

Company registration number SC001206 (Scotland)

## **LINK GROUP LIMITED**



## **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025**

**Registered Society and Financial Conduct Authority  
Registration No: Registration No: 1481R(S)**

**Scottish Charity No: SC001026**

**The Scottish Housing Regulator No: HAL 148**

# LINK GROUP LIMITED

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# LINK GROUP LIMITED

## ADMINISTRATIVE INFORMATION

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<b>Directors</b>	C Cuthbertson P Kerr C Allan S Blackhall P Woodburn J Bros Williamson M Leslie G Boyle P Matthews E Robertson J Prichard D Robinson S Gorman H Pearson	(Appointed August 2024) (Appointed September 2024) (Appointed March 2025) (Appointed March 2025) (Appointed March 2025)
<b>Secretary</b>	C Archibald	
<b>Registered office</b>	Link House 2c New Mart Road Edinburgh EH14 1RL	
<b>Auditor</b>	RSM UK Audit LLP Third Floor 2 Semple Street Edinburgh EH3 8BL	
<b>Internal auditor</b>	TIAA Artillery House Fort Fareham Industrial Site Fareham PO14 1AH	
<b>Bankers</b>	Bank of Scotland 75 George Street Edinburgh EH2 3EW	
<b>Solicitors</b>	Burness Paull LLP 50 Lothian Road Festival Square Edinburgh EH3 9WJ	Harper Macleod LLP 65 Haymarket Terrace Edinburgh EH12 5AD
<b>Funders</b>	Royal Bank of Scotland Allia C&C Limited MetLife M&G Investments Virgin Money	Canada Life/Assured Guaranty Scottish Widows Lloyds Banking Group/Bank of Scotland Nationwide Building Society CAF Bank
<b>Website</b>	www.linkhousing.org.uk	
<b>Email</b>	linkhousing@linkhousing.org.uk	

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# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT

### FOR THE YEAR ENDED 31 MARCH 2025

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The Board present their report and the consolidated Group financial statements for the year ended 31 March 2025.

#### Principal activities

The principal activities of the Link Group of companies (The Group) are to provide housing to those in need, property management and maintenance services to meet a range of housing needs. The Group provides support and care to those in need as well as training and development services. The Group also provides property management and maintenance services to a significant number of private owners and sharing owners under factored services.

#### Group structure

Link Group Limited (Link) is the parent Registered Social Landlord (RSL) in the Group, which comprises of five RSLs and three operating subsidiary entities.

Link, Horizon Housing Association Limited (Horizon), Larkfield Housing Association Limited (Larkfield), West Highland Housing Association Limited (West Highland) and Link Housing Association Limited (LHA) are the five RSL entities within the Group and all have charitable status. As RSLs, Larkfield, Horizon and West Highland have retained their assets, names, and identities. LHA manages Link's housing assets but has no housing assets of its own.

At a board meeting on 27 August 2024, the Link Group Limited Board approved a proposal to transfer all trade, employees, assets and liabilities within Link Housing Association over to Link Group Limited. The transfer date was 30 June 2025. As a result, Link Housing Association's individual financial statements have been prepared on a non-going concern basis. This has no impact on the going concern position of Link Group and the wider group as a whole.

The results of all the RSLs and subsidiaries are included in these financial statements and reflected in the Group Statement of Comprehensive Income and the Group Statement of Financial Position. The members of the group are:

- Link Housing Association Limited (RSL)
- Horizon Housing Association Limited (RSL)
- Larkfield Housing Association Limited (RSL)
- West Highland Housing Association Limited (RSL) and its subsidiary West Highland Futures Limited (commercial)
- Link Living Limited (charity)
- C-urb 6 Limited (commercial)

Each RSL partner is wholly owned by Link and has entered into an Intra-Group Agreement with Link which sets out the respective roles and responsibilities of each party. The agreement confirms the processes and procedures each party will conform to and the basis upon which services will be provided is contained in service level agreements. Link has the power to appoint Board/Management Committee/Non-Executive members and the circumstances where Link would exercise that power are dealt with in the agreements.

All other members of the Group are wholly owned subsidiaries of Link, and it appoints the Board members of subsidiary companies on the recommendation of the subsidiary company's Board.

The consolidated financial statements of the Group reflect the results of all Link RSL and non RSL subsidiary companies as well as separately disclosing the results of Link itself.

# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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#### Group Strategy and Objectives

The Link Group Board sets strategic objectives, based upon key themes from its mission statement. On an annual basis the themes and the objectives which flow from them are reviewed and updated.

Link has also committed itself to objectives which deliver sustainable outcomes for the future and to meet the Scottish and UK Government climate goals. The sustainability strategy focuses on the key themes, Supporting People and Communities, Building Success, and Ensuring Corporate Wellbeing. These themes are rooted in operational environmental sustainability targets and objectives to reach carbon net zero within a framework.

Link provides a diverse range of services to tenants and service users and is active in the majority of Scotland's local authority areas. The Link Group Board recognises and values the specialist expertise that subsidiary partner organisations contribute. In developing the overarching strategic direction for the Group, an important point of principle is to ensure that the framework is one which resonates across all the companies and is dynamic enough to allow individual partners to adapt strategic plans reflecting local priorities.

#### Operating Performance

Link monitors Group performance through comparisons against budgets, financial plans and forecasts, along with comparisons against its peers and other RSLs which form part of the Scottish Housing Network Benchmarking Group using SHR data. The Link Board is satisfied that Link is performing strongly compared to other housing providers and is achieving high quality outcomes when compared across the sector. In addition, the Link Board monitors its financial and operating performance against key targets in Link's business plan and is confident that not only is Link performing well operationally but also is achieving lending covenants, reflecting high quality financial performance.

All five RSLs complete Five-Year Financial Plans, Loan Portfolio and Annual Accounts returns to the Scottish Housing Regulator (SHR). The RSLs also provide copies of their business plans and long-term financial forecasts where required by the SHR Annual Regulation Plans. Those in the group with external borrowing, which are Link Group Limited and West Highland Housing Association Limited also provide quarterly financial performance information to lenders along with business plans to ensure compliance with all loan agreement terms and covenants.

Link's Group Leadership Team receive monthly financial performance reports and the Link Board receives quarterly financial performance reports along with quarterly Key Performance Indicators from all the partners and it scrutinises the performance of each area of the Group. All five RSLs complete Annual Returns on the Charter (ARC) to the SHR which are approved by their respective Boards and the information is published so that tenants can see how individual RSLs compare across a wide range of indicators.

The ARC contains a complete range of indicators which allow tenants to compare their landlord with others and compare against the Scottish average. Link, in the view of the Board, compares favourably over most indicators whilst recognising that there is always scope for improvement. Our latest KPI's are shown below:

# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

Performance Indicator	Link Group 2022/23	Link Group 2023/24	Link Group 2024/25
Percentage of tenants who feel landlord is good at keeping them informed about services and decisions	91.87%	91.87%	91.87%
Percentage of tenants satisfied with the opportunities to participate in the landlord's decision making	92.87%	92.87%	92.87%
Percentage of tenants satisfied with overall service provided by landlord	84.79%	84.79%	84.79%
Percentage of properties meeting SHQS* year end	84.68%	91.84%	94.96%
Percentage of tenants satisfied with quality of home	87.68%	87.68%	87.68%
Average hours to complete emergency repairs	3.15 hrs	3.02 hrs	2.98 hrs
Percentage of tenants satisfied with repairs service	83.44%	84.62%	84.47%
Percentage of tenants who feel rent for their property represents good value for money	82.49%	82.49%	82.49%
Percentage collected of rent due	100.95%	100.07%	99.71%
Percentage gross rent arrears of rent due	3.87%	4.14%	4.18%
Percentage of rent due lost through properties being empty	0.59%	0.70%	0.47%
Average calendar days to re-let properties	33.48 days	35.35 days	31.83 days

\* SHQS – Scottish Housing Quality standards.

# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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Link's subsidiary, C~URB 6 Limited (C~URB), employs Link's in-house trades team to undertake and manage the majority of the planned maintenance work as well as reactive repairs for the group and also some work for external partner RSL's. The service covers Link's three main customer bases throughout Central Scotland and services are also provided to two other partners in the Group, Larkfield Housing Association and Horizon Housing Association. The performance of C~URB is scrutinised by its Board but also the Link Board through the quarterly performance reporting cycle.

The Link Board reviews the performance of the other RSLs in the Group on a quarterly basis and annually it compares and contrasts the Group RSL member's performance with the other RSLs in Scotland, based on the publication of the ARC results. Although each of the five Group RSLs (including Link) operate in different geographical areas, all five score highly on key indicators such as the percentage of tenants satisfied with the services provided.

All the RSLs performed well in terms of rent collection performance and rent arrears management during what has been an extremely challenging period for service users/tenants as a result of the cost-of-living crisis. The changes to legislation as a result of the cost-of-living crisis did not adversely affect the RSLs voids, arrears and bad debt out-turn for the period. This is primarily owing to the support services provided by the RSL subsidiaries to their tenants to sustain tenancies including increased engagement and in some cases financial support.

A high degree of efficiency in the collection of rental income and in the management of rent arrears was also achieved with the rent arrears being 4.24% (2024: 4.14%) of rental income due. In terms of value for money, void rent loss from vacant periods between tenancies was 0.9% (2024: 0.70%) of rent due which remains a strong out-turn performance.

The SHR produced a regulatory engagement plan for 2024-25 and Link continued to meet the established requirements. The SHR has now updated its regulatory plan for the 2025-26 period and Link remain compliant.

The Link Group Board is satisfied that the RSL performance is strong across all ARC indicators and the Board will continue to monitor the position to ensure the performance continues. The Link Group and the partner RSLs submitted their SHR Annual Assurance statements to the regulator on that basis.

LHA is the subsidiary company which carries out housing management functions for Link including the management of the social rented housing as described on page 2. The transfer of all LHA activity to Link Group Limited was completed on 30<sup>th</sup> June 2025.

The management of the Group's commercial activities is undertaken by C~URB 6 Limited (C~URB), including management of mid-market rented housing, shared ownership, and the shared equity sales functions. This also included the City of Edinburgh Council's Private Sector Leasing Scheme which involves the management of around 1,400 properties, let to applicants who were previously homeless. The contract is for a period of 10 years, has 5 years left to run and continues Link's strong relationship with the City of Edinburgh Council.

Link continues to participate in the Open Market Shared Equity initiative, which is designed to assist first-time buyers on low incomes in central Scotland through the provision of shared equity grants. The scheme is promoted by the Scottish Government and operated by Link. The outstanding grants are repayable by the property owner when the property is sold and are repaid in proportion to the original purchase price, by reference to the value of the property when ultimately sold. The grant repayment is returned to the Scottish Government. Link bears no risk or reward in respect of the shared equity arrangement and acts as an agent for Scottish Ministers in return for an administration fee.

Link manages grants received from the Scottish Government with all these initiatives as its agent and these grants are paid out to Shared Equity buyers. As Link has no financial interest, other than being the scheme administrator for the Scottish Government, the cumulative grants received and paid out are not included in the financial statements and income/expenditure are not included in the statement of comprehensive income.

# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

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In addition to the various Scottish Government supported shared equity schemes, Link has developed and sold a number of shared equity properties under an initiative entitled “New Supply Shared Equity” (NSSE) on behalf of the Scottish Government. The NSSE scheme is available across Scotland to first time buyers and priority access groups. The scheme allows the access groups to purchase a share of a newbuild home, with Link purchasing the remaining equity.

#### Financial Performance

Except where otherwise stated, the financial performance discussed is that of the parent RSL only i.e., of Link Group Limited (“Link”) and not the consolidated group of companies. The financial statements reflect the requirements of the Statement of Recommended Practice for registered social housing providers, the Housing SORP 2018 and the SHR Determination of Accounting Requirements 2019.

In 2025, Link returned a deficit for the year of £0.8m (2024: surplus of £0.1m) and total comprehensive loss of £0.8m (2024: £0.3m loss). Turnover increased by approximately 14.9% to £92.3m (2024: £80.4m) and operating costs also increased by 17.0% to £75.6m (2024: £64.6m). The income from affordable letting activities increased by 10.3% (2024: 4.5%), increasing income by £7.7m (2024: £1.8m) and this reflects rent increases applied in April 2024 of 7.5% (April 2023: 3.0%) and rents received from new build completions during the year. The operating surplus from affordable lettings activities decreased by 4.8% (2024: increased by 7.3%).

Included in operating costs is the expenditure on wider role activities of £1.8m (2024: £1.9m). The operating costs also include expenditure on reactive maintenance, planned and cyclical maintenance and major repairs, the cost of which was £18.1m (2024: £16.9m). The total investment on all maintenance activities was £28.5m (2024: £24.0m), of which, £9.5m (2024: £7.1m) was treated as capital expenditure.

Link’s operating surplus for the period was £16.7m up from £15.8m in 2024, owing to the significant commitment to the development of new homes that Link has made in previous years. Also as a result of this, Link’s borrowing costs have risen by 7.8% (2024: 16.9%) reflecting the rapid change in variable interest rates. The drawn debt figure has decreased from £402.5m to £399.0m. After adjustments for interest costs and other adjustments for the year, the net surplus reduced by £0.9m, being a loss of £0.8m compared to a surplus of £0.1m in 2024.

Link was not immune to the impact and effect of the wider economy during 2024-25 with the war in Ukraine, the continuing energy cost pressures, the cost-of-living crisis, continuing high interest rates, above CPI material supply and services and consultancy cost and labour market pressures. Link experienced significant cost increases over and above its budgeted assumptions for materials supplies along with energy costs for its van fleet and insurance premiums. These were incurred by its repairs and maintenance company C~URB and these were recharged to Link and partner entities through the repairs contract arrangements. In addition, labour costs experienced a greater than budgeted increase owing to the cost-of-living crisis affecting wage settlements which impacted Link and all of its subsidiary partners and employees. There were also pension liability adjustments which were income of £14k in 2025 (2024: £350k charge).

