West of Scotland Housing Association Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2026

Registered Housing Association No. HEP201

Scottish Charity Number: SC018486

Co- operative and Community Benefit Societies Registered Number 1828R(S)

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Registration Information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registration Number 1828R(S)
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered Number HEP201
Scottish Charity Number	SC018486

Members of the Board

Kelly Adams	Chair to 16/09/2025
Alison Calder	Vice Chair to 16/09/2025
Rehana Faqir	(Appointed 16/09/2025)
Kenneth Fee	
Lynsey Hamilton	
Morag Kilbride	
George Kpodo	
Paul MacNeil	(Resigned 08/01/2026)
Elizabeth Matthews	(Resigned 27/05/2025)
Karen Merz	(Resigned 13/05/2025)
Graeme Middleton	
Ann Reid	
James Reid	(Resigned 24/06/2025)
Michael Sozansky	Chair from 16/09/2025
Jim Williamson	Vice Chair from 16/09/2025
James Edgar Wilson	(Appointed 16/09/2025)

Executive Officers

Simon Fitzpatrick	Chief Executive Officer (Appointed 01/04/2025)
Brian Gannon	Chief Executive Officer (Resigned 01/04/2025)
Jennifer Cairns	Director of Corporate Services (Resigned 31/01/2026)
Robert Campbell	Director of Housing and Community Services
Kerry Clayton	Director of Corporate Services (Appointed 16/03/2026)
Karen Shaw	Director of Development and Asset Management
Valerie Wilson	Director of Finance

Registered Office
Camlachie House
40 Barrowfield Drive
Glasgow
G40 3QH

External Auditor
CT Audit Limited
Chartered Accountants & Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Internal Auditor
WBG
168 Bath Street
Glasgow
G2 4TP

Banker
Barclays Bank PLC
Auror House
120 Bothwell Street
Glasgow
G2 7JT

Solicitor
TC Young Solicitors
Merchants House
7 West George Street
Glasgow
G2 1BA

Report of the Board of Management

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

Legal Status

West of Scotland Housing Association is a registered non-profit making organisation under the Co-operative and Community Benefits Societies Act 2014 No 1828R(S). The Association is a registered Scottish charity, No SC018486.

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefits Society, The Office of the Scottish Charities Regulator (OSCR) as a charity and the Scottish Housing Regulator as a Registered Social Landlord.

Principal Activities

The principal activity of West of Scotland Housing Association (WSHA) is to provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care.

Strategic Objectives

The Association's Vision, Values and Strategic Aims reflect West of Scotland Housing Association's priorities operating as an independent organisation delivering services across several local authority areas.

During 2025/26 we reviewed our Strategic Aims with a view to making them more specific and easier to measure over the 5-year period of the Corporate Business Plan. We now refer to these as our Strategic Objectives.

Our mission is to provide affordable and sustainable housing and services to enhance lives and empower communities in the west of Scotland. We will do this through engaging with our customers and partners, ensuring that every voice is heard and valued.

Our mission is supported by our 5-year strategic objectives:

- Listen to customers, understand their needs, and work together to make our services better.
- Be well governed and build our financial resilience and capacity, to deliver more for our customers.
- Be recognised as the best employer in the sector.
- Grow WSHA's housing stock sustainably through the delivery of new homes and acquisitions.
- Deliver the WSHA standard to sustain value in our stock, keep our homes safe and warm, and meet our customers' needs.
- Expand and evolve our services to respond to the housing crisis and support thriving and attractive neighbourhoods.
- The data we hold about our customers, homes, and neighbourhoods will be accurate, inform our services, be compliant, and help us to work as efficiently as possible providing great value for money.

Overview

We continue to prioritise our support for our tenants by providing the best possible core services in the most effective and efficient way. We are pleased to have been able to deliver most of our Key Business Objectives in year one of our Corporate Business Plan 2025-2030 which were:

Report of the Board of Management (cont'd)

- Implement and Monitor progress with our Plan for improving customer satisfaction with our Repairs Service
- Develop a plan to identify and review inefficient working practices to benefit our customers and improve job satisfaction.
- Responding to and understanding the impact of the homelessness crisis whilst ensuring we maintain sustainable communities.
- Review our Development Strategy.
- Develop and communicate a 5-year management plan for mixed tenure blocks.
- Develop a plan for long term sustainability of Pre 1919 Tenements
- Implementation of our Data Management Strategy to improve data quality, management and reporting
- Implement a Growth Plan through optimising use of our Subsidiaries.

During 2025/2026 we also renewed our Asset Management Strategy one year ahead of schedule and surveyed over 50% of our homes. This has given us greater assurance on the investment we need to make in our homes over the next 30 years. During 2026/27 we will complete surveys on the rest of our homes.

Our customers are at the heart of everything we do and remain the focus when considering our business planning priorities. During 2025/26 we improved satisfaction with our repairs service from 77% significantly, achieving 91%. We continue to consult with our stakeholders and to ensure they reflect the wishes, in particular, of our neighbourhoods and staff through our Tenant Advisory Group (TAG) and our Staff Consultation Group. These groups were integral in developing our Corporate Business Plan.

