporation tax is due from their charitable activities (*2025 - £nil)*.

KHA Developments Limited did not trade during the year so no tax is payable.

Association

The Association has charitable status and thus no corporation tax is due from is charitable activities.

13. Fixed assets – Housing Land and Buildings – Consolidated and Association

	2026	*2025*
	£	*£*
Cost		
At 1 April 2025	**19,661,247**	*18,871,422*
Additions	**1,031,082**	*886,854*
Disposals	**(109,267)**	*(97,029)*
At 31 March 2026	**20,583,062**	*19,661,247*
Property Depreciation		
At 1 April 2025	**4,839,140**	*4,350,239*
Charge for the year	**582,707**	*539,417*
Disposals	**(51,604)**	*(50,516)*
At 31 March 2026	**5,370,243**	*4,839,140*
Net Book Value at 31 March 2026	**15,212,819**	*14,822,107*

Total cost of components capitalised for the year amounted to £1,031,082 (*2025 - £886,854*). The amount spent on maintenance of housing properties held for letting can be seen in Note 6.

Additions to Housing Properties during the year includes £nil capitalised interest (*2025 - £nil*) and £nil capitalised administration costs (*2025 - £nil*). All housing properties are freehold. Properties with a cost of £nil (*2025 - £nil*) and accumulated depreciation of £nil (*2025 - £nil*) have been disposed in the year. Components with a cost of £109,267 (*2025- £97,029*) and accumulated depreciation of £51,604 (*2025 - £50,516*) have been disposed of for £nil (*2025 - £nil*) net proceeds.

The housing properties were revalued as at 1 April 2014 by Graham & Sibbald Limited and this value was used as the deemed cost from that date in accordance with FRS 102.

Included in freehold housing properties is land with a historic cost allocation of £1,630,017 (*2025 - £1,622,017)*.

14. Fixed Assets – Other – Consolidated

Cost	Motor Vehicles £	Office Equipment £	Wemyss Bay Lodge £	Office Accomm-odation £	Total £
At 1 April 2025	**34,870**	**556,415**	**132,227**	**4,542,791**	**5,266,303**
Additions	**-**	**19,803**	**-**	**-**	**19,803**
Disposals	**(16,690)**	**(38,574)**	**-**	**-**	**(55,264)**
At 31 March 2026	**18,180**	**537,644**	**132,227**	**4,542,791**	**5,230,842**
Depreciation					
At 1 April 2025	**34,870**	**295,740**	**44,080**	**1,220,276**	**1,594,966**
Charge for year	**-**	**57,499**	**4,405**	**113,600**	**175,504**
Disposals	**(16,690)**	**(26,265)**	**-**	**-**	**(42,955)**
At 31 March 2026	**18,180**	**326,974**	**48,485**	**1,333,876**	**1,727,515**
Net Book Value					
At 31 March 2026	**-**	**210,670**	**83,742**	**3,208,915**	**3,503,327**
At 31 March 2025	*-*	*260,675*	*88,147*	*3,322,515*	*3,671,337*

Fixed Assets – Other - Association

Cost	Motor Vehicles £	Office Equipment £	Wemyss Bay Lodge £	Office Accomm -odation £	Total £
At 1 April 2025	**34,870**	**290,650**	**132,227**	**2,488,646**	**2,946,393**
Additions	**-**	**108,516**	**-**	**1,580,821**	**1,689,337**
Disposals	**(16,690)**	**(38,574)**	**-**	**-**	**(55,264)**
At 31 March 2026	**18,180**	**360,591**	**132,227**	**4,069,467**	**4,580,465**
Depreciation					
At 1 April 2025	**34,870**	**118,687**	**44,080**	**746,952**	**944,589**
Charge for year	**-**	**57,499**	**4,405**	**113,600**	**175,504**
Disposals	**(16,690)**	**(26,265)**	**-**	**-**	**(42,955)**
At 31 March 2026	**18,180**	**149,921**	**48,485**	**860,552**	**1,077,138**
Net Book Value					
At 31 March 2026	**-**	**210,670**	**83,742**	**3,208,915**	**3,503,327**
At 31 March 2025	*-*	*171,963*	*88,147*	*1,741,694*	*2,001,804*