The overall total comprehensive loss for the year of £0.8m (2024: £0.3m loss) was achieved after meeting interest payable and related finance costs of £17.5m (2024: £16.3m) on loans borrowed to support new properties built and those in the course of construction. The results for 2025 were better than the Board’s forecast expectations and similarly Link’s budget for 2024/25.

Annual expenditure on planned, cyclical maintenance, and major repairs is derived from a 30-year financial model designed to ensure all Link’s properties are maintained to a specific standard, thereby continuing to extend the useful life of the properties. The model takes account of the life cycles of individual components and generates an annual spend profile across all of Link’s stock. The investment programme is influenced by Link’s asset management strategy, which assesses when it will be appropriate to carry out whole refurbishment of properties and/or consider other re-development opportunities, rather than a continual cycle of building component replacement.

Link’s investment in planned maintenance and major repairs ensured that it met the SHQS with a limited number of abeyances and the Energy Efficiency Standard in Social Housing (EESH) which has introduced a higher energy efficiency standard to be achieved by 2032.

Link is confident that its planned maintenance programme will go a long way to achieving this as a matter of course.

# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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Link is required by the Housing Statement of Recommended Practice 2018 (SORP) to depreciate its housing properties and retained surpluses are calculated after providing for depreciation of £18.1m during the period (2024: £16.2m) on housing properties. The depreciation is offset by amortising the grants received to build the properties which results in a credit to income of £6.9m in the period (2024: £6.2m).

At 31 March 2025, Link's total reserves amounted to £112.8m, a decrease of £0.9m from 2024 when they were £113.7m. The reduction in reserves is attributable to the deficit incurred for the period which was budgeted for and acknowledged by the Board as being necessary in the financial and economic circumstances. In addition to providing funds for community re-development, these reserves are required to support Link's future development programme, the planned maintenance investment programme and provide a hedge against risk. The total reserves in 2025 are also after recognising Link's pension liability to the Scottish Housing Association Pension scheme of £0.6m (2024: £0.35m).

### Group Financial Performance

The financial statements include the results of all Link subsidiaries, and the Link Group surplus is shown on page 22. In the year to 31 March 2025 the consolidated surplus for the year was £1.7m (2024: £1.5m), based on overall Group turnover of £120.3m (2024: £105.6m). The total comprehensive income for the year was £1.8m (2024: £0.3m). The total consolidated reserves amounted to £159.6m (2024: £157.8m).

The results for 2025 are consistent with the performance reported during the year and the Board is satisfied that notwithstanding the exceptionally challenging economic environment individually all the Group members have performed well financially, and the Group's consolidated financial position remains strong.

### Investment and Financing

During the year, Link Group Limited invested £24.7m (2024: £58.6m) in new properties for rent and for sale on a shared equity basis across the central belt of Scotland and on replacement of building components. This expenditure was partly financed by Social Housing Grant of £16.5m (2024: £23.8m) with the balance funded by income from property sales, cash flow and loans drawn from Link's loan facilities.

Investment in new properties reflected expenditure on the significant number of projects receiving grant approval from the Scottish Government. During 2024/25, Link completed 101 properties, (2024: 335) to add to its portfolio for social rent.

During the year, a total of £30.0m was drawn down (2024: £48.5m). This was drawn down from a combination of the Bank of Scotland revolving credit facility and a new Allia loan during the period. The net effect of these transactions along with income and expenditure from operations and grants received saw the closing cash position decrease by £2m during the period to £4.2m (2024: £6.2m).

Interest costs during the period were £17.5m (2024: £16.3m) which were in line with the original forecast.

Standard & Poors undertook their annual credit rating assessment, which was finalised in November 2024, and Link maintained its "A" rating with "a stable outlook" by the rating agency.

During the year, Link Group refinanced its £60.0 million facility with M&G through a new £60.0 million facility provided by Royal Bank of Scotland plc under Commitment E, which is now fully drawn.

Covenant amendments were also agreed with several funders to move from an EBITDA MRI interest cover definition to a standardised EBITDA-only basis. In all cases, the minimum interest cover threshold was increased from 110% to 135%. This change generally results in stronger covenant compliance headroom, particularly in years with higher planned maintenance expenditure.

Strong levels of liquidity are maintained as Link has £63m (2024 £46.5m) in undrawn and available revolving credit and the capacity to draw upon an Allia loan availability of £10m. Link also has a £60m shelf facility available from MetLife. The requirements to draw on these facilities will be assessed as the development programme progresses.

# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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Except where otherwise stated, the financing discussed is that of the parent company only i.e., of Link Group Limited ("Link") and not the consolidated group of companies. Link has cash requirements to fund its development programme over the next 12 to 18 months however the existing revolving credit facilities are sufficient to meet that need. Nevertheless, Link continues in its treasury management strategy to seek fixed long-term funding at the right terms and is confident that it can secure further long-term finance and if there is a shortage of long-term funding, Link will either agree further short to medium term facilities with its lenders or adjust the timing of the development programme accordingly.

Link's treasury management policy aims to maintain approximately 50% to 80% of Link's borrowings on fixed interest rates, maturing over a rolling period, as a hedge against adverse movements in variable interest rates. At 31 March 2025, Link's drawn fixed rate borrowings (at 63%) is slightly higher than the target range but reflects the natural timing of converting short to long-term borrowing in phases, and this will re-adjust over the coming years as funds are drawn against variable facilities.

In addition to the housing properties required as security for all its current borrowings, Link has 1,416 units (2024 2,900) held by our security trustees which is not attached to any lender which could be used as security for future borrowing. Link's current development programme will be financed from the new revolving credit loan facilities along with long term funding and when completed, these properties will also be available as security for future borrowings.

Link has a continuing, substantial pipeline programme of new developments. The business plan projection is to complete approximately 1,600 properties for rent over the five-year business plan period through to 2029/30. The business plan projection for rented properties is to develop approximately 70% for social rent with the remainder being mainly for mid-market rent. At current grant subsidy levels, Link is confident that it will be able to continue to build and let new homes at social rent levels, thus providing genuinely affordable housing to those in need.

In recognition however, that in certain areas of the country, there is a real need and demand for mid-market rented properties (with rents set at around 80% of the local housing allowance levels), Link will continue to provide that housing tenure, utilising lower grant funding levels from the Scottish Government. Mid-market rented properties are often at rents substantially less than full market rates and can be suitable for key incoming workers and those in employment but with limited incomes.

### **Business Risks and Opportunities**

The main business risks facing the Group are assessed by each area of the business and reported to the Link Audit and Risk Committee at the time the business plan is being prepared. The risks are further reviewed and assessed mid-way during the year by that Committee and at that stage the risk mitigating controls are also reviewed.

The principal risks identified, summarised in the table below, relate to changes in legislation which undermines the business' financial strength and its ability to raise revenues via rents, inflation, pension liabilities (mitigated by the move of Group staff to defined contribution schemes) and the impact of welfare reform. By far the greatest threat is the combination of high inflation when legislation prevents full cost recovery from tenants via rents and rising interest rates.

Link continues to deliver on a significant development programme and a specialist Development Sub-Committee of the Board ensures an additional level of governance oversight in this area. The development programme is designed to minimise delivery risk through a deliberate spread of geographical locations, contractors, and tenure types.

Link has agreed with all of its lenders to amend its covenant package, in particular to amend the Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) – Major Repairs Included (MRI (EBITDA-MRI) to EBITDA only. This change was completed during 2024-25 and has increased the headroom of the association to spend on component replacements and major repairs. Link remains compliant with its covenants.

At a macro and micro level there remain key economic and financial risks for the Group. Global supply chain continues to be a challenge and the outstanding matters with Brexit do not help supply chains in that regard but they have been managed and contained during the year.

# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

### *FOR THE YEAR ENDED 31 MARCH 2025*

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This continues to present significant challenges in striking the right balance between implementing the annual rent increases required to meet rising costs and maintaining rent affordability for Link's tenants, whether their rent is supported by benefits or otherwise. The environment remains particularly sensitive, as many tenants continue to face cost-of-living pressures. At the same time, labour market dynamics remain difficult. Although the initial disruption from the pandemic and the "great resignation" has eased somewhat, the sector still faces high wage expectations driven by the lingering inflationary backdrop. In addition, a shortage of suitably experienced and qualified personnel, combined with ongoing reluctance among workers to change employers, is putting pressure on operations, particularly in areas where natural employee turnover occurs.

A third key risk remains the cost of borrowing. While UK interest rates have stabilised and decreased in the year and post year end, they remain significantly elevated above rates over the last decade. This high interest rate environment, shaped by central bank policy and bond market conditions, continues to affect the cost of new borrowing and refinancing, and adds to the overall financial pressures faced by the Group.

Link has continued to benefit from securing long-term fixed rate funding in previous years at competitive rates. The Group maintains a prudent treasury management strategy, with a current ratio of fixed to variable rate debt on drawn facilities of 63% to 37%. The sustained impact of elevated interest rates has continued to materially affect Link, particularly as the Group remains the primary borrower. While the UK Base Rate stabilised at 4.5% in 2024/25, the cumulative effect of its rapid rise from 0.1% in 2021 to a high of 5.25% in 2024 has significantly increased borrowing costs on variable rate debt.

# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### Strategic Risk Register – Key risks

Risk	Cause	Control Measures	Indicators
Failure to deliver good quality Reactive and Voids Repairs Service	Unprecedented rise in materials costs; inadequate resources; poor quality materials;	Robust reporting and monitoring systems in place, with close review through internal meetings and internal audit	Formal reporting and KPIs for C~urb Property Maintenance and subcontractors to Director and Board(s)
Significant Business Interruption including Cyber Attack	Severe weather; major disaster/illness/Pandemic; skills shortage;	Risk managed through updated Disaster Recovery Plan and Business Continuity Plan in place	Systems unavailability and number of potential attacks
Property management non-compliance	Failure of H&S systems/processes for example gas, electric, legionella	Robust data collection and monitoring processes, and extensive staff training	Reporting of performance and ensuring annual services are achieved by anniversary date
Service user, vulnerable tenant, member of staff or member of the public is harmed (includes financial exploitation)	Service/organisational negligence; failure of systems/processes	Regulatory compliance/inspections. The Care Inspectorate undertakes regular audits of services which includes the recruitment process. Loan worker system employed for staff	Complaints and insurance claims data
Information Governance failure	Non-compliance with Freedom of Information Act. Non-compliance with GDPR legislation	Kept under review through the Information Governance Board Policies, guidance, toolkit and training available to all employees, volunteers and Board members. All complete and actioned	FOI or GDPR complaints
Failure to meet SHR regulatory requirements	Failure of systems/processes	Governance reviews undertaken; Robust, audited AAS evidence-based process	Regulatory engagements
Loan Covenant Breaches	Failure of systems/processes; longer-term rent freeze; high inflation poor financial control; Scottish Independence; high interest rates	Regular review of financial reports on monthly financial outturn.	Regular monitoring of financial performance to budget discipline is practised.
Long term bank or other debt funding is not available and/or affordable	Turbulence in financial markets; change in lender policy	S&P review undertaken in October 2024; rating maintained. Regular engagement with lenders	Monitoring financial markets, as well as monitoring internal funding requirements and financial position.

# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### Business Outlook

Link has a strong development programme and is committed both to growth in its services to customers and is committed to playing its part in the Scottish Government's delivery ambitions of 110,000 affordable homes. In addition to completing the current substantial development programme, Link actively seeks to source and fund the purchase of sites for housing development, to safeguard future housing supply. Link is confident that it can continue to develop and meet housing needs particularly in areas where there is a severe shortage of affordable housing options.

With support from the Scottish Government and Local Authorities in maintaining current grant levels on its contractually committed programme, Link expects to be able to continue to provide affordable housing covering a range of tenure types to people with a variety of housing needs. The impact of the Scottish Government's Cost of Living (Tenant Protection) (Scotland) Act 2022 directly on Mid-Market Rented (MMR) tenure development and its on-going transition proposals for 2025-26 combined with increased development costs as a result of persistent high inflation in construction materials have impacted the ability of Link to continue its development ambitions in relation to MMR at the levels previously seen. In addition, the reduction in the grant made available through the Affordable Housing Supply Programme by Scottish Government in 2023 for the 2024-25 period and the challenges faced by Local Authority financing are leading to reduced development forecasts for future years in Link's non contractually committed development programme.

Whilst Link seeks to provide more affordable homes, its Board is particularly aware that it has a duty of care to ensure that the position of existing tenants is not compromised and that these tenants continue to receive a high-quality service at affordable rents. As such Link's 30-year financial projections centre on ensuring that Link remains financially viable in the long term and can meet all its obligations in service delivery and maintenance upkeep of each tenant's home.

Beyond the next three years Link's financial projections are based upon a return to consumer-based inflation measured under the Consumer Prices Index (CPI) to the Bank of England 2% objective. It is important to note however that Link Groups cost growth or the inflation it experiences is not the same as CPI. CPI is affected by factors such as the change in the costs of food stuffs, holidays, furniture purchases and white goods and energy costs. Link Group has limited exposure to those factors and has experienced increases in insurance costs employment pay claims, materials supplies costs which outstrip CPI and this remains an operating challenge.

The future plans anticipate that rent increases will need to run marginally ahead of these inflation estimates above CPI and cost increases will also be contained. It is estimated based on these forecasts that Link will take at least two more years to return to surplus generation and in the interim, it will continue to use its reserves to support the business. Link remains a viable going concern financially. The majority of Link's funding is long term and at fixed rates and the forecast cost of borrowing have been reduced in future years with a reduced development programme thereby reducing covenant pressure along with the EBITDA change.