During 2025/26 we continued to make excellent progress with our commitments to the former tenants of Charing Cross. We expect to complete these commitments in full during 2027/28 in line with the 5-year timeline set.

Our Board carried out their annual assessment of compliance with all Regulatory Requirements in preparation for our annual Assurance Statement that was submitted to the SHR in October 2025. The Board signed off on this statement after receiving the assurance it required that the Association was complying with the Regulatory Requirements detailed in Chapter 3 of the SHR's Regulatory Framework. At the end of 2025/26, the SHR published our annual Engagement Plan which confirmed we are Compliant with the Regulatory Framework. The SHR will continue to monitor the progress of our commitments made to Charing Cross HA as part of the Transfer of Engagement. It will also monitor our development plan as we are recognised as one of the largest developers of new affordable housing in Scotland, with plans to grow through a considerable programme of new homes for social rent and mid-market rent.

Development remains a key driver in meeting our growth aspirations and we work closely with our partners in Scottish Government, local authorities and Glasgow City Council, who continue to provide ongoing support. During 2025/26 we completed 12 homes and started building 21 more in Larkhall, South Lanarkshire. In addition, we acquired a site in Lanark that has capacity to provide 28 new homes, works are due to commence in Autumn 2026.

Sustainability

In June 2023 our Sustainability Strategy set carbon reduction goals for the first time. We aim to halve our scope 1 & 2 emissions by 2030 and are adopters of the Sustainability Standards for Social Housing We submitted our second ESG report on our performance against the SRS Criteria in October 2025 and as our stock condition surveys complete during 2026/27, we expect to have an even more robust data position to accurately assess our full scope 1 and 2 emissions. Ultimately, we know that our homes are by far the biggest contributor to our carbon footprint, and so this information will give us the best platform to reduce our emissions.

Report of the Board of Management (cont'd)

Financial Review

In the year to 31 March 2026, total revenue increased to £31.4m (2025: £29.8m). Of this, rents and service charges contributed £24.3m (2025: £22.9m). The revenue for the year also reflects the release to income of £4.6m (2025: £4.5m) of Housing Association Grant received in prior years to assist with the acquisition and construction of housing stock.

Operating costs on housing activities increased to £25.7m (2025: £23.8m) which was an increase of £1.9m on the comparative period. Of this, £1.5m is due to an increase in depreciation of housing properties because of our ongoing development programme and increased investment in component replacements.

In total, the Association spent £12.8m (2025: £12m) maintaining and improving its housing stock. Of the £12.8m, £6.2m (2025: £7.3m) was spent on reactive and planned maintenance activities to maintain the fabric of our buildings with £6.7m (2025: £4.7m) spent on new components to replace existing components (bathrooms, boilers, kitchens, and windows).

The interest paid on the Association's loans was £3.8m (2025: £3.8m).

The overall out-turn for the year has resulted in a surplus for the year of £18k (2025: £49k).

The Association accounts for the Scottish Housing Associations' Defined Pension Scheme as a Defined Benefit scheme. In 2025/26, the Association's share of the deficit in the pension scheme at 31 March 2025 reduced by £273k to £1.95m. A non-cash related adjustment of £402k to reflect the movement in the liability has been recognised in the Statement of Comprehensive Income on page 17 of the financial statements. Further detail is contained in Note 27.

The Statement of Financial Position reflects the results of the year, with reserves increasing to £42.4m from £41.9m.

The Association has cash balances of £2.04m at the year-end with access to considerable undrawn borrowing facilities which will be used to fund our continuing development programme.

We monitor our financial performance continuously and are mindful of the risks around high interest rates and inflationary cost pressures and the adverse impact of the ongoing cost of living crisis. We have considered what measures can be put in place to help mitigate these risks in future financial planning.

The Association is keen to respond to the Housing Emergency and continues its new build development programme but can reduce the scale of this should the economic situation deteriorate and particularly as volatility impacts borrowing and inflation. Similarly, we maintain a high level of investment in our existing assets, and this can be re-profiled should there be a requirement to reduce costs due to unforeseen pressures from external factors. As part of our Going Concern review, we have considered the impact of all these challenges and our ability to continue to deliver services to our communities.

Future Prospects

Our Key Business Objectives for the forthcoming financial year (2025/26) are noted below. They reflect the environmental analyses we have carried out taking account of our strengths, weaknesses, opportunities and external threats to the business. They were developed by our Board and Leadership Team after consultation with staff and tenants to ensure all our stakeholders understand for the year ahead. They are:

- Enhance role of Scrutiny Group to review delivery of services to identify improvements.
- Embed new finance structure and Business Partnering process.