15. Debtors: falling due within one year

	Consolidated		Association	
	2026	*2025*	**2026**	*2025*
	£	*£*	**£**	*£*
Rent arrears	**282,772**	*193,814*	**282,772**	*193,814*
Less: provision for bad debts	**(39,432)**	*(36,876)*	**(39,432)**	*(36,876)*
Arrears for rent and service charge	**243,340**	*156,938*	**243,340**	*156,938*
Other debtors and prepayments	**836,412**	*715,388*	**781,144**	*581,493*
Local authority revenue grant receivable	**7,917,136**	*8,217,201*	**7,917,136**	*6,282,034*
Amounts owed by subsidiary undertakings	**-**	*-*	**20,305**	*62,509*
	8,996,888	*9,089,527*	**8,961,924**	*7,082,974*

16. Investments

Consolidated	**2026**	*2025*
	£	*£*
Balances held in deposit accounts (> 3 months)	**-**	*657,486*
	-	*657,486*

Association	**2026**	*2025*
	£	*£*
Investment in subsidiary undertaking:		
- KHA Developments Limited	**1**	*1*
	1	*1*

Key Housing Association Limited owns 1 ordinary £1 share in KHA Developments Limited (SC341478). The investment is held at cost. This represents a 100% shareholding in KHA Developments Limited, a company registered in Scotland, whose principal activity is that of acting as the design and build subsidiary of Key Housing Association Limited. There was no financial activity in the year for KHA Developments Limited. The net liabilities at 31 March 2026 were (£1,040) *(2025: (£1,040))*.

Key Housing Association Limited has 100% control over its subsidiary undertaking Community Lifestyles Limited, a company limited by guarantee whose principal activity is the support of adults with learning disabilities. KEY is the only member of Community Lifestyles Limited and approves the appointment of the directors of Community Lifestyles Limited. Community Lifestyles Limited made a surplus of £438,507 (*2025 –deficit of £120,519)* for the year ended 31 March 2026. Included in other comprehensive income was an actuarial gain of £98,045 (*2025 - actuarial loss of £4,000)* in respect of SHAPS. There was additional other expenditure of £8,167,835 associated with the transfer of assets to Key, to give total comprehensive income of (£7,827,373) (*2025 - £116,519*). Community Lifestyles Limited has reserves of £132,633 as at 31 March 2026 (*2025 - £ 7,959,996*).

17. Cash and cash equivalents

	Consolidated		Association	
	2026	*2025*	**2026**	*2025*
	£	*£*	**£**	*£*
Cash - Current account	**21,288,457**	*16,433,758*	**20,700,857**	*9,720,365*
Cash equivalents - Deposit accounts (< 3 months)	**1,212,667**	*1,710,117*	**1,212,667**	*1,169,351*
	22,501,124	*18,143,875*	**21,913,524**	*10,889,716*

18. Creditors: falling due within one year

	Consolidated		Association	
	2026	*2025*	**2026**	*2025*
	£	*£*	**£**	*£*
Trade creditors	**558,489**	*44,411*	**558,489**	*44,411*
Pension creditor	**334,640**	*314,990*	**334,640**	*243,687*
Other creditors	**4,124,385**	*3,920,470*	**3,645,069**	*2,038,430*
Social security and other taxes	**1,752,804**	*1,502,571*	**1,752,804**	*1,105,299*
Accruals and deferred grant income	**5,783,108**	*5,327,095*	**5,767,044**	*4,043,568*
Prepayments of rent and service charge	**249,277**	*231,162*	**249,277**	*231,162*
Amounts due to subsidiary undertakings	**-**	*-*	**5,440**	*91,408*
Deferred Government capital grant (note 20)	**8,275**	*7,325*	**8,275**	*7,325*
	12,810,978	*11,348,024*	**12,321,038**	*7,805,290*