The SHR expects RSLs to ensure that they can demonstrate value for money in terms of rents charged and services provided. Link is already working towards that aim and will ensure that it involves tenants in that assessment process.

Link also recognises that an important aspect of community wellbeing is wider care and support infrastructure. LinkLiving Limited is a key part of the Group providing a range of services. From employability services using our specialist Scottish Qualifications Authority (SQA) accredited academy in Falkirk, through to young person's mental health services in Edinburgh. The ongoing development of this area of the organisation will be a priority moving forward.

### Board and Directors

The Board consists of up to 15 members elected at the Annual General Meeting. Non-Executive Directors or Board members serve on various committees as described in the Statement on Internal Financial Controls. Current membership of the Board is set out in the RSL information. Board membership at March 2025 and at signing the accounts, stood at 14 Members.

The Executive Directors of Link (who are staff members) have no beneficial interest in its share capital and they act within the authority delegated by the Board of management.

# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### Basis of Preparation of Financial statements

Link is in a strong financial position and based on its business plan and financial projections indicate it will continue to be in such a position for the foreseeable future, and certainly for the next 12 months. Accordingly, the preparation of the financial statements on a going concern basis is appropriate as explained on page 33.

### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

C Cuthbertson	
P Kerr	
C Allan	
S Blackhall	
P Woodburn	
S Heatley	(Resigned January 2025)
J Bros Williamson	
M Lightbody	(Resigned April 2024)
M Leslie	
G Boyle	
P Matthews	
R McDougall	(Resigned September 2024)
E Robertson	(Appointed August 2024)
J Prichard	(Appointed September 2024)
D Robinson	(Appointed March 2025)
S Gorman	(Appointed March 2025)
H Pearson	(Appointed March 2025)

### Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### Employee involvement

Link employed 911 staff (2024: 923) across the Group on average throughout the year. Of those 129 staff members (2024: 125) are employed in Link Group Limited. Link's employee involvement covers a wide range of methods from the formal recognition of the UNITE union, to employee information and consultation groups, working parties and project groups. Regular team and one-to-one meetings with staff ensure that communication is of good quality, and that these meetings supplement the monthly core brief emanating from the Board meetings and the monthly staff newsletter. Link's employee involvement, learning and development activities and well-being initiatives have been acknowledged through achievement of Investors in People Gold award, Investors in Young People award and Healthy Working Lives Gold.

### Auditor

A resolution to appoint an auditor will be proposed to the Annual General Meeting to be held on 23 September 2025.

# LINK GROUP LIMITED

## REPORT OF THE BOARD OF MANAGEMENT (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2025*

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### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the RSL is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the RSL is aware of that information.

BY ORDER OF THE BOARD



.....  
P Woodburn  
Board Member

Date: 27 August 2025

# LINK GROUP LIMITED

## BOARD OF MANAGEMENT STATEMENT ON INTERNAL FINANCIAL CONTROLS FOR THE YEAR ENDED 31 MARCH 2025

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The Board is responsible for establishing and maintaining systems of internal financial controls for Link and its subsidiaries. Internal control systems are designed to meet the Group's particular needs and the risks to which it is exposed, and by their nature can provide reasonable, but not absolute, assurance against material misstatement or loss. The key procedures which the Board has established with a view to providing effective internal financial control are as follows;

### **Corporate governance**

Link follows the Regulatory Code of Governance published by the Scottish Housing Regulator and the Board continues to be satisfied that Link complies with the Regulatory Code of Governance. Board Members are also required to adhere to the Code of Governance for Governing Body Members.

### **Management structure**

The Board has established Standing Orders, which reserves specific powers to the Board and delegates functions and powers to its Sub-Committees, the Group Leadership Team and partner Companies.

The Board operates with five Sub-Committees, the Group Audit and Risk Committee (which meets four times a year), the Finance and Treasury Committee (which meets four times a year), the Remuneration Committee (which meets as required), the Performance and Compliance Committee (which meets five times a year) and the Sustainability Governance Group (which meets 4 times a year). Board meetings are held bi-monthly and are structured to focus on performance and financial monitoring and to allow sufficient time for the Board to focus on strategic direction. The remit of the four Sub-Committees is further described later in this statement.

Four of Link's subsidiaries are Registered Social Landlords (RSLs) and are governed by Boards of Management elected by their respective memberships. The Boards of Management of these subsidiaries meet at least six times in each year. Horizon Housing Association has an Audit, Finance and Risk Committee and West Highland Housing Association has an Audit & Risk and Performance and Health & Safety Sub Committees. Link's active non-RSL partner Board members are appointed by the Link Group Board.

### **Policies**

The Group has up-to-date policies in place for all areas of the business. The Strategy and Business Support team co-ordinates the policy review process across the Group and during the year the relevant Boards approved a number of revised/updated policies in accordance with the policy review timetable. Where appropriate, Group wide policies are adopted, but there are a number of locally focused policies which are approved by the relevant partner Boards. All Group policies are available to staff through the intranet. Link also publishes customer-related policies on its web page.

### **Procedure manuals**

Responsibility levels are set out in detailed procedure manuals. These communicate the Groups' ethos, delegation of authority and authorisation levels, segregation of duties and other control procedures together with accounting policies and procedures. The manuals are updated regularly.

### **Quality and integrity of personnel**

The integrity and competence of staff is ensured and maintained through high recruitment standards and subsequent training courses. In addition, the Group operates a performance management framework incorporating regular staff performance reviews and annual appraisals. Training and development plans for all staff are set annually.

A number of training programmes have also been delivered to all staff and the Groups' Leadership Development Programme has been completed for all line managers across the Group. Well trained and qualified staff are an essential part of the control environment and the ethical standards expected of staff are embodied within the Group's ethos and in the Staff Code of Conduct.

# LINK GROUP LIMITED

## BOARD OF MANAGEMENT STATEMENT ON INTERNAL FINANCIAL CONTROLS FOR THE YEAR ENDED 31 MARCH 2025

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### Identification of Business Risks

The Boards are responsible for identifying the major business risks faced by the Group and for determining the appropriate course of action to manage those risks. Major business risks and the financial implications are assessed by reference to established criteria. These risks are incorporated into risk registers which are reviewed by the Group Leadership Team, the Group Audit and Risk Committee and the Board itself.

The financial implications of major business risks are controlled by means of delegated authorities which reserve significant matters to the Boards for decision, segregation of duties in appropriate areas and physical controls over assets and access to records.

### Management Information Systems

Management information systems have been developed to provide accurate and timeous data of all aspects of the business. Management accounts comparing actual results against budget are presented to the Board monthly, together with a balance sheet and performance against key financial indicators. Reports accompanying the accounts also provide information on borrowing, investment and recoverability of debts due.

### Internal Control Systems

The Boards monitor the operation of the internal financial control system by considering regular reports from management and the external auditor. This ensures appropriate corrective action is taken to address any reported weaknesses.

### Internal Audit

Internal Audit services are provided by an experienced external company. The audit work plan is generated from a detailed Audit Needs Assessment which is based upon a systematic risk assessment of the Groups' operations and activities. The Internal Auditor reports to the Group Audit and Risk Committee.

### Group Audit and Risk Committee

The Group Audit and Risk Committee has up to seven members and monitors the controls which are in force and any perceived gaps in the control environment. This is achieved through reports to the Committee from the internal and external auditors. The Committee considers and determines relevant action in respect of any control issues raised by the internal or external auditors. Partner Boards also receive reports from the external and internal auditors.

### Finance and Treasury Committee

The Finance and Treasury Committee's remit is to review the long term, medium term and annual business planning, including financial plans and capital plans. They also oversee the Groups treasury management strategy and policy and make recommendations to Link Group board in relation to any fund raising or funding restructure proposals. The Committee has an advisory role and will make recommendations to the Board on the aforementioned matters.

### Remuneration Committee

The Remuneration Committee's remit is to monitor the performance of the Chief Executive and Directors; to review the salaries of those individuals and to determine whether any performance awards are due. The Committee has an advisory role and will make recommendations to the Board on the aforementioned matters.

### Performance and Compliance Committee

The Performance and Compliance Committee's remit is to review performance against targets and customer satisfaction metrics across all Link group entities. The Committee also has responsibility for review of benchmarking performance against comparators and peer groups. The Committee has responsibility for monitoring performance of statutory asset management objectives such as gas and electrical safety, damp and mould and water inspections. The Committee has responsibility for the review of the supporting evidence and recommendation to the Link Group Board of the Annual Assurance Statement and the Annual Return on the Charter

### Sustainability Governance Group

The Sustainability Governance Group's remit is to provide cross-group Board level expertise to oversee and monitor the delivery of the Link Group Sustainability Strategy, monitor the delivery of the sustainability objectives across the group, monitor the transition to net zero/plans to decarbonise the group and act as a primary conduit for cross group sustainability engagement. The group make recommendations and provide a report to the Board quarterly.

# LINK GROUP LIMITED

## BOARD OF MANAGEMENT STATEMENT ON INTERNAL FINANCIAL CONTROLS FOR THE YEAR ENDED 31 MARCH 2025

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### Health & Safety

The Group is committed to the provision of a healthy and safe working environment. The Group endeavors to eliminate hazards where recognisable, including the risk of fire; security losses; damage to plant, property, and the environment, thus significantly reducing the risk of personal injury or occupational ill health to all personnel. The Health & Safety Committee staff groups in each RSL oversee the risk assessment programme and regularly review the policies. Link's full-time Health and Safety Officer works closely with the Group Health and Safety Committee.

### Statement

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

- the reliability of financial information used within the Group or for publication.
- the proper authorisation and recording of transactions.
- the maintenance of proper accounting records; and
- 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.

In ensuring it meets its responsibilities, the Board has delegated the scrutiny of control functions to the Group Audit and Risk Committee which receives regular reports from the internal auditor based on the internal audit strategic plan. The Committee follows up on progress made with regard to the implementation of audit recommendations and the internal auditor also checks that the previous year's recommendations are implemented. The internal audit strategic plan applies to the Link Group which enables the Group Audit and Risk Committee (on the Board's behalf) to be satisfied that the control systems in the Group are effective. Both internal and external auditors are invited to all Group Audit and Risk Committee meetings.

The Board has continued to review the system of internal financial control in Link during the year ended 31 March 2025 and internal financial control systems of the wider Group including all partner companies. No weaknesses were found in the internal financial controls, which could result in material losses, contingencies, or uncertainties which require disclosure in the financial statements, or in the auditor's report on the financial statements.

### BY ORDER OF THE BOARD



.....  
P Woodburn

**Board Member**

Date: 27 August 2025

# **LINK GROUP LIMITED**

## **STATEMENT OF BOARD'S RESPONSIBILITIES UNDER THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014 FOR A REGISTERED SOCIAL LANDLORD**

***FOR THE YEAR ENDED 31 MARCH 2025***

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The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association and of the Group and of the surplus or deficit for that period. In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board is responsible for instituting adequate systems of internal control and for:

- safeguarding assets.
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website.

The Board is responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and of the Group and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, The Housing and Regeneration Act 2008 and the Determination of Accounting Requirements – February 2019.

# LINK GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF LINK GROUP LIMITED

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#### Opinion

We have audited the financial statements of Link Group Limited (the 'Association') and its subsidiaries (the 'Group') for the year ended 31 March 2025 which comprise the Group Statement of Comprehensive Income, Association Statement of Comprehensive Income, Group Statement of Financial Position, Group Statement of Changes in Reserves, Association Statement of Financial Position, Association Statement of Changes in Reserves, Group Statement of Cash Flows, Association Statement of Cashflows, and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and Association's affairs as at 31 March 2025 and of the income and expenditure of the Group and the income and expenditure of the Association for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefit Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

#### Basis for opinion

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Co-operative and Community Benefit Societies Act 2014 and report in accordance with regulations made under those Acts.

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 parent Association, in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the groups 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 Report of the Board of Management, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information contained within the Report of the Board of Management. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# LINK GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LINK GROUP LIMITED

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### **Matters on which we are required to report by exception**

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

- proper books of account have not been kept by the association in accordance with section 75; or
- a satisfactory system of control over transactions has not been maintained by the association in accordance with section 75; or
- the income account and the balance sheet are not in agreement with the books of account of the association; or
- we have not received all the information and explanations which, to the best of our knowledge and belief, we consider necessary for the purposes of our audit.

### **Responsibilities of the board**

As explained more fully in the Board's responsibilities statement set out on page 17, the Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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

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

# LINK GROUP LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LINK GROUP LIMITED

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

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

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Housing (Scotland) Act 2010, the Housing SORP, and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the Housing (Scotland) Acts 2006 and 2014, the Co-operative and Community Benefit Societies Act 2014, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Scottish Housing Regulator's Regulatory Framework, employment legislation, and data protection legislation. We performed audit procedures to inquire of management and those charged with governance whether the Association is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities.

The group audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates. For income recognition, the audit procedures included but were not limited to performing substantive testing of other income, through agreement to relevant source documentation, focusing on the existence and valuation of income recognised.