Report of the Board of Management (cont'd)

Future Prospects (cont'd)

- Deliver a new Finance System
- Design and embed new property management structure/service design.
- Evaluate and implement 'ideal' property management model.
- Engage with GCC to design a pilot Private Sector Leasing (PSL) Scheme offer.
- Finalise our new People & Culture Strategy including Workforce Plan
- Identify potential partnerships with other RSL's for future delivery of new build projects.
- Identify and acquire properties by actively engaging with Local Authorities and owners in WSHA communities.
- Invest in and launch Tenancy Sustainment Team
- Secure Local Authority buy-in and design tenancy flipping model with in-house support structure.
- Explore the feasibility of bringing Estate Mgmt. services in-house and launch pilot for neighbourhood improvements.
- Implement the Asset Pro system.
- Complete our stock condition survey.
- Pilot use of customer data in an AI project

Our Key Business Objectives are developed annually as part of the Corporate Business Planning cycle.

Asset Management and Development

A strategic approach to integrated asset management and development is fundamental to our future viability to ensure that our assets - tenants' homes – are sustainable and remain fit for purpose in the short, medium and long term. In this way we aim to protect the interests of current and future tenants and develop an integrated approach to asset management..

Following the development of our new Asset Management Strategy, a key priority for us in 2026/267 is completing our remaining stock condition surveys so that we make sure we are able to continue to accurately forecast the investment needed in our homes to retain their value, maintain compliance, and meet the needs and expectations of our tenants now and in the future. Our planned investment programme demonstrates that our delivery programmes are effective throughout the local authority areas where we operate.

During 2026/27 we expect the Scottish Housing Net Zero Standard (SHNZS) to be finally confirmed. Our robust stock condition survey data will allow us to accurately assess how our properties perform in comparison to this, and identify investment needed to achieve the standard. The costs if this are currently unknown and while we have investment in our Asset Management Strategy to improve the energy performance of our homes, any potential gap for investment remains a risk. This risk is consistent across the sector, and we will engage in a sector wide approach to dealing with it.

Over the next 10 years we aim to build over 1000 new homes making us one of the largest developers of affordable housing in Scotland. Our new Development Strategy lays out how we will achieve this in detail with a pipeline programme of new build sites that align with local authority strategic housing investment plans. The homes we build will remain affordable, warm, accessible and of a high standard.

Tenant satisfaction with our responsive repairs service has seen remarkable improvement from 77% to 91% over 2025/26. Our challenge during 2026/27 and beyond is to maintain that high level of quality

Report of the Board of Management (cont'd)

Future Prospects (cont'd)

and identify gaps where it can be improved still. We will work with all our contractors to make sure our standards remain high and achieve value for money for our tenants and residents.

Investment in our stock covers several budget lines including planned maintenance works, and separate budgets for cyclical maintenance, reactive repairs, and void repairs Overall these budgets within our 30-year investment plan, amounts to circa £330m.

<u>Community Development & Stakeholder Involvement</u>

As a social landlord we understand the importance of providing our tenants and communities with access to support which assists them to sustain their tenancy, improves their wellbeing and regenerates their communities. For six decades, we have worked in partnership with our charitable subsidiary Willowacre Trust to deliver tenancy sustainment services and provided enhanced opportunities to our tenants and communities.

55% of our communities are represented in the bottom 15% most deprived areas within the Scottish Index of Multiple Deprivation. We recognise that continued rises in energy costs and the impact on the cost of basic items such as food from recent high inflation rates, have had a significant negative impact on these communities. As a result of these challenges, we have continued to experience increased demands on services particularly for tenants who are struggling to pay their rent and other household costs.

Willowacre Trust is a fundamental part of our history and the Trust acts as a conduit to deliver specialist support and wider community services. These services include Older People's Services, Handy Person Services, Community Development and three Community Hubs. It is important that WSHA and Willowacre Trust engages with, and listens to, the communities in which we operate. Our Willowacre Trust Business Plan sets out the Trust's Key Business Objectives for 2024/26. This plan helps to ensure WSHA continues to be more than just a landlord by supporting our communities to address social and economic exclusion.

The growth of our commercial subsidiary, Westscot Living, is a key opportunity for us to increase the financial resilience of the organisation. During 2026/27 we will grow our factoring service sustainably and explore opportunity to use the private sector to help alleviate some of the impact of the housing emergency. Growth, however, must be sustainable and not put at risk the performance of our core services.,

Main risks and uncertainties

Our Board has assessed our risk appetite in relation to categories rather than the overall risk appetite statement that they had previously. The risk appetite for each category was considered as part of the business planning process and will be considered annually as part of this process. The categories are:

- Governance
- Legal
- Property
- Financial – Direct Loss
- Staff
- Safety
- Regulatory
- Service Quality
- Information Technology
- Data & Information Management
- Reputational

Report of the Board of Management (cont'd)

Main risks and uncertainties (cont'd)

Our strategic risks are outlined below:

- Unable to Manage our Financial Position
- Fail to ensure effective Governance
- Fail to build on / maintain Confidence, Satisfaction and Trust of tenants.
- Inability to design and implement efficient infrastructure strategies.
- Fail to embed Organisational culture, vision and values.
- Unable to respond effectively to Government & Regulatory changes.
- Fail to identify and / or maximise collaborative opportunities.
- Unable to identify and / or maximise opportunities for Growth.