19. Creditors: amounts falling due after more than one year

	Consolidated		Association	
	2026	*2025*	**2026**	*2025*
	£	*£*	**£**	*£*
Deferred Government capital grant (note 20)	**336,050**	*297,775*	**336,050**	*297,775*
	336,050	*297,775*	**336,050**	*297,775*

20. Deferred capital grants: Consolidated and Association

	2026	*2025*
	£	*£*
Gross grant		
At 1 April 2025	**366,246**	*366,246*
Grants received in year	**47,500**	*-*
At 31 March 2026	**413,746**	*366,246*
Amortisation of grant		
At 1 April 2025	**61,146**	*53,821*
Amortisation	**8,275**	*7,325*
At 31 March 2026	**69,421**	*61,146*
Net grant at 31 March 2026	**344,325**	*305,100*
Payable in one year or less	**8,275**	*7,325*
Payable within one to two years	**8,275**	*7,325*
Payable within two to five years	**24,825**	*21,975*
Payable over five years	**302,950**	*268,475*
Total	**344,325**	*305,100*

21. Retirement benefits

Defined benefit scheme

Key Housing Association Limited and Community Lifestyles Limited participate in the Scottish Housing Associations' Pension Scheme (the "Scheme"). The Scheme is a multi-employer defined benefit scheme which provides benefits to some 150 non-associated employers. The Scheme is funded.

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 Pension 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 offers six benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate;
- Career average revalued earnings with a 1/60th accrual rate;
- Career average revalued earnings with a 1/70th accrual rate;
- Career average revalued earnings with a 1/80th accrual rate;
- Career average revalued earnings with a 1/120th accrual rate contracted in; and
- Defined contribution.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. The DC option can be introduced by the employer on the first day of any month after giving a minimum of three months' prior notice.

Key Housing Association Limited has elected to operate the Defined Contributions Option for existing and new entrants. The defined benefit scheme was closed to future accrual on 1 April 2014. However, the Association are still required to fund the past service deficit liability in respect of the defined benefit scheme. Community Lifestyles have withdrawn from the scheme paying a final debt of withdrawal of £183,045. Active pension membership transferred over to Key on 31 May 2025.

There was an additional annual employer past service deficit contribution of £Nil (net of administration costs) (*2025 - £126,988*) made in the year ended 31 March 2026 for the Group including £Nil (*2025 - £126,988)* for the Association.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A Recovery Plan was put in place to eliminate the deficit which ran to 30 September 2022.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme. For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

21. Retirement benefits (continued)

Group

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	31 March 2026 £'000	*31 March 2025 £'000*
Fair value of plan assets	**37,225**	*39,008*
Present value of defined benefit obligation	**(42,377)**	*(44,659)*
Defined benefit liability to be recognised	**(5,152)**	*(5,651)*

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Defined benefit obligation at start of period	**43,965**	*48,259*
Current service cost	**-**	*-*
Expenses	**72**	*71*
Interest expense	**2,449**	*2,296*
Actuarial (gains)/losses due to scheme experience	**(1,723)**	*900*
Actuarial losses/(gains) due to changes in demographic assumptions	**485**	*(4,575)*
Actuarial (gains) due to changes in financial assumptions	**(380)**	*-*
Benefits paid and expenses	**(2,491)**	*(2,292)*
Defined benefit liability at the end of the period	**42,377**	*44,659*

21. Retirement benefits (continued)

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

	Year ended 31 March 2026 £'000	*Year ended31 March 2025 £'000*
Fair value of plan assets at start of the period	**38,399**	*42,310*
Interest income	**2,130**	*2,011*
Experience on plan assets (excluding amounts included in interestincome) – (loss)	**(885)**	*(3,339)*
Contributions by the employer	**72**	*318*
Benefits paid and expenses	**(2,491)**	*(2,292)*
Fair value of plan assets at end of period	**37,225**	*39,008*

Defined benefit costs recognised in the Statement of Comprehensive Income

	Period from 31 March 2025 to 31 March 2026 £'000	*Period from 31 March 2022 to 31 March 2025 £'000*
Current service cost	**-**	*-*
Admin expenses	**72**	*71*
Net interest expense	**319**	*285*
Defined benefit costs recognised in Statement of Comprehensive Income	**391**	*356*