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

### **Use of our report**

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

### **RSM UK Audit LLP**

Statutory Auditor  
Chartered Accountants  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL

Date: 29/08/25

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# LINK GROUP LIMITED

## REPORT BY THE AUDITOR TO THE MEMBERS OF LINK GROUP LIMITED ON CORPORATE GOVERNANCE MATTERS

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In addition to our audit of the Financial Statements, we have reviewed your statement on page 14 concerning the Association's compliance with the information required by the Regulatory Standards for systemically important RSLs in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

### **Basis of opinion**

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

### **Opinion**

In our opinion the Statement on Internal Financial Control on page 14 has provided the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

*RSM UK Audit LLP*

### **RSM UK Audit LLP**

Statutory Auditor  
Chartered Accountants  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL

Date: 29/08/25

# LINK GROUP LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

		2025 £'000	2024 £'000
	Notes		
Revenue	3	120,287	105,642
Administrative expenses	3	(99,254)	(87,665)
<b>Operating surplus</b>		<b>21,033</b>	<b>17,977</b>
Investment income	7	566	521
Other finance charges	8	(991)	(428)
Interest and financing costs	8	(18,361)	(17,082)
Other gains and losses		11	117
Fair value (losses)/gains on investment properties	15	(250)	429
Impairment losses	13	(158)	-
Loss on revaluation of Lothian Pension Fund cessation liability		(66)	-
Loan breakage loss		(57)	-
<b>Surplus before taxation</b>		<b>1,727</b>	<b>1,534</b>
Tax on Surplus		-	-
<b>Surplus for the financial year</b>		<b>1,727</b>	<b>1,534</b>
<b>Other comprehensive income</b>			
Actuarial gain/(loss) on defined benefit pension schemes		78	(1,256)
<b>Total comprehensive income for the year</b>		<b>1,805</b>	<b>278</b>

The results have been prepared on the basis that all operations are continuing operations.

The notes on pages 32 to 74 form part of these financial statements.

# LINK GROUP LIMITED

## ASSOCIATION STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

		2025 £'000	2024 £'000
	Notes		
Revenue	4	92,340	80,370
Operating expenditure	4	(75,605)	(64,584)
<b>Operating surplus</b>		16,735	15,786
Investment income	7	545	473
Other financing charges	8	(991)	(428)
Interest and financing costs	8	(17,531)	(16,265)
Gain on disposal of non-housing assets		4	66
Impairment loss	13	(158)	-
Fair value gains and losses on investment properties	15	(250)	429
Gain on revaluation of Lothian Pension Fund cessation liability		(66)	-
Loan breakage gain		(57)	-
Gift aid income from partner undertakings		926	-
<b>(Deficit)/Surplus before taxation</b>		(843)	61
Tax on (surplus)/surplus		-	-
<b>(Deficit)/surplus for the financial year</b>		(843)	61
<b>Other comprehensive income</b>			
Actuarial gain/(loss) on defined benefit pension schemes		14	(350)
<b>Total comprehensive (loss)/income for the year</b>		(829)	(289)

The results have been prepared on the basis that all operations are continuing operations.

# LINK GROUP LIMITED

## GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	£'000	2025 £'000	£'000	2024 £'000
<b>Non-current assets</b>					
Intangible assets	12		1,437		1,437
Housing properties	13		1,025,453		1,016,278
Other fixed assets	14		8,470		8,814
Investment property	15		11,550		11,800
Investments	16		-		-
			<u>1,046,910</u>		<u>1,038,329</u>
<b>Current assets</b>					
Work in progress	18	2,710		10,304	
Stock	19	7,592		832	
Trade and other receivables	21	13,264		13,882	
Current asset investments	20	1,599		1,990	
Cash and cash equivalents		17,021		20,370	
		<u>42,186</u>		<u>47,378</u>	
<b>Current liabilities</b>	22	(39,867)		(37,276)	
<b>Net current assets</b>			<u>2,319</u>		<u>10,102</u>
<b>Total assets less current liabilities</b>			<u>1,049,229</u>		<u>1,048,431</u>
<b>Non-current liabilities</b>					
Borrowings	23	408,919		413,124	
Other payables	24	2,707		2,880	
Deferred income	26	475,332		472,292	
		<u></u>	(886,958)	<u></u>	(888,296)
<b>Provisions for liabilities</b>					
Provisions	25	876		548	
		<u></u>	(876)	<u></u>	(548)
<b>Net assets excluding pension liability</b>			<u>161,395</u>		<u>159,587</u>
<b>Defined benefit pension liability</b>	27		(1,784)		(1,778)
<b>Net assets</b>			<u><u>159,611</u></u>		<u><u>157,809</u></u>

# LINK GROUP LIMITED


## GROUP STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2025

	Notes	£'000	2025 £'000	£'000	2024 £'000
<b>Capital and reserves</b>					
Share capital	28		-		-
Restricted reserve			186		206
Revenue reserve			159,425		157,603
<b>Total reserves</b>			159,611		157,809

The notes on pages 32 to 74 form part of these financial statements.

The financial statements were approved by the board of management and authorised for issue on 27 August 2025 and are signed on its behalf by:

  
P Woodburn

**Board Member**

.....  
P Kerr

**Board Member**

.....  
C Archibald

**Secretary**

# LINK GROUP LIMITED

## GROUP STATEMENT OF CHANGES IN RESERVES

### FOR THE YEAR ENDED 31 MARCH 2025

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 April 2023</b>	-	287	157,298	157,585
<b>Year ended 31 March 2024:</b>				
Surplus for the period	-	(81)	1,615	1,534
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	(1,256)	(1,256)
Transfers to/(from) restricted reserves	-	-	(57)	(57)
Total comprehensive income	-	(81)	302	221
<b>Balance as at 31 March 2024</b>	-	206	157,600	157,806
<b>Year ended 31 March 2025:</b>				
Surplus for the year	-	(20)	1,747	1,727
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	78	78
Total comprehensive income	-	(20)	1,825	1,805
<b>Balance at 31 March 2025</b>	-	186	159,425	159,611

The notes on pages 32 to 74 form part of these financial statements.

# LINK GROUP LIMITED

## ASSOCIATION STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Intangible assets	12		1,437		1,415
Housing properties	13		922,944		917,957
Other non-current assets	14		6,659		6,874
Investment property	15		11,550		11,800
Investments	16		50		50
			<u>942,640</u>		<u>938,096</u>
<b>Current assets</b>					
Work in progress	18	1,089		7,661	
Stock	19	7,147		832	
Trade and other receivables	21	27,918		31,339	
Cash and cash equivalents		4,245		6,209	
		<u>40,399</u>		<u>46,041</u>	
<b>Current liabilities</b>	22	(37,233)		(34,357)	
<b>Net current assets</b>			<u>3,166</u>		<u>11,684</u>
<b>Total assets less current liabilities</b>			945,806		949,780
<b>Non-current liabilities</b>					
Borrowings	23	398,966		402,585	
Other payables	24	2,707		2,880	
Government grants	26	429,813		429,604	
		<u></u>	(831,486)	<u></u>	(835,069)
<b>Provisions for liabilities</b>					
Provisions	25	876		448	
		<u></u>	(876)	<u></u>	(448)
<b>Net assets excluding pension liability</b>			<u>113,444</u>		<u>114,263</u>
<b>Defined benefit pension liability</b>	27		(604)		(594)
<b>Net assets</b>			<u><u>112,840</u></u>		<u><u>113,669</u></u>

# LINK GROUP LIMITED

## ASSOCIATION STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2025

	Notes	2025 £'000	£'000	2024 £'000	£'000
<b>Capital and reserves</b>					
Share capital	28		-		-
Restricted reserve			17		17
Revenue reserve			112,823		113,652
<b>Total reserves</b>			112,840		113,669

The notes on pages 32 to 74 form part of these financial statements.

The financial statements were approved by the board of management and authorised for issue on .27 August 2025 and are signed on its behalf by:

[Redacted Signature]

P Woodburn

**Board Member**

[Redacted Signature]

P Kerr

**Board Member**

[Redacted Signature]

C Archibald

**Secretary**

# LINK GROUP LIMITED

## ASSOCIATION STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2025

	Share capital £'000	Other reserves £'000	Retained earnings £'000	Total £'000
<b>Balance at 1 April 2023</b>	-	17	113,941	113,958
<b>Year ended 31 March 2024:</b>				
Profit for the year	-	-	61	61
Other comprehensive income:				
Actuarial gains (loss) on defined benefit plans	-	-	(350)	(350)
Total comprehensive income	-	-	(289)	(289)
<b>Balance at 31 March 2024</b>	-	17	113,652	113,669
<b>Year ended 31 March 2025:</b>				
Profit for the year	-	-	(843)	(843)
Other comprehensive income:				
Actuarial gains on defined benefit plans	-	-	14	14
Total comprehensive income	-	-	(829)	(829)
<b>Balance at 31 March 2025</b>	-	17	112,823	112,840

The notes on pages 32 to 74 form part of these financial statements.

# LINK GROUP LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
	Notes	£'000	£'000
<b>Net cash inflow from operating activities</b>	<b>36</b>	33,327	21,417
<b>Investing activities</b>			
Purchase of intangible assets		(218)	(461)
Acquisition and construction of properties		(33,048)	(77,184)
Purchase of other fixed assets		(140)	(182)
Proceeds from disposal of property, plant and equipment		8,132	3,788
Interest received	7	577	521
Grants received		20,366	28,214
Grants repaid		(9,416)	(105)
<b>Net cash used in investing activities</b>		<b>(13,747)</b>	<b>(45,409)</b>
<b>Financing activities</b>			
Interest paid on loans		(18,361)	(17,510)
Proceeds from new bank loans		30,000	48,500
Repayment of bank loans		(34,568)	(22,641)
<b>Net cash (used in)/generated from financing activities</b>		<b>(22,929)</b>	<b>8,349</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(3,349)</b>	<b>(15,643)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>20,370</b>	<b>36,013</b>
<b>Cash and cash equivalents at end of year</b>		<b>17,021</b>	<b>20,370</b>

The notes on pages 32 to 74 form part of these financial statements.

# LINK GROUP LIMITED

## ASSOCIATION STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
	Notes	£'000	£'000
<b>Net cash inflow from operating activities</b>	<b>38</b>		
		33,712	19,864
<b>Investing activities</b>			
Purchase of intangible assets		(218)	(461)
Aquisition and construction of properties		(25,105)	(70,806)
Purchase of other fixed assets		(116)	(159)
Proceeds from disposal of property, plant and equipment		2,560	3,721
Grants received		16,510	23,805
Grants repaid		(9,390)	(82)
Interest received	<b>7</b>	545	473
Other income received from investments		926	-
<b>Net cash used in investing activities</b>		(14,288)	(43,509)
<b>Financing activities</b>			
Interest paid on loans		(17,769)	(16,265)
Proceeds from new bank loans		-	48,500
Repayment of bank loans		(3,619)	(22,084)
<b>Net cash (used in)/generated from financing activities</b>		(21,388)	10,151
<b>Net decrease in cash and cash equivalents</b>		(1,964)	(13,494)
<b>Cash and cash equivalents at beginning of year</b>		6,209	19,703
<b>Cash and cash equivalents at end of year</b>		4,245	6,209

The notes on pages 32 to 74 form part of these financial statements.

# LINK GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

---

#### 1 Accounting policies

##### Association information

Link Group Limited is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is a housing association registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010. It is a Public Benefit Entity in accordance with the definition within FRS 102.

The group consists of Link Group Limited and all of its subsidiaries.

##### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Statement of Recommended Practice 2018 and comply with the Co-operative and Community Benefit Societies Act 2014.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investment properties. The principal accounting policies adopted are set out below.

##### 1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent RSL Link Group Limited together with all entities controlled by the parent RSL (its partners).

All financial statements are made up to 31 March 2025.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Investments in subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases. Investments are included at cost less provision for any permanent diminution in value. The Board is of the opinion that this does not differ materially from the market value.

# LINK GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 1 Accounting policies

(Continued)

#### 1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Group prepares a 30-year business plan which is updated and approved on an annual basis. The most recent business plan was approved in May 2025 by the Board. As well as considering the impact of a number of scenarios on the business plan, the Board also adopted a stress testing framework against the base plan. The stress testing impacts were measured against loan covenants and peak borrowing levels compared to agreed facilities, with potential mitigating actions identified to reduce expenditure. The Group continues to undertake a series of further scenario tests including severe but plausible downsides in the worst-case scenario.

The Board, after reviewing the Group and partner budgets for 2025/26 and the Group's medium term financial position as detailed in the five year financial plan and the 30-year business plan, is of the opinion that, taking account of severe but plausible downsides, the Group and partners have adequate resources to continue to meet their liabilities over the period of 12 months from the date of approval of the financial statements.

The closing cash position at the end of the period was £4.2m. Standard & Poors undertook their annual credit rating assessment, which was finalised in November 2024, and Link maintained its "A" rating with a stable outlook consistent with the prior year

Link remains highly liquid with substantial committed funding facilities available to it through its revolving credit facilities with RBS and its "shelf facility" with MetLife. Link is also operating within the interest cover covenant and gearing ratios at current and forecast levels and has significant unencumbered assets with which to raise further private finance, although Link is not forecasting the need to raise additional finance. Link is also subject to asset cover ratio covenants. Link can add additional unencumbered properties as part of this calculation which significantly reduces the risk of breaching this covenant.

Link is confident that it can secure further long-term finance and if there is a shortage of long-term funding Link will either agree further short to medium term facilities with its lenders or adjust the timing of the development programme accordingly.

The board believe the Group and partners have sufficient funding in place and expect the Group to be in compliance with its debt covenants even in severe but plausible downside scenarios.

Consequently, the Directors are confident that the Group and partners will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

#### 1.4 Revenue

Revenue, which is stated net of value added tax, represents income receivable from lettings and property management, revenue grants, fees from managed associations and other income. In respect of the Group Statement of Comprehensive Income, revenue also includes income from providing support and personal care services, housing for sale projects and property management and factoring income. Also included is any income from first tranche shared ownership disposals and the sale of properties on a shared equity basis. Revenue is recognised when it falls due and is accounted for on an accrual basis.