For each of our strategic and operational risks our risk management process is that we identify causes for each risk and then assess the effect of these causes. Once this has been done, we identify which control measures we have in place for each cause to mitigate the effect. This allows us then to score the risk as well as to identify any further actions required. It is important that as part of the ongoing risk management process we identify any new causes and carry out this process. Emerging potential risks that have been identified to be added to the risk register are:

- Staff Resilience & Health & Wellbeing – seeing impact of reduced services and issues re health service. Also impact of staff dealing with tenants with mental health issues
- Adverse Staff Response to organisational change and changes to ways of working to become more efficient.
- Increased risk in respect of failure of development contractors
- Limited number of contractors for maintenance contracts
- Increase in cyber-attacks – number and complexity.
- Lack of funding, knowledge, affordable technological solutions to improve energy efficiency of our homes and reducing fuel poverty
- Housing Crisis across all our areas vs shortage in affordable housing
- Financial constraints – increase in costs leading to tighter budgets.
- Climate Change – increase in adverse weather that cause damage to our homes and estates.
- Social and economic Inequality and Vulnerable Groups - increasingly tasked with addressing the needs of vulnerable and marginalised groups – further compounded by reduction in statutory support services.
- Uncertainty around Government grants and funding availability – short term funding restricting ability for long term planning

The above are emerging risks which have the potential to impact delivery of our strategic objectives and therefore we need to assess what the potential impact is in relation to our risks, and what further actions are required to mitigate the likelihood/impact of the risk occurring. These have been added to our risk register.

Going Concern

The Board has reviewed the results for this year and as part of the Business Plan review has considered the financial plans for the next 30 years. These include consideration of the development programme and the investment required in existing stock.

The financial plan has also been stress tested and the Board are confident that the Association has the resources to meet its liabilities as they fall due for the foreseeable future. Accordingly, it continues to adopt the Going Concern basis in preparing the financial statements.

Committee and Officers' Insurance

The Association maintains insurance cover for its Board and officers against liabilities in relation to their duties on behalf of the Association, as authorised by the Association's rules. In addition, the Association has a professional indemnity insurance policy covering community work it undertakes for other organisations.

Creditor Payment Policy

The payment policy, which the Association follows, is to pay all purchases within 28 days, although some payments are settled in 14 days, and/or in accordance with creditor terms of business.

Report of the Board of Management (cont'd)

Members of the Board

Kelly Adams – 1
Alison Calder – 3
Morag Kilbride – 2
George Kpodo – 1, 4
Paul McNeil – 2 (resigned 8 January 2026
Karen Merz - 2 (resigned 13 May 2025)
Lynsey Hamilton – 1
Elizabeth Matthews - 3 (resigned 27 May 2025)
Graeme Middleton - 3
Ann Reid – 3
James Reid – 2 (resigned 24 June 2025)
Michael Sozansky - Chair – 1, 3
Kenneth Fee – 2
Jim Williamson – Vice Chair – 2
Rehana Faqir (appointed 16 September 2025)
James Edgar Wilson (appointed 16 September 2025)

Sub Committees:
1. Audit Sub Committee
2. Staffing Sub Committee
3. Development & Asset Management
4. Health & Safety Sub Committee

Alistair Campbell has been a co-opted member of the Audit Sub Committee since 23 May 2018.
Jim Hayton has been a co-opted member of the DAMSC since 29 March 2017.
Nick Farrell has been a co-opted member of the DAMSC since resignation from the Board 8 May 2024.
Gary Dickson has been a co-opted member of the Audit Sub Committee since 13 August 2025.

Executives

The Executive Officers of West of Scotland Housing Association at 31 March 2026 were as follows:

Brian Gannon	Chief Executive Officer (resigned 1 Apr 2025)
Simon Fitzpatrick	Chief Executive Officer (appointed 1 Apr 2025)
Jennifer Cairns	Director of Corporate Services (resigned 31 Jan 2026)
Robert Campbell	Director of Housing and Community Services
Kerry Clayton	Director of Corporate Service (appointed 16 Mar 2026)
Karen Shaw	Director of Development and Asset Management
Valerie Wilson	Director of Finance

Disclosure of Information to Auditor

Each member of the Board and executive officers has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditor

Pursuant to Section 487 of the Companies Act 2006, a resolution to appoint the auditor will be presented at the Annual General Meeting.

On behalf of the Board of Management

Simon Fitzpatrick
Company Secretary:
Dated:

Statement of Board of Management's Responsibilities in respect of Internal Financial Control

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

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

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

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

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

By order of the Board of Management

Simon Fitzpatrick
Company Secretary

Dated:

Statement of Board of Management's responsibilities in respect of the Board of Management's report and the financial statements

The Board of Management ("Board") is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

The Co-operative and Community Benefit Societies Act 2014 requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

The financial statements are required by law to give a true and fair view of the state of affairs of the Association 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 UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business; and
- prepare a statement on internal financial control.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2019. The Board of Management has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Association and to prevent and detect fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Report by the auditors to the members of West of Scotland housing Association Limited on Corporate Governance matters.

Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Board of Management's statement on page 11 concerning the Association's compliance with the information required by the Regulatory Standards for Registered Social Landlords (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. 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 11 has provided the disclosures required by the relevant Regulatory Standards for RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes, issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

2026

Independent auditor's report to the members of West of Scotland Housing Association Limited.

Opinion

We have audited the financial statements of West of Scotland Housing Association ("the Association") for the year ended 31st March 2026 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).
In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

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

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where :

- the Board of Management's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

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

Independent auditor's report to the members of West of Scotland Housing Association Limited (cont'd).

Other information (cont'd)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- proper books of account have not been kept by the Association in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Association in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Management

As explained more fully in the Statement of Board of Management's Responsibilities as set out on Page 12, the Board of Management are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Independent auditor's report to the members of West of Scotland Housing Association Limited (cont'd).

CT:

We gained an understanding of the legal and regulatory framework applicable to the Association and the industry in which it operates and considered the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Housing SORP 2018, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010.

We focused on laws and regulations that could give rise to a material misstatement in the Association's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the members;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

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

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

2026

Statement of Comprehensive Income
For the year ended 31 March 2026

	Notes	2026 £000	2025 £000
Turnover	**3**	31,421	29,740
Operating Expenditure		(27,729)	(26,041)
Operating Surplus	**3**	3,692	3,699
Gain on revaluation of investment property			-
Interest Receivable and similar income	**7**	92	105
Interest Payable and similar charges	**8**	(3,766)	(3,756)
Surplus for the year		**18**	**49**
Other comprehensive Income			
Actuarial gain/(loss) on defined benefit pension scheme	**27**	402	281
Total Comprehensive Income for the year		**420**	**330**

The results for the year relate wholly to continuing activities.

The financial statements were approved and authorised for issue by the Board on 27 August 2026 and signed by:

Board Member – Michael Sozansky:

Board Member – Kelly Adams:

Company Secretary – Simon Fitzpatrick:

The notes on pages 21 to 44 form part of these financial statements.

Statement of Financial Position
As at 31 March 2026

	Note	2026 £000	2025 £000
Fixed Assets			
Tangible assets – housing properties	**9**	295,760	294,990
Tangible assets – other	**10**	2,179	2,292
Investment properties	**11**	655	655
		298,594	297,866
Current Assets			
Receivables	**13**	1,950	3,216
Cash and Cash Equivalents		2,041	2,772
		3,991	5,988
Less: Payables due within one year	**14**	(8,151)	(7,699)
Net Current Assets/(Liabilities)		(4,160)	(1,711)
Total Assets less Current Liabilities		294,434	296,155
Payables: amounts falling due after more than one year	**15**	(89,197)	(90,366)
Provisions for Liabilities and Charges	**16**	(127)	(145)
Liability for Defined Benefit Obligation	**27**	(1,953)	(2,226)
Deferred Capital Grants	**17**	(160,790)	(161,471)
Net assets		42,367	41,947
Reserves			
Share capital	**18**	0	0
Reserves	**19**	42,367	41,947
		42,367	41,947

The financial statements were approved and authorised for issue by the Board on 27 August 2026 and signed by:

Board Member – Michael Sozansky:

Board Member – Kelly Adams

Company Secretary – Simon Fitzpatrick:

The notes on pages 21 to 46 form part of these financial statements.

Statement of Changes in Reserves
For the year ended 31 March 2026

	Unrestricted reserve £000
Current year	
Balance at 1 April 2025	41,947
Surplus from statement of total other comprehensive income	420
Balance at 31 March 2026	42,367

	Unrestricted reserve £000
Prior year	
Balance at 1 April 2024	41,617
Surplus from statement of total other comprehensive income	330
Balance at 31 March 2025	41,947

The notes on pages 21 to 46 form part of these financial statements.

Statement of Cash Flows
For the year ended 31 March 2026

	Note	2026 £000	2025 £000
Net Cash Inflow from Operating Activities	**20**	**10,188**	**7,232**
Investing activities			
Purchase of tangible fixed assets		(10,464)	(13,215)
Proceeds from sale of tangible fixed assets		349	365
Grants received		3,898	5,610
Net cashflow from investing activities		**(6,218)**	**(7,240)**
Financing activities			
Interest paid		(3,423)	(3,811)
Interest received		92	105
New secured loans advanced		1,500	5,000
Repayments of borrowings		(2,871)	(1,780)
Net cashflow from financing activities		**(4,702)**	**(486)**
Increase/(decrease) in cash		**(732)**	**(495)**
Opening cash and cash equivalents		**2,772**	**3,267**
Closing cash and cash equivalents		**2,041**	**2,772**
Cash and cash equivalents at 31 March		2,041	2,772

The notes on pages 21 to 46 form part of these financial statements.

Notes to the financial Statements
For the year ended 31 March 2026

1. Accounting policies

(a) Introduction and accounting basis

These financial statements have been prepared in accordance with FRS 102 as issued by the Financial Reporting Council and comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2024 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) Accounting for social housing providers issued in 2018.

The financial statements have been prepared on the historical cost basis as modified by the valuation of certain heritable properties. The principal accounting policies that have been applied consistently to all periods presented in these financial statements are set out below.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies selected for use by the Association. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2. The use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates.