Defined benefit costs recognised in Other Comprehensive Income	Year Ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Experience on plan assets (excluding amounts included in netinterest cost) – (loss)	**(885)**	*(3,339)*
Experience gains and losses arising on the plan liabilities – gain/(loss)	**1,723**	*(900)*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – (loss)	**(485)**	*-*
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	**380**	*4,695*
Total amount recognised in other comprehensive income – actuarial gain	**733**	*456*

21. Retirement benefits (continued)

Fund allocation for employer's calculated share of assets

	31 March 2026 £'000	*31 March 2025 £'000*
Global Equity	**4,915**	*4,519*
Absolute Return	**-**	*-*
Distressed Opportunities	**-**	*-*
Credit Relative Value	**-**	*-*
Alternative Risk Premia	**-**	*-*
Liquid Alternatives	**7,117**	*7,182*
Emerging Markets Debt	**-**	*-*
Risk Sharing	**-**	*-*
Insurance-Linked Securities	**72**	*148*
Property	**1,941**	*1,932*
Infrastructure	**2**	*8*
Private Equity	**82**	*34*
Real Assets	**3,692**	*4,656*
Private Debt	**-**	*-*
Opportunistic Illiquid Credit	**-**	*-*
Private Credit	**4,800**	*4,865*
Credit	**1,697**	*1,659*
Investment Grade Credit	**1,562**	*1,784*
High Yield	**-**	*-*
Cash	**14**	*208*
Corporate Bond Fund	**-**	*-*
Liquid Credit	**-**	*-*
Long Lease Property	**-**	*13*
Secure Income	**503**	*901*
Liability Driven Investment	**10,275**	*10,982*
Currency Hedging	**(2)**	*65*
Net Current Assets	**555**	*52*
Total Assets	**37,225**	*39,008*

The main financial assumptions used by the Scheme Actuary, TPT, in their FRS 102 calculations are as follows:

Assumptions as at	**31 March 2026**	**31 March 2026**
	% per annum	**% per annum**
	Key Housing Association	**CommunityLifestyles**
Discount rate	**5.95**	**-**
Inflation (RPI)	**3.34**	**-**
Inflation (CPI)	**3.02**	**-**
Salary growth	**4.02**	**-**
Allowance for commutation of pension for cash at retirement	**75% of maximum allowance**	**-**

21. Retirement benefits (continued)

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 2044	**21.9**
Female retiring in 2044	**24.4**

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2017 model with an allowance for smoothing of recent mortality experience and long term rates of 1.25% p.a. for males and 1% p.a. for females.

Member data summary

Active members

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	16	729	58
Females	32	1,531	57
Total	**48**	**2,250**	**57**

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	38	116	60
Females	96	250	57
Total	**134**	**366**	**58**

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	81	633	70
Females	239	1,241	70
Total	**320**	**1,873**	**70**

21. Retirement benefits (continued)

Association

Present values of defined benefit obligation, fair value of assets and defined benefit liability

	31 March 2026 £'000	*31 March 2025 £'000*
Fair value of plan assets	**37,225**	*38,399*
Present value of defined benefit obligation	**(42,377)**	*(43,965)*
Defined benefit liability to be recognised	**(5,152)**	*(5,566)*

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Defined benefit obligation at start of period	**43,965**	*47,549*
Current service cost	**-**	*-*
Expenses	**72**	*70*
Interest expense	**2,449**	*2,261*
Actuarial (gains)/losses due to scheme experience	**(1,723)**	*854*
Actuarial losses due to changes in demographic assumptions	**485**	*-*
Actuarial (gains) due to changes in financial assumptions	**(380)**	*(4,489)*
Benefits paid and expenses	**(2,491)**	*(2,280)*
Defined benefit liability at the end of the period	**42,377**	*43,965*

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

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Fair value of plan assets at start of the period	**38,399**	*41,684*
Interest income	**2,130**	*1,981*
Experience on plan assets (excluding amounts included in interest income) (loss)	**(885)**	*(3,303)*
Contributions by the employer	**72**	*317*
Benefits paid and expenses	**(2,491)**	*(2,280)*
Fair value of plan assets at end of period	**37,225**	*38,399*