# LINK GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 1 Accounting policies

(Continued)

#### 1.5 Intangible fixed assets - Computer software

Intangible assets that are acquired by the association are stated at cost less accumulated amortisation and less accumulated impairment losses. Amortisation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of intangible assets from the date they are available for use. A full year amortisation charge will be applied in the first year of use. The estimated useful lives are as follows:

Software	3 years.
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#### 1.6 Tangible fixed assets and depreciation

##### ***Housing land and buildings***

Housing properties are properties for the provision of social housing or otherwise to provide social benefit and are principally properties available for rent. Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

Depreciation on housing assets is calculated as no depreciation charged in the year of capitalisation/acquisition and a full years' depreciation is charged in the year of disposal of an asset.

Properties are stated at historical cost less accumulated depreciation. Each property has been split between its major component parts which are depreciated on a straight-line basis over their expected economic useful life. The following major components and useful lives have been identified by the Group as follows:

Land	Not depreciated
Structure	over 65 years
Rewiring	over 40 years
Windows	over 30 years
Doors	over 30 years
Bathrooms	over 30 years
Pipework	over 40 years
Kitchens	over 15 years
Boilers	over 15 years
Smoke Detectors	over 10 years

Assets in the course of construction are not depreciated.

Works to existing properties will generally be capitalised under the following circumstances:

- Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life, is replaced or restored, or material reduction in future maintenance costs, or
- where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

Where works carried out do not meet the above criteria, they are expensed in the Statement of Comprehensive Income.

# LINK GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

---

### 1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

#### **Other fixed assets**

Other fixed assets are capitalised where they have a benefit to the Group of greater than one year and the value of the spend is over £1,000.

- Office Property - Over 50 years
- Improvements to Leased Office Property - Over Lease term
- Office Furniture and Equipment - 10-15% of cost
- Motor Vehicles - 25% of NBV
- Plant and Equipment - 10%-33.3% of cost
- Computer Equipment - 10%-33.3% of cost
- Computer Systems - 10%-33.3% of cost

#### **Impairment of fixed assets**

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Group estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Statement of Comprehensive Income.

### 1.7 Investment property

Investment properties are properties which are not held for social or affordable housing. They are held at current market valuation and are not subject to depreciation. Rental income from investment properties is accounted for as income from Other Activities and not as income from Affordable Letting Activities.

### 1.8 Stock and work in progress

Stock are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to its present location and condition.

Stock of materials and consumables are stated at the lower of cost and net realisable value in the ordinary course of operations.

Costs incurred on construction of property for sale are included at cost within work in progress. Interest on related loans is expensed.

### 1.9 Cash and cash equivalents

Cash comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying values.

# LINK GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 1 Accounting policies

(Continued)

#### 1.10 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and financial liabilities are recognised when Link becomes a party to the contractual provisions of the instrument and are offset only when Link currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **Basic financial assets**

##### **Trade and other receivables**

Receivables which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade receivables are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade receivable constitutes a financing transaction, the receivable is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

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

#### **Derecognition of financial assets and liabilities**

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

#### **Financial liabilities**

##### **Trade payables**

Trade payables payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade payable constitutes a financing transaction, the payable is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

##### **Borrowings**

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

# LINK GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 1 Accounting policies

(Continued)

#### 1.11 Taxation

Link is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and meets the definition of a charitable RSL for UK corporation tax purposes. Accordingly, it is potentially exempt from taxation in respect of income or capital gains received within categories set out in chapter 3 part II of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent such income or gains are applied exclusively to charitable purposes.

Partner companies are not exempt from taxation except where they meet similar tests as above and taxation is based on the taxable profit or loss for the year after adjusting for the effect of any Gift Aid payment to Link Group.

#### **Value Added Tax**

Link has group registration for VAT purposes. A large proportion of Link's income, rents, is exempt for VAT purposes and therefore gives rise to a partial exemption calculation. For 2024/25, only a small proportion of VAT paid is recoverable, expenditure is therefore shown inclusive of VAT and any input VAT recovered is included in other income.

#### 1.12 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### **Bad and doubtful debts**

Historic data is used to estimate collection rates. A provision is then made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable. Debts are classed as uncollectable after an assessment of the legislative options available to recover and consideration of specific circumstances.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the RSL is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

# LINK GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 1 Accounting policies

(Continued)

#### 1.14 Retirement benefits

##### **Defined contribution scheme**

Link, Larkfield, Horizon, and West Highland participates in the Scottish Housing Association Pension Scheme (SHAPS) Defined Contribution pension scheme. Contributions are charged to the Statement of Comprehensive Income so as to spread the cost of pensions over the employees' working lives with the Association.

##### **Defined benefit scheme**

Link, Larkfield, Horizon, and West Highland participates in the Scottish Housing Association Pension Scheme (SHAPS) defined benefit scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating associations taken as a whole. In accordance with FRS 102, the Group's share of the scheme assets and liabilities has been separately identified and included in the Group's Statement of Financial Position and measured using a projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The Group's share of the deficit is recognised in full, and the movement is split between operating costs, finance items and in the Statement of Comprehensive Income as "actuarial gain/(loss) in respect of defined benefit pension scheme".

The SHAPS liability is valued by an independent actuary, which provides the values to be include in these financial statements. The assumptions used are reviewed by the Board of Management and considered appropriate. Assumptions include estimates of mortality, salary inflation, inflation, and discount rate. There are also judgements in respect of the allocation of assets and liabilities in SHAPS as a multi-employer pension scheme.

#### 1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the Statement of comprehensive income on a straight-line basis over the term of the relevant lease.

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent-free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

#### 1.16 Grants

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of FRS 102. Grants are treated as deferred income and recognised as income on a systematic basis over the expected useful life of the property and assets to which it relates. No amortisation is charged in the year of purchase/build and a full years charge in the year of disposal.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

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

Non-government grants are accounted for using the performance method, as outlined in Section 24 of Financial Reporting Standard 102 and the SORP 2018. Non-government grants are recognised as income when the performance conditions have been met.

#### 1.17 Shared ownership transactions

First tranche sales of shared ownership properties are treated as sales of current assets, with proceeds being credited to revenue and costs to cost of sales in the Statement of Comprehensive Income. Sales taking place after the initial purchase are accounted for as a disposal of fixed assets.

# LINK GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

---

### 1 Accounting policies

(Continued)

#### 1.18 Apportionment of management expenses

Direct employee, administration and operating costs have been apportioned to the relevant operational functions undertaken by the Group, primarily on the basis of costs of the staff engaged in the operations dealt with in these accounts and additionally by reference to the costs of the overhead expenditure consumed.

#### 1.19 Gift aid

Partner companies generating profits for trading activities elect to transfer these to the parent RSL under the Gift Aid scheme. These are accounted for at parent RSL level in recognition that they are a distribution of profits rather than an income source.

Gift aid receipts are only recognised as an asset at the year end to the extent that it has been received prior to the year end, there is a deed of covenant prior to the year end or a Companies Act s288 written resolution has been approved by the partner shareholders in the year to pay the taxable profit for the year to its parent by a certain payment date.

### 2 Judgements 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 are satisfied that the accounting policies are appropriate and applied consistently.

# LINK GROUP LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

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### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### ***Valuation of investment property***

As described in note 1, investment properties are held at fair value. The investment property portfolio is valued by an independent valuer and any valuation movement will be reflected in the Statement of Comprehensive Income. This results in inherent volatility in the expected results for the year.

#### ***Debtors***

Debtor recoverability is considered throughout the year and appropriate provisions set aside in the financial statements where required.

#### ***Pension***

The SHAPS provision is valued by an independent actuary, which provides the values to be included in these financial statements. The assumptions used are reviewed by the Board of Management and considered appropriate. Assumptions include estimates of mortality, salary inflation, inflation and discount rate. There are also judgements in respect of the allocation of assets and liabilities in SHAPS as a multi-employer pension scheme.

#### ***Housing components and useful lives***

Key sources of estimation have been applied in apportioning the cost of housing properties between constituent components and in determining the depreciation rates which have been deemed to be appropriate for the class of asset or asset component. The depreciation rates were reviewed and amended during the year to ensure they remain reflective of when each component is expected to be replaced within the asset management plan.

#### ***Provisions***

Provisions relating to Corbiehall have been valued using independent contractors, who provides the estimated values of works required, at the current market rates, as described in note 25. Link continues to review these costs and changes are accounted for in the statement of comprehensive income.

# LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

#### 3 Turnover, operating costs and operating surplus/(deficit) - CONSOLIDATED

##### 3(a) Particulars of turnover, operating costs and operating surplus/(deficit) - CONSOLIDATED

	2025 Turnover	2025 Operating costs	2025 Operating surplus/ (deficit)	2024 Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000
Affordable letting activities (note 3b)	94,549	(73,256)	21,293	18,188
Other activities (note 3c)	25,738	(25,998)	(260)	(211)
<b>Total 2025</b>	120,287	(99,254)	21,033	17,977
<b>Total 2024</b>	105,642	(87,665)	17,977	

# LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### 3 Turnover, operating costs and operating surplus/(deficit) - CONSOLIDATED

(Continued)

#### 3(b) Particulars of turnover, operating costs and operating surplus/(deficit) from affordable letting activities - CONSOLIDATED

	General Needs housing	Supported housing	Shared ownership	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000
<b>Revenue from rent and service charges</b>					
Rent receivable net of service charges	81,874	115	1,423	83,412	75,472
Service Charges receivable	2,206	-	28	2,234	1,966
Gross income from rent and service charges	84,080	115	1,451	85,646	77,438
Less voids	(753)	-	(6)	(759)	(636)
<b>Net income from rents and service charges</b>	<b>83,327</b>	<b>115</b>	<b>1,445</b>	<b>84,887</b>	<b>76,802</b>
<b>Revenue grants</b>					
Grants released from deferred income	8,388	53	170	8,611	7,859
Revenue grants from Scottish Ministers	696	-	-	696	800
Other revenue grants	46	-	-	46	258
Other operating income	32	-	277	309	111
<b>Total turnover from affordable letting activities</b>	<b>92,489</b>	<b>168</b>	<b>1,892</b>	<b>94,549</b>	<b>85,830</b>

# LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### 3 Turnover, operating costs and operating surplus/(deficit) - CONSOLIDATED

(Continued)

#### 3(b) Particulars of turnover, operating costs and operating surplus/(deficit) from affordable letting activities - CONSOLIDATED

	General Needs housing	Supported housing	Shared ownership	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Management and maintenance administration costs	(26,361)	(88)	(293)	(26,742)	(22,797)
Service costs	(3,474)	(15)	(2)	(3,491)	(2,988)
Planned and cyclical maintenance including major repair costs	(5,849)	(2)	-	(5,851)	(9,634)
Reactive maintenance costs	(14,692)	(16)	(2)	(14,710)	(11,968)
Bad debts – rents and service charges	(218)	-	(2)	(220)	(391)
Depreciation of affordable let properties	(21,134)	(62)	(245)	(21,441)	(19,508)
Loss on disposal of components	(778)	-	(23)	(801)	(356)
Operating costs for affordable letting activities	(72,506)	(183)	(567)	(73,256)	(67,642)
<b>Operating surplus / (deficit) for affordable letting activities 2025</b>	19,983	(15)	1,325	21,293	18,188
<b>Operating surplus / (deficit) for affordable letting activities 2024</b>	17,150	(95)	1,133	18,188	

# LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### 3 Turnover, operating costs and operating surplus/(deficit) - CONSOLIDATED

(Continued)

#### 3(c) Particulars of turnover, operating costs and operating surplus/(deficit) from other activities - CONSOLIDATED

	Grants From Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover 2025	Other operating Costs 2025 £'000	Operating Surplus/ (Deficit) 2025 £'000	Operating Surplus/ (Deficit) 2024 £'000
Wider role activities	-	113	-	-	113	(1,835)	(1,722)	(1,989)
Factoring	-	(1)	-	1,206	1,205	(953)	252	154
Development and construction of property activities	-	-	-	407	407	(1,313)	(906)	(1,372)
Contracted out services undertaken for other RSLs	-	-	-	233	233	(261)	(28)	18
Contracted out services undertaken for other organisations	-	-	-	5,780	5,780	(5,313)	467	610
Development and improvements for sale to RSLs	-	-	-	4,645	4,645	(4,578)	67	-
Development and improvements for sale to non-RSLs	-	-	-	1,575	1,575	(1,353)	222	224
Shared equity sales administration	-	-	-	839	839	(670)	169	795
Investment property activities	-	1	-	995	996	4	1,000	988
Gain on sale of properties	-	1	-	2,557	2,558	(2,430)	128	228
Other activities	43	223	-	510	776	(646)	130	61
Support activities	-	1,935	-	4,676	6,611	(6,650)	(39)	72
Total from other activities in the year	43	2,272	-	23,423	25,738	(25,998)	(260)	(211)
Total from other activities in the prior year	137	1,537	87	18,051	19,812	(20,023)	(211)	

# LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2025

#### 4 Turnover, operating costs and operating surplus/(deficit) - ASSOCIATION

##### 4(a) Particulars of turnover, operating costs and operating surplus/(deficit) - ASSOCIATION

	2025 Turnover	2025 Operating costs	2025 Operating surplus/ (deficit)	2024 Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000
Affordable letting activities (note 4b)	82,429	(65,798)	16,631	17,721
Other activities (note 4c)	9,911	(9,807)	104	(1,935)
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2025	92,340	(75,605)	16,735	15,786
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2024	80,370	(64,584)	15,786	
	<hr/>	<hr/>	<hr/>	

# LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### 4 Turnover, operating costs and operating surplus/(deficit) - ASSOCIATION

(Continued)

##### Particulars of turnover, operating costs and operating surplus/(deficit) from affordable letting activities - ASSOCIATION