West of Scotland Housing Association Limited meets the definition of a public benefit entity (PBE).

(b) Going concern

The Board of Management has compiled projections that indicate the Association will generate surpluses over the five- and thirty-year planning periods. The Association has a healthy cash position and has access to undrawn borrowing facilities. Whilst the financial projections highlight a net current liability position over the period, this is driven by the Association's policy of maintaining minimum cash reserves and drawing cash from lenders only when required to minimise interest payable. This is monitored effectively with robust cashflow and treasury management controls. The Board is therefore satisfied that there are sufficient resources available to continue operating for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Turnover

Revenue comprises rental and service charge income receivable in the period, other services provided, revenue grants receivable and government grants released to income in the period. The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met. Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

(d) Social Housing Grant

Social Housing Grant ("SHG"), at amounts approved by The Scottish Government, is paid directly to the Association during the development process.

SHG is repayable under certain circumstances primarily following the sale of property but will normally be restricted to the net proceeds of sale. Any grants received that cannot be repaid from the proceeds of sale are abated.

SHG received as a contribution towards the capital cost of a housing development is recognised in line with the accrual model. The accrual model results in the grant being recognised over the expected useful life of the housing property structures.

Notes to the financial Statements
For the year ended 31 March 2026

1. Accounting policies (cont'd)

(e) Intangible assets
All intangible assets shall be considered to have a finite useful life of five years on a straight-line basis. The useful life of an intangible asset that arises from contractual or other legal rights shall not exceed the period of the contractual or other legal rights but may be shorter depending on the period over which the entity expects to use the asset. Amortisation of intangible assets is shown within operating costs.

(f) Fixed assets - Housing properties
Housing properties are stated at cost less accumulated depreciation. The development cost of housing properties includes: -

1. Cost of acquiring land and buildings; and
2. Development expenditure including administration costs.

These costs are either termed "qualifying costs" by The Scottish Government for approved social housing grant schemes or are considered for mortgage loans by the relevant lending authorities or are met out of the Association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross value are included in the financial statements for the year, provided that the dates of issue or valuation are prior to the year-end.

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.

Works to existing properties which replace a component that has been treated separately for depreciation purposes, along with those works that enhance the economic benefits of the assets, are capitalised as improvements. Such enhancements can occur if improvements result in either:

- An increase in rental income;
- A material reduction in future maintenance costs; or
- A significant extension to the life of the property.

Works to existing properties which fail to meet the above criteria are charged to the Statement of Comprehensive Income.

All costs relating to the share of property sold are removed from the financial statements at the date of sale.

(g) Capitalisation of Development Overheads
Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

(h) Development Interest
Interest incurred in financing a development is capitalised up to the date of practical completion of the scheme.

(i) Investment properties
Investment properties (including properties held under an operating lease) consist of commercial properties and properties not held for social benefit. These properties are initially measured at cost and subsequently measured at fair value. Changes in fair value are recognised in the Statement of Comprehensive Income.

Notes to the financial Statements
For the year ended 31 March 2026

1. Accounting policies (cont'd)

(j) Depreciation

(i). Social housing units

Each housing unit has been separated into its major component parts. Each major component is depreciated on a straight-line basis over its expected economic useful life. The following major components and useful lives have been adopted by the Association:

Land	–	not depreciated
Structure	–	over 50 years
Windows and Doors	–	over 25 years
Bathrooms	–	over 30 years
Kitchens	–	over 15 years
Central Heating	–	over 15 years

(ii). Property, plant and equipment

Depreciation is charged on a straight-line basis on other fixed assets so as to write off the asset cost less any recoverable value over its anticipated useful life.

The following rates have been used: -

Heritable Property	–	2% per annum
Commercial Property	–	4% per annum
Office Equipment	–	10% per annum,
Computer and Other Equipment	–	33.33% per annum
Motor Vehicles	–	25% per annum

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal. Expenditure is capitalised if the asset purchased has a useful life of more than one year and costs £15,000 (including VAT) or more.

(k) Impairment

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 Association estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in income and expenditure. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

(l) Investments

Investments in subsidiary undertakings are stated at cost.

(m) Loans

Mortgage loans are advanced by Private Lenders under the terms of individual mortgage deeds in respect of each property or housing scheme.

Notes to the financial Statements
For the year ended 31 March 2026

1. Accounting policies (cont'd)

(n) Financial Instruments

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

Financial assets and financial liabilities are recognised when the Association becomes a party to the contractual provisions of the instrument and are offset only when the Association 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.

<u>Financial assets</u>

Debtors

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

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

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

<u>Financial liabilities</u>

Trade and Other Creditors

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

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

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.

Commitments to receive a loan are measured at cost less impairment.

<u>Derecognition of financial assets and liabilities</u>

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

Notes to the financial Statements
For the year ended 31 March 2026

1. Accounting policies (cont'd)
Derecognition of financial assets and liabilities (cont'd)

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.

(o) Stocks
Stocks of maintenance materials are valued at the lower of cost and net realisable value. Cost is defined as the value on the supplier's invoice.