21. Retirement benefits (continued)

Defined benefit costs recognised in the Statement of Comprehensive Income

	Period from 31 March 2025 to 31 March 2026 £'000	*Period from 31 March 2024 to 31 March 2025 £'000*
Current service cost		-
Admin expenses	**72**	*70*
Net interest expense	**319**	*280*
Defined benefit costs recognised in Statement of Comprehensive Income	**391**	*350*

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Experience on plan assets (excluding amounts included in net interest cost) – (loss)	**(885)**	*(3,303)*
Experience gains and losses arising on the plan liabilities – gain/(loss)	**1,723**	*(854)*
Effects of changes in the demographic assumptions underlying thepresent value of the defined benefit obligation – (loss)	**(485)**	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	**380**	*4,609*
Total amount recognised in other comprehensive income – Actuarial gain	**733**	*452*

21. Retirement benefits (continued)

Fund allocation for employer's calculated share of assets

	31 March 2026 £'000	*31 March 2025 £'000*
Global Equity	**4,915**	*4,448*
Liquid Alternatives	**7,117**	*7,070*
Insurance-Linked Securities	**72**	*146*
Property	**1,941**	*1,902*
Infrastructure	**2**	*8*
Private Equity	**82**	*33*
Real Assets	**3,692**	*4,583*
Private Credit	**4,800**	*4,789*
Credit	**1,697**	*1,633*
Investment Grade Credit	**1,562**	*1,756*
Cash	**14**	*205*
Long Lease Property	**-**	*13*
Secure Income	**503**	*887*
Liability Driven Investment	**10,275**	*10,811*
Currency Hedging	**(2)**	*64*
Net Current Assets	**555**	*51*
Total Assets	**37,225**	*38,399*

The main financial assumptions used by the Scheme Actuary, TPT, in their FRS 102 calculations are as follows:

Assumptions as at	**31 March 2026 % per annum**
Discount rate	**5.95%**
Inflation (RPI)	**3.34%**
Inflation (CPI)	**3.02%**
Salary growth	**4.02%**
Allowance for commutation of pension for cash at retirement	**75% of maximum allowance**

21. Retirement benefits (continued)

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**

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2017 model withan allowance for smoothing of recent mortality experience and long term rates of 1.25% p.a. for males and 1% p.a. for females.

Member data summary

Active members

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	16	719	58
Females	32	1,531	57
Total	**48**	**2,250**	**57**

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	38	116	60
Females	96	250	57
Total	**134**	**366**	**58**

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	81	633	70
Females	239	1,241	70
Total	**320**	**1,873**	**70**

Pension contributions by Scheme – Group and Association

Defined contribution - SHAPS

There are 148 active members of the SHAPS DC scheme as at 31 March 2026 for the Group and 148 for Key only. The Group and KEY contribute 4.7% as an employer contribution. Total employer contributions for the year were £283,483 (*2025 - £277,481*) for the Group and £278,231 (*2025 - £248,024*) for KEY only. Included in the year end creditors balance is £43,886 *(2025 - £51,465)* for the Group and £43,886 (*2025 - £46,963*) for KEY only in respect of pension contributions payable. This represents one month's contributions as well as outstanding contributions for new members.

21. Retirement benefits (continued)

Defined contribution - Other
The Group also offers a defined contribution pension scheme under SHAPS. Employer contributions for the year were £12,230 (*2025 - £12,813*) for the Group and £ 11,992 (*2025 - £11,531*) for Key Housing Association Limited only. Included in creditors as at 31 March 2026 is £1,849 (*2025 - £1,839*) in respect of the defined contribution scheme for the group and £1,849 (*2025 - £1,648*) for Key Housing Association Limited only. This represents one month's contribution. As at 31 March 2026 there were 11 (*2025 - 11*) active members of the scheme employed by the Group and 11 (*2025 - 10*) by Key Housing Association Limited.