	General Needs housing	Supported housing	Shared ownership	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000
<b>Revenue from rent and service charges</b>					
Rent receivable net of service charges	69,842	-	1,308	71,150	64,269
Gross income from rent and service charges	69,842	-	1,308	71,150	64,269
Less voids	(666)	-	(6)	(672)	(553)
<b>Net income from rents and service charges</b>	69,176	-	1,302	70,478	63,716
<b>Revenue grants</b>					
Grants released from deferred income	6,730	32	160	6,922	6,190
Revenue grants from Scottish Ministers	598	-	-	598	582
Other revenue grants	7	-	-	7	193
Other operating income	4,401	-	23	4,424	4,064
<b>Total turnover from affordable letting activities</b>	80,912	32	1,485	82,429	74,745

# LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### 4 Turnover, operating costs and operating surplus/(deficit) - ASSOCIATION

(Continued)

#### 4(b) Particulars of turnover, operating costs and operating surplus/(deficit) from affordable letting activities - ASSOCIATION

	General Needs housing	Supported housing	Shared ownership	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
Management and maintenance administration costs	(28,362)	-	(103)	(28,465)	(23,731)
Planned and cyclical maintenance including major repair costs	(4,406)	-	-	(4,406)	(6,618)
Reactive maintenance costs	(13,958)	(2)	-	(13,960)	(9,902)
Bad debts – rents and service charges	(209)	-	-	(209)	(356)
Depreciation of affordable let properties	(17,889)	(27)	(220)	(18,136)	(16,174)
Loss on disposal of components	(621)	-	(1)	(622)	(243)
Operating costs for affordable letting activities	(65,445)	(29)	(324)	(65,798)	(57,024)
<b>Operating surplus / (deficit) for affordable letting activities 2025</b>	15,467	3	1,161	16,631	17,721
<b>Operating surplus / (deficit) for affordable letting activities 2024</b>	16,635	(19)	1,105	17,721	

# LINK GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2025

#### 4 Turnover, operating costs and operating surplus/(deficit) - ASSOCIATION

(Continued)

#### 4(c) Particulars of turnover, operating costs and operating surplus/(deficit) from other activities - ASSOCIATION

	Grants From Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover 2025	Other operating Costs 2025	Operating Surplus/ (Deficit) 2025	Operating Surplus/ (Deficit) 2024
Wider role activities	-	112	-	151	263	(1,830)	(1,567)	(1,679)
Factoring	-	-	-	106	106	(236)	(130)	(467)
Development and construction of property activities	-	-	-	-	-	4	4	(58)
Contracted out services undertaken for other RSLs	-	-	-	-	-	-	-	1
Contracted out services undertaken for other organisations	-	-	-	30	30	(21)	9	(13)
Development and improvements for sale to RSLs	-	-	-	4,645	4,645	(4,578)	67	-
Development and improvements for sale to non-RSLs	-	-	-	927	927	(705)	222	51
Shared equity sales administration	-	-	-	182	182	(2)	180	(658)
Investment property activities	-	-	-	995	995	(3)	992	943
Gain on sale of properties	-	1	-	2,760	2,761	(2,426)	335	229
Other activities	-	-	-	2	2	(10)	(8)	51
Support activities	-	-	-	-	-	-	-	(335)
<b>Total from other activities in the year</b>	-	113	-	9,798	9,911	(9,807)	104	(1,935)
<b>Total from other activities in the prior year</b>	-	13	-	5,612	5,625	(7,560)	(1,935)	

The costs included in Contracted out services undertaken for other organisations refers to the management fee paid to Link Housing Association Limited for the management of properties owned by Link Group Limited. The other income included relates to management fees received from partner undertakings.

# LINK GROUP LIMITED

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

### 5 Auditor's remuneration

	2025 £'000	2024 £'000
Fees payable to the group's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and RSL	66	75
Audit of the financial statements of the RSL's subsidiaries	90	83
	<u>156</u>	<u>158</u>
<b>For other services</b>		
Taxation compliance services	13	20
	<u>13</u>	<u>20</u>

### 6 Gain on disposal of non-current assets - Housing properties

In the year to 31 March 2025 the consolidated Statement of Comprehensive Income included a gain on disposal of housing properties of £128k (2024: £228k) this was all in relation to Link Group Limited.

Link Group Limited continued to sell properties under the onward sale of shared ownership tranches.

### 7 Investment income

	2025 £'000	2024 £'000
<b>Interest income</b>		
Interest on bank deposits	577	521
	<u>577</u>	<u>521</u>

### 8 Finance costs

	2025 £'000	Group 2024 £'000	Link Group Ltd	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
<b>Interest on financial liabilities measured at amortised cost:</b>				
Bank charges	200	238	12	35
Other finance charges	991	428	991	428
Loan interest	18,074	16,819	17,490	16,218
	<u>19,265</u>	<u>17,485</u>	<u>18,493</u>	<u>16,681</u>
<b>Other finance costs:</b>				
Net interest on the net defined benefit liability	87	25	29	12
	<u>87</u>	<u>25</u>	<u>29</u>	<u>12</u>
<b>Total finance costs</b>	<u>19,352</u>	<u>17,510</u>	<u>18,522</u>	<u>16,693</u>
<b>Disclosed on the Statement of Comprehensive Income as follows:</b>				
Other finance charges	991	428	991	428
Interest and financing costs	18,361	17,082	17,531	16,265
	<u>18,361</u>	<u>17,082</u>	<u>17,531</u>	<u>16,265</u>

# LINK GROUP LIMITED

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

### 9 Employees

The average monthly number of persons (including directors) employed by the group and association during the year was:

	<b>Group 2025 Number</b>	<b>2024 Number</b>	<b>Link Group Ltd 2025 Number</b>	<b>2024 Number</b>
Average number of employees during the year	910	922	127	125
Average full-time equivalent of employees during the year	848	860	121	120

Their aggregate remuneration comprised:

	<b>Group 2025 £'000</b>	<b>2024 £'000</b>	<b>Link Group Ltd 2025 £'000</b>	<b>2024 £'000</b>
Wages and salaries	34,280	32,476	6,504	6,105
Social security costs	3,466	3,355	709	664
Pension costs	2,380	2,241	515	488
	40,126	38,072	7,728	7,257
Redundancy payments made or committed	74	128	13	12
Agency staff costs	88	243	39	9

### 10 Key management personnel and board members' emoluments

Under FRS 102 Link Group Limited has defined "key management personnel" as the members of the Senior Management Group whose posts are set out on page 1 of the Report and Financial Statements.

The total emoluments of the key management personnel over £60,000 including the Chief Executive were as follows;

	<b>Group 2025 £'000</b>	<b>2024 £'000</b>	<b>Link Group Ltd 2025 £'000</b>	<b>2024 £'000</b>
Remuneration for qualifying services	1,738	1,677	822	886
Pension contributions to defined contribution schemes	159	144	80	83
	1,897	1,821	902	969

# LINK GROUP LIMITED

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

### 10 Key management personnel and board members' emoluments

(Continued)

Emoluments (including pension contributions)	2025	Group 2024	Link Group Ltd 2025	Link Group Ltd 2024
£60,000 - £69,999	-	1	-	-
£70,000 - £79,999	3	2	-	-
£80,000 - £89,999	-	7	-	1
£90,000 - £99,999	5	-	-	-
£100,000 - £109,999	-	2	-	1
£110,000 - £119,999	2	-	1	-
£120,000 - £129,999	2	1	2	1
£130,000 - £139,999	-	1	-	1
£140,000 - £149,999	-	1	-	1
£150,000 - £159,999	1	-	1	-
£160,000 - £169,999	1	1	1	1
£180,000 - £189,999	-	1	-	1
£190,000 - £199,999	1	-	1	-
	<u>15</u>	<u>17</u>	<u>6</u>	<u>7</u>

The emoluments, excluding pension contributions, of the highest paid Director, who is the Group Chief Executive are £183,132 (2024: £170,160). The Group Chief Executive is an ordinary member of the pension scheme, no enhanced or special terms apply and has no other pension arrangements with Link. The pension contribution by Link in respect of the Chief Executive amounted to £15,942 (2024: £14,774).

The total emoluments of the Chief Executive for the year were £199,074 (2024: £184,934). 7 Directors (2024: 5) received travel expenses of £2,236 (2024: £3,835) for Link Group Limited and 11 Director (2024: 10) received travel expenses of £6,876 (2024: £9,933) for consolidation at group level.

Emoluments were paid to the following board members:

	2025 £'000	Group 2024 £'000	Link Group Ltd 2025 £'000	Link Group Ltd 2024 £'000
Chair Link Group	17	17	17	17
Chair Audit and Risk Committee	-	3	-	3
Vice Chair (Commercial)	6	6	6	6
Vice Chair (Corporate)	-	3	-	3
	<u>23</u>	<u>29</u>	<u>23</u>	<u>29</u>

Total expenses reimbursed insofar as not chargeable to UK income tax:

	2025 £'000	Group 2024 £'000	Link Group Ltd 2025 £'000	Link Group Ltd 2024 £'000
Board of Management	<u>10</u>	<u>10</u>	<u>4</u>	<u>4</u>

# LINK GROUP LIMITED

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

### 11 Housing stock

Link Group Limited housing units in:	2025 Management	2024 Management	2025 Development	2024 Development
Housing accommodation for letting	12,381	12,221	204	361
Shared bedspaces	514	522	-	-
Shared ownership accommodation	406	414	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Units	13,301	13,157	204	361
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Included in the above are 76 units currently out of management (2024: 43 units) and 13,301 units (2024: 13,151 units) managed by subsidiaries Link Housing Association and C~urb. Excluded are 47 non-housing units (2024: 52).

The following units are managed or owned and managed by other members of the Group:

	2025 Number	2024 Number
Larkfield Housing Association Ltd	396	394
Horizon Housing Association Ltd	870	885
West Highland Housing Association Ltd	1,204	1,186
	<u>          </u>	<u>          </u>
	2,470	2,465
	<u>          </u>	<u>          </u>

### 12 Intangible fixed assets

Group	Software in use £'000	Software in development £'000	Total £'000
<b>Cost</b>			
At 1 April 2024	3,618	117	3,735
Additions - internally developed	-	39	39
Additions - separately acquired	179	-	179
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2025	3,797	156	3,953
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Amortisation and impairment</b>			
At 1 April 2024	2,298	-	2,298
Amortisation charged for the year	218	-	218
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2025	2,516	-	2,516
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Carrying amount</b>			
At 31 March 2025	1,281	156	1,437
	<u>          </u>	<u>          </u>	<u>          </u>
At 31 March 2024	1,320	117	1,437
	<u>          </u>	<u>          </u>	<u>          </u>

# LINK GROUP LIMITED

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

### 12 Intangible fixed assets

(Continued)

Association	Software in use £'000	Software in development £'000	Total £'000
<b>Cost</b>			
At 1 April 2024	3,332	117	3,449
Additions - internally developed	-	39	39
Additions - separately acquired	179	-	179
	<hr/>	<hr/>	<hr/>
At 31 March 2025	3,511	156	3,667
	<hr/>	<hr/>	<hr/>
<b>Amortisation and impairment</b>			
At 1 April 2024	2,034	-	2,034
Amortisation charged for the year	196	-	196
	<hr/>	<hr/>	<hr/>
At 31 March 2025	2,230	-	2,230
	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>			
At 31 March 2025	1,281	156	1,437
	<hr/>	<hr/>	<hr/>
At 31 March 2024	1,298	117	1,415
	<hr/>	<hr/>	<hr/>

# LINK GROUP LIMITED

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

### 13 Non-current assets - housing properties

Group	Housing properties held for lettings £'000	Shared ownership housing properties £'000	Housing properties in the course of construction £'000	Total £'000
<b>Cost</b>				
At 1 April 2024	1,154,342	20,847	80,196	1,255,385
Additions	14,292	363	19,007	33,662
Disposals	(3,094)	(208)	(129)	(3,431)
Transfers	42,392	(162)	(43,105)	(875)
At 31 March 2025	1,207,932	20,840	55,969	1,284,741
<b>Depreciation and impairment</b>				
At 1 April 2024	231,482	7,625	-	239,107
Depreciation charged in the year	21,195	246	-	21,441
Impairment losses	158	-	-	158
Eliminated in respect of disposals	(1,313)	(105)	-	(1,418)
Transfers	43	(43)	-	-
At 31 March 2025	251,565	7,723	-	259,288
<b>Carrying amount</b>				
At 31 March 2025	956,367	13,117	55,969	1,025,453
At 31 March 2024	922,860	13,222	80,196	1,016,278

Additions to housing properties in the course of construction include no interest payable on loans advanced for those properties (2024: nil). Total works expenditure on housing properties amounted to £33.1m (2024: £24.7m) of which £14.3m (2024: £10.3m) was capitalised and £18.8m (2024: £18.1m) was expensed. Of the £14.3m (2024: £10.3m) works capitalised, £12.7m (2024: £8.1m) were component replacements and £1.6m (2024: £2.2m) were improvements.

All housing properties are owned, and none are held on a lease. Many of the properties are secured to lenders providing loans required to finance their construction. The historical value of land included in the net book value at 31 March 2025 is £100.2m (2024: £97.4m) and is not depreciated.