(p) VAT
The Association is VAT registered but a large proportion of its income is exempt for VAT purposes. As a result, most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

(q) Provisions
In accordance with Financial Reporting Standard 102 provision is made for furniture replacements.

(r) Apportionment of management expenses
Direct employee, administration and operating costs have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of the cost of staff directly attributable to the operations disclosed within the Statement of Comprehensive Income.

(s) Pensions (note 27)
The Association contributes to the two Scottish Housing Association Pension Schemes (SHAPS).

Defined contribution plan
For the defined contribution scheme, the amount charged to the statement of comprehensive income is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Defined benefit plan
The Association participates in the Scottish Housing Associations Defined Benefit Pension Scheme where retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. From 1 April 2018, the Association has accounted for this scheme as a defined benefit pension scheme in accordance with FRS 102.

On the 30 April 2021, the Association transferred all employees who were members of the Defined benefit plan to the Defined contribution plan. Accordingly, the Association will no longer accrue pension liabilities for future service under the Defined benefit plan but will retain a liability for past service received for those employees who were members of the Defined benefit plan up to the date of transfer on 30 April 2021.

(t) Consolidation
The Association has obtained exemption from the Financial Conduct Authority from producing Consolidated Financial Statements as provided under the Co-operative and Community Benefit Societies Act 2014. The financial statements for West of Scotland Housing Association Limited present information about it as an individual undertaking and not about the group.

(u) Operating leases
Rentals under operating leases are recognised in the Statement of Comprehensive Income on an accruals basis.
Notes to the financial Statements

For the year ended 31 March 2026

1. Accounting policies (cont'd)

(v) Taxation
The Association is a Registered Scottish Charity and is not liable to taxation on its charitable activities.

(w) Business combination
Assets and liabilities acquired through a business combination are recognised at fair value. Combinations which are for £nil consideration are treated as a public benefit entity combination that is in substance a gift with any excess of fair value of the assets received over the fair value of the liabilities acquired being recognised as income within the Statement of Comprehensive Income.

2. Critical accounting estimates and judgements

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. The Board does not consider it necessary to restate the value of the investment property - see note 11.

The 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 principal areas where management has exercised judgement are: -

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

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

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

c. Pension Liability
The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. In 2018 the Pension Trust developed a method of calculating each member's share of the assets and liabilities of the scheme. Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 27). The net defined benefit pension liability at 31 March 2026 was £1.953m (2025: £2.226m).

Areas where estimates are used are: -

- In estimating the useful lives of housing properties and capitalised components.
- In estimating depreciation rates to be applied to housing properties, capitalised components and other fixed assets.
- In estimating the recoverable amounts of rental and other trade receivables.
- In estimating grant amortisation.
- In determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

Notes to the financial Statements
For the year ended 31 March 2026

3.Particulars of Turnover, Operating Costs and Operating Surplus

		2026				2025			
		Turnover	Operating Costs	Disposal of Assets	Operating Surplus	Turnover	Operating Costs	Sale of Assets	Operating Surplus
Income and Expenditure From Lettings		**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Social Lettings	(Note 4)	28,862	(25,712)	191	3,341	27,609	(23,755)	46	3,900
Other Activities	(Note 5)	2,368	(2,017)	-	351	2,085	(2,286)	-	(201)
		31,230	**(27,729)**	**191**	**3,692**	**29,694**	**(26,041)**	**46**	**3,699**

Notes to the financial Statements
For the year ended 31 March 2026

4. Particulars of turnover, operating costs and operating surplus from social lettings activities

	General Needs Housing £000	Supported Housing Accommodation £000	Shared Ownership Accommodation £000	2026 Total £000	2025 Total £000
Income from rent and service charges					
Rent receivable net of service charges	21,552	1,193	86	22,831	21,596
Service charges	991	587	0	1,578	1,303
Gross income from rents and service charges	22,543	1,780	86	24,409	22,899
Less voids	(103)	(20)	0	(123)	(211)
Net income from rents and service charges	22,441	1,760	86	24,286	22,688
Grants from Scottish Ministers	0	0	0	0	433
Release of Deferred Income Grant	4,576	0	0	4,576	4,488
Disposal of assets	0	0	191	191	0
Total turnover from affordable letting activities	27,017	1,760	277	29,053	27,609
Expenditure					
Management and maintenance administration costs	7,994	447	71	8,512	7,358
Service costs	1,619	308	0	1,927	1,369
Planned cyclical maintenance including major repairs	1,992	108	0	2,100	3,463
Reactive maintenance costs	3,730	205	0	3,935	3,857
Bad debts – rents and service charges	45	2	0	48	77
Depreciation of social housing	9,191	0	0	9,191	7,631
Operating costs for affordable lettings activities	24,570	1,071	71	25,712	23,755
Operating surplus on affordable lettings activities	2,446	688	206	3,341	3,854
2025	2,984	829	41		