Auto Enrolment
From 1 November 2013, eligible employees in KEY who were not active members of the SHAPS scheme were automatically enrolled into the Flexible Retirement Plan with contribution levels meeting minimum statutory requirements. From 1 April 2014, eligible employees in Community Lifestyles were similarly enrolled. Employer contributions for the year were £1,177,985 (*2025 - £1,108,994)* for the Group and £1,127,489 (*2025 - £835,420*) for KEY. As at the year-end there were £274,377 *(2025 - £247,957*) pension contributions outstanding for the Group and £274,377 (*2025 - £183,002*) for KEY. There were 1,856 (*2025 – 1,591*) active members for the Group as at 31 March 2026 and 1,856 (*2025 - 1,257*) for KEY only.

At the year-end £6,012 (*2025 - £5,930)* was included in the pension creditor in respect of the past service deficit payment and pension management costs due to be paid at the year-end for the Group and £6,012 *(2025 - £5,837)* for KEY only. There was also £8,516 (*2025 - £7,800*) in respect of the death in service element for the Group and £8,516 (*2025 - £6,238*) for KEY.

21. Retirement benefits (continued)

Employer debt on withdrawal

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any "orphan" liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financialconditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

The Association has been notified by TPT of the estimated employer debt on withdrawal from the Scheme based on the financial position of the scheme as at 30 September 2025. As of this date the estimated employer debt for the Association was £10,059,263 (*2025 - £13,350,909*) and for Community Lifestyles Limited was £NIL as the debt on withdrawal was paid during the year when the scheme was exited. Therefore there are no actual or potential future liabilities in respect of Community Lifestyles defined benefit scheme. (*2025 - £213,797*).

Review of historic benefit changes

The Trustee of the defined benefit pension scheme has carried out a review comparing the benefits provided to Scheme members with the requirements of the Scheme documentation. It received legal advice that there was sufficient uncertainty regarding the effect of some benefit changes to ask the Court to provide the Trustee with the certainty it needs to properly administer the scheme. The Court case has taken place but the outcome is outstanding.

Should the court decide that the historic benefit changes need to be applied differently, then some member benefits would need to be increased, which would increase the value placed on the Scheme liabilities. No allowance has been made for potential additional liabilities with current valuation and no adjustments have been made in these financial statements in respect of this.

22. Operating lease commitments – Consolidated and The Association

Annual commitments expiring within the following periods post year end:	**Land & Buildings 2026 £**	**Other 2026 £**	*Land & Buildings 2025 £*	*Other 2025 £*
One year or less	**512,694**	**18,886**	*479,011*	*28,847*
Between two and five years	**801,655**	**9,592**	*699,688*	*16,424*
In five years or more	**1,806,813**	**-**	*2,012,757*	*-*
	3,121,162	**28,478**	*3,191,456*	*45,271*

23a. Share capital – Consolidated and Association

	2026	*2025*
	£	*£*
Shares of £1 each fully paid and issued at:		
Brought forward at 1 April	**197**	*211*
Shares issued during the year	**3**	*2*
Shares cancelled during the year	**(6)**	*(16)*
Shares of £1 each fully paid at 31 March	**194**	*197*

The Association issued three (*2025 - two*) shares in the year. The shares have limited rights with no rights to dividends, redemptions or winding up. Each shareholder has the right to vote at the General Meetings.

23b. Revenue reserves

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

24a. Net cash inflow from operating activities: Consolidated

	2026 £	2025 £
Surplus for the year	**2,182,596**	*1,676,729*
Adjustments for non-cash items		
Depreciation of tangible fixed assets including loss on disposal of components	**815,874**	*782,034*
Carrying amount of tangible fixed asset disposals	**12,309**	*55,296*
Increase in creditors	**1,462,005**	*196,658*
Decrease/(increase) in debtors	**92,639**	*(1,023,224)*
Decrease in stock	**10,049**	-
Interest charge in respect of the defined benefit pension liability	**319,000**	*285,000*
Adjustments for investing or financing activities		
Net proceeds from sale of tangible fixed assets	**(3,720)**	*(15,800)*
Interest payable	**-**	-
Interest receivable	**(242,074)**	*(242,904)*
SHAPS past service deficit payment	**(183,045)**	*(126,988)*
Shares cancelled	**(6)**	*(16)*
Release of deferred Government Capital grants	**(8,275)**	*(7,325)*
		-
	4,457,352	*1,579,460*