# LINK GROUP LIMITED

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

### 13 Non-current assets - housing properties

(Continued)

#### Association

	Housing properties held for lettings	Shared ownership housing properties	Housing properties in the course of construction	Total
Cost	£'000	£'000	£'000	£'000
At 1 April 2024	1,026,317	18,962	75,394	1,120,673
Additions	10,583	363	14,156	25,102
Disposals	(2,501)	(148)	(129)	(2,778)
Transfers	38,134	(162)	(37,972)	-
At 31 March 2025	1,072,533	19,015	51,449	1,142,997
<b>Depreciation and impairment</b>				
At 1 April 2024	195,478	7,238	-	202,716
Depreciation charged in the year	17,916	220	-	18,136
Impairment losses	158	-	-	158
Eliminated in respect of disposals	(883)	(74)	-	(957)
Transfers	43	(43)	-	-
At 31 March 2025	212,712	7,341	-	220,053
<b>Carrying amount</b>				
At 31 March 2025	859,821	11,674	51,449	922,944
At 31 March 2024	830,839	11,724	75,394	917,957

Development administration costs capitalised amounted to £1.3m (2024: £1.3m). Total works expenditure on housing properties amounted to £28.7m (2024: £24.7m) of which £10.6m was capitalised (2024: £7.0m) and £18.1m (2024: £17.8m) was expensed. Of the works capitalised, £9.3m (2024: £6.1m) were component replacements and £1.3m (2024: £0.9m) were improvements. Additions to housing properties in the course of construction include no interest payable on loans advanced for those properties (2024: £nil).

All housing properties are owned and none are held on a lease. Many of the properties are secured to lenders providing loans required to finance their construction. The historical value of land included in the net book value at 31 March 2025 was £85.7m (2024: £82.9m) and is not depreciated.

# LINK GROUP LIMITED

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

### 14 Non current assets - other

Group	Heritable office property £'000	Plant & equipment £'000	Vehicles £'000	Total £'000
<b>Cost</b>				
At 1 April 2024	12,040	3,399	341	15,780
Additions	1	139	-	140
Disposals	-	(16)	(89)	(105)
At 31 March 2025	12,041	3,522	252	15,815
<b>Depreciation and impairment</b>				
At 1 April 2024	4,425	2,269	272	6,966
Depreciation charged in the year	254	203	15	472
Eliminated in respect of disposals	-	(13)	(80)	(93)
At 31 March 2025	4,679	2,459	207	7,345
<b>Carrying amount</b>				
At 31 March 2025	7,362	1,063	45	8,470
At 31 March 2024	7,615	1,130	69	8,814
<b>Association</b>				
	Heritable office property £'000	Plant & equipment £'000	Vehicles £'000	Total £'000
<b>Cost</b>				
At 1 April 2024	10,375	1,578	126	12,079
Additions	1	115	-	116
At 31 March 2025	10,376	1,693	126	12,195
<b>Depreciation and impairment</b>				
At 1 April 2024	3,694	1,394	117	5,205
Depreciation charged in the year	211	117	3	331
At 31 March 2025	3,905	1,511	120	5,536
<b>Carrying amount</b>				
At 31 March 2025	6,471	182	6	6,659
At 31 March 2024	6,681	184	9	6,874

# LINK GROUP LIMITED

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

### 15 Investment property

	Group	Link Group Ltd
	2025	2025
	£'000	£'000
<b>Fair value</b>		
At 1 April 2024	11,800	11,800
Net gains or losses through fair value adjustments	(250)	(250)
	<u>11,550</u>	<u>11,550</u>
At 31 March 2025	<u>11,550</u>	<u>11,550</u>

Link Group Limited is responsible for repairs and maintenance of the 84 properties which are leased to a university for student accommodation. The valuation was carried out by an independent valuer, Jones Lang LaSalle, a financial and professional services firm specialising in real estate services and investment management.

The valuations were completed as at 31 March 2025 and were prepared on the basis of market value. The investment method of valuation to derive the market value of the properties was used. No allowance was made for any expenses of realisation, or for taxation (including VAT) which might arise in the event of a disposal and the properties were considered free and clear of all mortgages or other charges which may be secured thereon.

Any gain or loss arising from a change in fair value is recognised in the Statement of Comprehensive Income. Rental income from investment property is accounted for as described in the accounting policies.

### 16 Fixed asset investments

		Group		Link Group Ltd	
		2025	2024	2025	2024
	Notes	£'000	£'000	£'000	£'000
Investments in subsidiaries	17	-	-	50	50

#### Movements in non-current investments Association

	Shares in subsidiaries £'000
<b>Cost or valuation</b>	
At 1 April 2024 and 31 March 2025	50
<b>Carrying amount</b>	
At 31 March 2025	50
At 31 March 2024	50

### 17 Subsidiaries

All of the partner undertakings have been consolidated in the Group financial statements.

Details of the group's subsidiaries at 31 March 2025 are as follows:

# LINK GROUP LIMITED

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

### 17 Subsidiaries

(Continued)

Name of undertaking	Legal nature	Principal activity	Class of shares held	% Held Direct
Link Housing Association	Charity, registered as a society under the cooperative and Community Benefit Societies Act 2014	A registered Social Landlord, management of social rented housing stock	N/A	-
Link Living Limited	Charitable Company	Providing care and support to Link tenants and others	Limited by guarantee	-
C~Urb 6 Limited	Private Limited Company	Provision of maintenance services	50,000 £1 Ordinary shares	-
Larkfield Housing Association	Charity, registered as a society under the cooperative and Community Benefit Societies Act 2014	A registered Social Landlord, management of social rented housing stock	N/A	-
Horizon Housing Association	Charity, registered as a society under the cooperative and Community Benefit Societies Act 2014	A registered Social Landlord, management of social rented housing stock	N/A	-
West Highland Housing Association	Charity, registered as a society under the cooperative and Community Benefit Societies Act 2014	A registered Social Landlord, management of social rented housing stock	N/A	-
West Highland Futures Limited	Private Limited Company	Provision of affordable low carbon energy	1 £1 Shares	-

At a board meeting on 27 August 2024, the Link Group Limited board approved a proposal to transfer the trade, assets and liabilities within Link Housing Association over to Link Group Limited. The transfer date was 30 June 2025.

### 18 Work in progress

	Group		Link Group Ltd	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1 April	10,304	8,064	7,661	7,524
Expenditure on development properties	16,508	6,791	15,634	4,688
Cost of sales transferred to expenditure	(16,510)	(2,560)	(15,059)	(2,560)
Transfers to fixed assets	-	(1,159)	-	(1,159)
Transfers to stock	(7,592)	(832)	(7,147)	(832)
At 31 March	2,710	10,304	1,089	7,661

# LINK GROUP LIMITED

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

### 19 Stock

	Group		Link Group Ltd	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
At 1 April	832	5,034	832	5,034
Transfer from work in progress	7,592	832	7,147	832
Transfer to fixed assets	-	(2,430)	-	(2,430)
Transfer to cost of sales	(832)	(2,604)	(832)	(2,604)
At 31 March	7,592	832	7,147	832

The number of sales of shared equity properties were 7 (2024: 24).

### 20 Current asset investments

	Group		Link Group Ltd	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Short term deposits	1,599	1,990	-	-

### 21 Trade and other receivables

	Group		Link Group Ltd	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Arrears of rent and service charges	5,325	5,284	2,493	2,339
Less: payment plan adjustments	(62)	(153)	(49)	(135)
Less: provision for bad and doubtful debts	(1,657)	(1,332)	(647)	(555)
Net rental debtors	3,606	3,799	1,797	1,649
Trade receivables	2,807	1,993	1,291	387
Social housing grant receivable	2,946	2,543	2,460	1,968
Prepayments and accrued income	3,247	3,894	1,599	2,905
Amounts owed by group undertakings	-	-	20,723	23,391
Other receivables	658	1,653	48	1,039
	13,264	13,882	27,918	31,339

The amount due from subsidiaries includes rental income collected by partner companies on behalf of Link Group Limited and not received by Link Group until after the year end; charges levied by Link Group for services provided which were invoiced to the subsidiaries and paid after the year end; an interest only intercompany loan of £7.4m at an interest rate of 3.85% which is repayable in more than one year.

# LINK GROUP LIMITED

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

### 22 Current liabilities

	Notes	Group 2025 £'000	2024 £'000	Link Group Limited 2025 £'000	2024 £'000
Housing loans	23	625	598	-	-
Shared equity grant payable		5,785	6,713	4,811	5,587
Rent and service charges in advance		2,894	2,691	2,345	2,185
Trade payables		4,668	4,021	3,004	2,656
Amounts owed to group undertakings		-	-	7,532	7,143
Other taxation and social security		591	511	556	479
Pension contributions payable		(4)	290	(5)	290
Other payables		10,066	10,535	6,349	7,010
Accruals and deferred income		15,242	11,917	12,641	9,007
		<u>39,867</u>	<u>37,276</u>	<u>37,233</u>	<u>34,357</u>

Included in trade and other creditors is an amount of £0.90m (2024: £0.76m), representing a grant repayable to the Scottish Government. The amount repayable relates to grant aided flats, which were demolished following the discovery of serious structural defects. Link Group does not consider the grant repayment to be equitable and has made representations to the Scottish Government for further abatement, although in the accounts the full amount repayable has been provided. This is expected to have a resolution in financial year 2026/2027.

### 23 Borrowings

	Group 2025 £'000	2024 £'000	Link Group Ltd 2025 £'000	2024 £'000
Bank loans (see aging below)	<u>409,544</u>	<u>413,722</u>	<u>398,966</u>	<u>402,585</u>
Payable within one year (note 22)	625	598	-	-
Payable after one year	<u>408,919</u>	<u>413,124</u>	<u>398,966</u>	<u>402,585</u>

#### Housing loans - analysis of loan facilities

	Group 2025 £'000	2024 £'000	Link Group Ltd 2025 £'000	2024 £'000
<b>Fixed rate:</b>				
Advanced by banks	237,317	147,626	232,966	143,085
Advanced by private lenders	118,744	150,826	118,000	150,000
<b>Variable rate:</b>				
Advanced by banks	52,463	114,172	48,000	109,500
Advanced by building societies	1,020	1,098	-	-
	<u>409,544</u>	<u>413,722</u>	<u>398,966</u>	<u>402,585</u>

# LINK GROUP LIMITED

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

### 23 Borrowings

(Continued)

The Group has loan facilities of £474m (2024: £485m), of which £401m had been drawn down as at 31 March 2025 (2024: £414m). The above bank loan total is the net amount including prepaid loan arrangement fees. The loan facilities are secured over a number of Link's housing properties. The repayment terms vary between 3 and 30 years.

Interest on the loans was charged at interest rates between 2.52% and 7.11% (2024: between 2.28% and 7.11%).

	Group 2025 £'000	2024 £'000	Link Group Ltd 2025 £'000	2024 £'000
<b>Analysis of maturity of debt amounts repayable:</b>				
In one year or less, or on demand	625	50	-	-
Between one and two years	567	1,098	-	-
Between two and five years	57,725	72,500	56,000	72,500
	<u>58,917</u>	<u>73,648</u>	<u>56,000</u>	<u>72,500</u>
In five or more years	350,627	340,074	342,966	330,085
	<u>409,544</u>	<u>413,722</u>	<u>398,966</u>	<u>402,585</u>

### 24 Other creditors falling due after one year

	Group 2025 £'000	2024 £'000	Link Group Ltd 2025 £'000	2024 £'000
Other payables	<u>2,707</u>	<u>2,880</u>	<u>2,707</u>	<u>2,880</u>

### 25 Provisions for liabilities

	Group 2025 £'000	2024 £'000	Link Group Ltd 2025 £'000	2024 £'000
Corbiehall provision	876	448	876	448
Other Provisions	<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>
	<u>876</u>	<u>548</u>	<u>876</u>	<u>448</u>

# LINK GROUP LIMITED

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

### 25 Provisions for liabilities

(Continued)

Movements on provisions:

	Corbiehall provision £'000	Other provisions £'000	Total £'000
<b>Group</b>			
At 1 April 2024	448	100	548
Additional provisions in the year	500	-	500
Reversal of provision	-	(70)	(70)
Utilisation of provision	(72)	(30)	(102)
	<u>876</u>	<u>-</u>	<u>876</u>
At 31 March 2025	<u>876</u>	<u>-</u>	<u>876</u>
	Corbiehall provision £'000	Other provisions £'000	Total £'000
<b>Association</b>			
At 1 April 2024	448	-	448
Additional provisions in the year	500	-	500
Utilisation of provision	(72)	-	(72)
	<u>876</u>	<u>-</u>	<u>876</u>
At 31 March 2025	<u>876</u>	<u>-</u>	<u>876</u>

There is a legal obligation for Link under housing legislation that requires it to provide tenants with a habitable home and one which meets the SHQS. The properties at Corbiehall do not meet that requirement given the extensive analysis of works required, the on-going void position and the planned tender for works and in order to achieve that Link will be obligated to spend sums identified to ensure those minimum standards are met for the properties it owns in the scheme.

In terms of other provisions, there was a legal claim lodged against a subsidiary of Link Group in 2024. A transfer of £100k to provisions was made during 2024 by the subsidiary. During 2025, £30k was expensed against this provision and the liability is considered to be met, therefore the remaining £70k has been released to the statement of comprehensive income.

# LINK GROUP LIMITED

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

### 26 Deferred income

	Group		Link Group Ltd	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
<b>Social housing grants</b>				
At 1 April	471,005	451,109	429,604	412,059
Additions in the year	20,366	25,553	16,510	23,805
Transfer (to)/from other grants	-	1,606	-	-
Released/repaid as a result of property disposals	(9,416)	(105)	(9,390)	(82)
Amortised in the year	(8,540)	(7,853)	(6,911)	(6,178)
At 31 March	473,415	470,310	429,813	429,604
	Group		Link Group Ltd	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
<b>Other grants</b>				
At 1 April	1,983	2,550	-	-
Additions in the year	-	1,055	-	-
Transfer (to)/from social housing grants	-	(1,606)	-	-
Amortised in the year	(66)	(17)	-	-
At 31 March	1,917	1,982	-	-
<b>Total deferred income at 31 March</b>	<b>475,332</b>	<b>472,292</b>	<b>429,813</b>	<b>429,604</b>

### Deferred Income ageing - Social housing grants

	Group		Link Group Ltd	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Due in one year	9,014	8,242	7,244	6,178
Due in 2-4 years	28,062	24,726	21,669	18,534
Due in 5 years +	436,339	437,342	400,900	404,892
	473,415	470,310	429,813	429,604

### 27 Retirement benefit schemes

	2025	2024
	£'000	£'000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	2,385	2,217

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

# LINK GROUP LIMITED

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

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### 27 Retirement benefit schemes

(Continued)

Link Group Limited offers all staff membership to the Link Group Defined Contribution scheme, with employer contribution rates of up to 12%. The staff of Horizon Housing Association Limited, Larkfield Housing Association Limited and West Highland Housing Association Limited are offered membership of the SHAPS Defined Contribution scheme, with employer contribution rates of 6%, 9% or 12% of pensionable salaries for employees who joined the scheme before 1 December 2013, and of 5%, 6%, 8% or 9% of pensionable salaries for employees who joined the scheme after 1 December 2013.

As at the balance sheet date, there were 811 members of staff who were members of the Link Group personal pension scheme (2024: 917), of whom 119 are employed by Link Group Limited (2024: 132) and there were 1 members of staff who were members of the SHAPS Defined Contribution Scheme (2024: 49). The total employer contributions for the year ended 31 March 2025 amounted to £2.4m(2024: £2.4m), of which £514k was made in relation to Link Group Limited staff (2024: £480k).

#### Defined benefit schemes

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

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

#### Valuation

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

A full actuarial valuation for the scheme was carried out at 30 September 2024. This actuarial valuation showed assets of £680m, liabilities of £759m and a deficit of £79m. As a result of the 2024 valuation, the Trustee has indicated that additional contributions to the Scheme for participating employers will be re-introduced from 1<sup>st</sup> April 2026 until 31<sup>st</sup> March 2030. Employers in total will pay £15.6m per year, increasing by 3% on 1<sup>st</sup> April each year.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

For the year ended 31 March 2025, sufficient information is available for the Association in respect of the Scheme to account for its obligation on a defined benefit basis. The most recent formal actuarial valuation was completed as at 30 September 2024 and rolled forward, allowing for the different financial assumptions required under FRS 102, to 31 March 2025 by a qualified independent actuary.

# LINK GROUP LIMITED

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

### 27 Retirement benefit schemes

(Continued)

	2025	2024
	%	%
<i>Key assumptions</i>		
Discount rate	5.50	4.80
Expected rate of increase of pensions in payment		
Expected rate of salary increases	3.10	3.10
Inflation (RPI)	3.20	3.40
Inflation (CPI)	2.80	2.95
Allowances for cash commutation	75% of maximum allowance	75% of maximum allowance
	=====	=====
<i>Mortality assumptions</i>	2025	2024
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	20.2	20.2
- Females	22.7	22.7
	=====	=====
Retiring in 20 years		
- Males	21.5	21.4
- Females	24.2	24.1
	=====	=====

The amounts included in the statement of financial position arising from the association's obligations in respect of defined benefit plans are as follows:

Group	2025	2024
	£'000	£'000
Present value of defined benefit obligations	(11,326)	(12,377)
Fair value of plan assets	9,542	10,599
	=====	=====
Deficit in scheme	(1,784)	(1,778)
	=====	=====

# LINK GROUP LIMITED

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

### 27 Retirement benefit schemes

(Continued)

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

<b>Association</b>	<b>2025 £'000</b>	<b>2024 £'000</b>
Present value of defined benefit obligations	(4,039)	(4,309)
Fair value of plan assets	3,435	3,715
Deficit in scheme	(604)	(594)
Total liability recognised	(604)	(594)
<b>Group</b>	<b>2025 £'000</b>	<b>2024 £'000</b>
<i>Amounts recognised in the income statement</i>		
<i>Costs/(income):</i>		
Current service cost	7	10
Net interest on net defined benefit liability/(asset)	25	25
Other costs and income	18	18
Total costs	113	53
<b>Group</b>	<b>2025 £'000</b>	<b>2024 £'000</b>
<i>Amounts recognised in other comprehensive income</i>		
<i>Costs/(income):</i>		
Actual return on scheme assets	(1,158)	(796)
Less: calculated interest element	(34)	(250)
Return on scheme assets excluding interest income	(1,192)	(1,046)
Other gains and losses	1,270	(210)
Total costs/(income)	78	(1,256)

# LINK GROUP LIMITED

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

### 27 Retirement benefit schemes

(Continued)

	Group	Link Group Ltd
	2025	2025
	£'000	£'000
<i>Movements in present value of defined benefit obligations</i>		
Liabilities at 1 April 2024	12,377	4,309
Current service cost	7	7
Benefits paid	(434)	(153)
Contributions from scheme members	8	8
Actuarial gains and losses	(1,236)	(343)
Interest cost	585	204
Other	19	7
At 31 March 2025	11,326	4,039

The defined benefit obligations arise from plans which are wholly or partly funded.

	Group	Link Group Ltd
	2025	2025
	£'000	£'000
<i>Movements in the fair value of plan assets</i>		
Fair value of assets at 1 April 2024	10,599	3,715
Interest income	496	175
Return on plan assets (excluding amounts included in net interest)	(1,158)	(329)
Benefits paid	(434)	(153)
Contributions by the employer	31	19
Contributions by scheme members	8	8
At 31 March 2025	9,542	3,435

The actual return on plan assets was £175,000 (2024 - £196,000).

# LINK GROUP LIMITED

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

### 27 Retirement benefit schemes

(Continued)

	Group		Link Group Ltd	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
<i>Fair value of plan assets</i>				
Global equity	1,105	1,219	398	427
Absolute return		476	-	167
Distressed opportunity		390	-	137
Credit relative value		373	-	131
Alternative risk premia		381	-	134
Liquid alternatives	1,758	-	633	-
Emerging market debt		186	-	65
Risk sharing		636	-	223
Insurance-linked securities	37	66	13	23
Property	472	448	170	157
Infrastructure	2	1,015	1	356
Real assets	1,139	-	410	-
Private debt		426	-	149
Opportunistic Illiquid Credit		421	-	148
Private credit	1,189	-	428	-
Credit	406	-	146	-
Investment grade credit	437	-	157	-
High yeild		2	-	1
Cash	51	275	18	96
Private equity	8	8	3	3
Long lease property	2	80	1	28
Secured income	220	354	79	124
Liability driven investment	2,686	3,833	959	1,343
Currency hedging	16	(6)	6	(2)
Net current assets	14	16	5	5
	<u>9,542</u>	<u>10,599</u>	<u>3,427</u>	<u>3,715</u>

### 28 Share capital

#### Reconciliation of movements during the year:

	Group		Link Group Ltd	
	2025	2024	2025	2024
	Number	Number	Number	Number
At 1 April 2024	378	409	156	153
Issued in year	7	47	-	3
Cancelled in the year	(35)	(78)	-	-
At 31 March 2025	<u>350</u>	<u>378</u>	<u>156</u>	<u>156</u>

# LINK GROUP LIMITED

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

### 29 Other reserves

	2025 £'000	2024 £'000
<b>Group</b>		
At the beginning of the year	206	287
Other movements	(20)	(81)
At the end of the year	186	206
<b>Association</b>	2025 £'000	2024 £'000
At the beginning and end of the year	17	17

### 30 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2025 £'000	2024 £'000	Link Group Ltd 2025 £'000	2024 £'000
Acquisition of property, plant and equipment	64,000	94,000	61,000	85,000

### 31 Events after the reporting date

Link Housing Association transferred into Link Group Limited on the 30th of June 2025 and Link Housing Association is being wound up as of that date.

### 32 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2025 £'000	2024 £'000	Link Group Ltd 2025 £'000	2024 £'000
Within one year	7	13	2	3
Between two and five years	3,531	343	32	17
In over five years	124	21	102	2
	3,662	377	136	22

The total consolidated lease payments recognised as an expense was £342,615 (2024: £817,553) and for Link Group was £22,343 (2024: £34,383).

# LINK GROUP LIMITED

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

### 32 Operating lease commitments

(Continued)

#### Operating leases as lessor

Link Group Limited owns and is responsible for repairs and maintenance of the 84 properties which are leased to a university for student accommodation. Future minimum rentals receivable under these leases are as follows:

At the reporting end date the group had contracted with tenants for the following minimum lease payments:

	Group		Link Group Ltd	
	2025	2024	2025	2024
	£'000	£'000	£'000	£'000
Within one year	656	1,180	574	1,172
Between two and five years	2,312	5,866	2,296	5,858
In over five years	771	4,694	795	4,686
	<u>3,739</u>	<u>11,740</u>	<u>3,635</u>	<u>11,716</u>

The total rental income received by Link Group Ltd in the year was £1.17m (2024: £1.17m).

The lease agreement for one of the accommodation units expired in July 2023 but has rolled forward under tacit relocation, until formally agreed, and for the second in 2031.

# LINK GROUP LIMITED

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

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### 33 Contingent liabilities

#### Pension

The Association has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (which is currently expected to be late 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2025 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

The Board are aware that the Court of Appeal has upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained.

On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced. Subject to the entity being able to comply with the legislation and the pension scheme obtaining the required written actuarial confirmation, the Board do not expect the valuation of the scheme liabilities to change

#### Office Repairs

A contingent liability exists in respect of potential repair or demolition costs associated with Link's share of property at 170 Hope Street, Glasgow. The property is listed but currently unoccupied due to structural safety concerns. The basis on which the costs would be shared is complex and requires interpretation of a number of historical deeds. The extent of potential costs is also uncertain as no decision on the future of the property has been taken. If the property is sold to Glasgow Building Preservation Trust, there may be no liability arising. Link does not expect the matter to progress in the short term, no decision has been taken by link on the basis of multiple ownership of the building.

#### Financial Guarantee

In connection with the initial development of 75 properties at Dunbeg, which was carried out in partnership with Link Housing Association, the Association has entered into bonds in favour of Argyll and Bute Council for the amount of £50,000. The bonds relate to an obligation imposed under the development's planning conditions for the construction of playparks for community recreation within five years of the commencement of the development. Although the necessary conditions have been met to release the bonds as at 31 March 2025, the related approval from the Council is still awaited.

### 34 Related party transactions

#### Transactions with related parties

During the year, two tenants served as Board Members (2024: 1). The tenancy was on normal commercial terms and the tenant could not use their position to their advantage.

During the year the group entered into the following transactions with related parties:

# LINK GROUP LIMITED

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

### 34 Related party transactions

(Continued)

		Rent and factoring income received from board	
		2025	2024
		£'000	£'000
<b>Group</b>			
Other related parties		9	5
		<u>          </u>	<u>          </u>
<b>Association</b>			
Other related parties		-	5
		<u>          </u>	<u>          </u>

During the year, for their services to Link Group, 2 Board Members (2024: 4) received emoluments of £22,988 (2024: £29,662).

Link Group Limited is exempt from the requirements under FRS 102 (Section 33.1A) to disclose details of transactions with other members of the Group headed by Link Group Limited.

### 35 Analysis of changes in net debt - group

	1 April 2024	Cash flows	31 March 2025
	£'000	£'000	£'000
Cash at bank and in hand	20,370	(3,349)	17,021
Borrowings excluding overdrafts	(413,722)	4,178	(409,544)
	<u>          </u>	<u>          </u>	<u>          </u>
	(393,352)	829	(392,523)
	<u>          </u>	<u>          </u>	<u>          </u>

# LINK GROUP LIMITED

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

### 36 Cash generated from group operations

	2025 £'000	2024 £'000
Surplus for the year after tax	1,727	1,534
<b>Adjustments for:</b>		
Finance costs	18,361	17,510
Investment income	(566)	(521)
Carrying amount of tangible fixed asset disposals	2,662	675
Proceeds from the sale of fixed assets	(8,132)	(3,788)
Fair value loss/(gain) on investment properties	408	(429)
Amortisation and impairment of intangible assets	218	220
Depreciation and impairment of property, plant and equipment	22,308	19,972
Government grants utilised in the year	(8,606)	(7,870)
Other gains and losses	(11)	(117)
Pension scheme non-cash movement	812	687
Increase/(decrease) in provisions	328	(552)
<b>Movements in working capital:</b>		
Decrease in inventories	834	1,962
Decrease/(increase) in trade and other receivables	618	(1,703)
Increase/(decrease) in trade and other payables	2,366	(6,163)
<b>Cash generated from operations</b>	<b>33,327</b>	<b>21,417</b>

### 37 Analysis of changes in net debt - company

	1 April 2024 £'000	Cash flows £'000	31 March 2025 £'000
Cash at bank and in hand	6,209	(1,964)	4,245
Borrowings excluding overdrafts	(402,585)	3,619	(398,966)
	<u>(396,376)</u>	<u>1,655</u>	<u>(394,721)</u>

# LINK GROUP LIMITED

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

### 38 Cash generated from operations - Association

	2025	2024
	£'000	£'000
(Loss)/profit for the year after tax	(843)	61
<b>Adjustments for:</b>		
Finance costs	17,769	16,693
Investment income	(545)	(473)
Impairment loss	396	-
Fair value loss/(gain) on investment properties	250	(429)
Amortisation and impairment of intangible assets	196	198
Depreciation and impairment of property, plant and equipment	18,467	16,523
Government grants utilised in the year	(6,911)	(6,178)
Carrying amount of tangible fixed asset disposals	1,583	510
Proceeds from the sale of fixed assets	(2,560)	(3,721)
Other gains and losses	(930)	-
Pension scheme non-cash movement	1	(11)
Increase/(decrease) in provisions	428	(552)
<b>Movements in working capital:</b>		
Decrease in inventories	257	4,064
Decrease/(increase) in trade and other receivables	3,421	(2,932)
Increase/(decrease) in trade and other payables	2,733	(3,889)
<b>Cash generated from operations</b>	<b>33,712</b>	<b>19,864</b>