24b. Net cash inflow from operating activities: Association

	2026 £	2025 £
Surplus for the year	**9,911,924**	*1,797,248*
Adjustments for non-cash items		
Depreciation of tangible fixed assets including loss on disposal of components	**815,874**	*705,858*
Carrying amount of tangible fixed asset disposals	**12,309**	*55,296*
Increase in creditors	**4,078,729**	*196,100*
(Increase) in debtors	**(980,372)**	*(951,472)*
Decrease in stock	**10,049**	-
Interest charge in respect of the defined benefit pension liability	**319,000**	*280,000*
Gain on business combination	**(8,167,835)**	-
Adjustments for investing or financing activities		
Net proceeds from sale of tangible fixed assets	**(3,720)**	*(15,800)*
Interest payable	**-**	-
Interest receivable	**(200,316)**	*(116,806)*
SHAPS past service deficit payment	**-**	*(126,988)*
Shares cancelled	**(6)**	*(16)*
Release of deferred Government Capital Grant	**(8,275)**	*(7,325)*
Net cash inflow from operating activities	**5,787,361**	*1,816,095*

25. Capital commitments – Consolidated and Association

	2026 £	*2025* *£*
Contracted for but not provided for in the financial statements	-	-
Authorised by the Management Committee but not contracted for	-	-

26. Housing stock – Consolidated and Association

	2026 No of units	*2025* *No of units*
New build - mainstream	97	*96*
New build – supported	596	*596*
Rehabilitation - mainstream	-	*-*
Rehabilitation - supported	22	*22*
	715	*714*

	2026 No of units	*2025* *No of units*
Registered accommodation:		
Number of bed spaces	-	*-*
	-	-

There are no new units under development for either year.

There was one unit transferred from management mainstream to management supported in the year.

27. Legislative provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and registered with the Financial Conduct Authority.

28. Related parties

Subsidiary undertakings

In August 1995, Key Housing Association set up a subsidiary company, Community Lifestyles Limited. Until 31 May 2025 this company provided individualised home and community support services to adults with learning difficulties, mainly in housing not provided by the Association. This is provided under contracts with localauthorities, mainly Glasgow City Council.

From August 1998 Community Lifestyles Limited became a registered charity and limited by guarantee. It remains under the control of Key Housing Association Limited.

The transactions between the two entities during the year have consisted of net recharges totaling £155,593 (*2025 - £917,580*) by Key Housing Association to Community Lifestyles Limited for staff costs and other overheads. There was also a total of £43,382 (*2025 - £246,814)* of recharges from Community Lifestyles Limited to Key Housing Association Limited for staff costs and other overheads. At 31 March 2026, Community Lifestyles Limited owed Key Housing Association Limited £20,305 (*2025 - £62,509*) in respect of sundry items. Included in the year end creditors is £5,440 (*2025 - £91,408*) in respect of sundry items payable to Community Lifestyles Limited.

Members of the Board

During the year the Association had one *(2025 - none*) member of the Board who was also a tenant. The tenancies of these members of the Board are on normal terms and the members cannot use their position to their advantage. The total rent charged in the year relating to Board members who are tenants is £9,878 (full year) (*2025 - £nil*). The total prepaid rent relating to Board members who are tenants included within creditors at the year end is £62 (*2025 - £nil).*

29. Gain on acquisition of Community Lifestyles Limited

On 31 May 2025, with the agreement of both Boards, Community Lifestyles Limited transferred their trade and assets via a transfer agreement to Key Housing Association for nil consideration. The assets and liabilities were transferred at fair value as follows:

Asset:	**£**
Other fixed assets	**1,669,534**
Cash and cash equivalents	**6,035,794**
Debtors due within one year	**898,590**
Liabilities:	
Creditors falling due within one year	**(436,083)**
Gain on acquisition	**8,167,835**