Notes to the financial Statements
For the year ended 31 March 2026

5. Particulars of turnover, operating costs and operating surplus from other activities

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover	Other operating Costs	Operating surplus / deficit	
						2026	2025
	£000	£000	£000	£000	£000	£000	£000
Stage 3 adaptations	504	0	0	504	(460)	44	47
Development and construction of property activities	0	0	0	0	0	0	(309)
Lease income Mid-Market Properties	0	0	1,044	1,044	(502)	542	338
Services Recharges – Factoring	0	0	436	436	(436)	0	0
Upstream Homelessness Grant	0	146	0	146	(157)	(11)	0
Other Activities	0	124	114	238	(461)	(223)	(276)
Total for other activities	504	270	1,594	2,368	(2,016)	351	(201)
2025	262	190	1,632	2,085	(2,285)	(201)	

Notes to the financial Statements
For the year ended 31 March 2026

6. Surplus on Sale of Housing Assets

	2026 £000	2025 £000
Sales Proceeds	360	90
Cost of Sales	(169)	(44)
Gain on Sale of Housing Stock	191	46

7. Interest receivable and similar income

	2026 £000	2025 £000
Interest receivable on deposits	92	105

8. Interest payable and similar charges

	2026 £000	2025 £000
Interest on loans	3,643	3,677
Interest on pension liability	129	117
	3,772	3,794
Less: Development interest capitalised	(7)	(39)
	3,766	3,756

Notes to the financial Statements
For the year ended 31 March 2026

9. Tangible Fixed Assets – Housing properties

	Housing Properties Held for Letting £000	Housing Properties In Course of Construction £000	Shared Ownership Held For Letting £000	TOTAL £000
Cost				
At 1 April 2025	392,993	12,558	1,478	407,029
Additions during year	7,255	3,187	-	10,442
Transfers in year	2,452	(2,452)	-	-
Disposals	(1,535)	-	(190)	(1,724)
At 31 March 2026	401,165	13,293	1,289	415,747
Depreciation				
At 1 April 2025	111,224	-	814	112,038
Transfers in year	-	-	-	-
Provided in the year	9,356	-	42	9,398
Eliminated on Disposal	(1,375)	-	(75)	(1,450)
At 31 March 2026	119,206	-	781	119,987
Net Book Value at 31 March 2026	**281,959**	**13,293**	**508**	**295,760**
Net Book Value at 31 March 2025	**281,768**	**12,558**	**664**	**294,990**

Additions to housing properties include capitalised development administration costs of £155,298 (2025: £153,875) and capitalised interest of £6,507 (2025: £38,982). The average interest capitalisation rate was 4.98% (2025: 5.18%).

The total expenditure on existing properties during the year was £12,887,981 (2025: £10,702,843). Of this, £6,719,121 (2025: £7,865,182) was attributable to component replacements which have been capitalised and £nil on other structural improvements (2025: £nil). The remaining £6,168,860 (2025: £2,837,661) was charged to the statement of comprehensive income as a revenue expense.

Components with a cost of £1,464,517 (2025: £1,407,288), grant of £nil (2025: £nil) and accumulated depreciation of £1,331,358 (2025: £1,356,641) were written off during the year. The net book value of the components of £133,159 (2025: £50,647) is included in the depreciation charge for the year.

The carrying value of land included within housing properties is £31.1 million (2025: £30.9 million). All land and housing properties are freehold. Within housing properties held for letting are properties with a net book value of £112 million (2025: £118.5 million) that have been pledged as security to the Association's lenders in respect of outstanding loans. All land and buildings are heritable properties.

Notes to the financial Statements
For the year ended 31 March 2026

10. Tangible Fixed Assets – Other

	Land	Community Centre	Offices	Other Equipment	TOTAL
	£000	£000	£000	£000	£000
Cost					
At 1 April 2025	152	100	2,770	271	3,293
Additions in year	-	-	22	-	22
Transfers in year	-	-	-	-	-
Disposals in year	-	-	-	-	-
At 31 March 2026	152	100	2,793	271	3,316
Depreciation					
At 1 April 2025	-	56	763	254	1,073
Provided in the year	-	4	56	4	64
Transfers in year	-	-	-	-	-
Disposals in year	-	-	-	-	-
At 31 March 2026	-	60	819	257	1,136
Net Book Value					
At 31 March 2026	**152**	**40**	**1,974**	**14**	**2,179**
Net Book Value					
At 31 March 2025	**152**	**44**	**2,007**	**18**	**2,221**

Notes to the financial Statements
For the year ended 31 March 2026

11. Investment Property

	2026 £000	2025 £000
At start of year	655	655
Gain on revaluation	-	-
As at 31 March 2026	655	655

Investment property consists of 3 commercial properties that are let to unconnected third parties at an arm's length rent. The properties were revalued in the prior year by Allied Surveyors Scotland PLC. The directors consider the current valuations to be an accurate reflection of the value of the properties as at 31 March 2026.

12. Subsidiary Undertakings

West of Scotland Housing Association controls Willowacre Trust, a Scottish charity and company limited by guarantee. The registered office of Willowacre Trust is Camlachie House, 40 Barrowfield Drive, Glasgow, G40 3QH. The principal activities of Willowacre Trust are the provision of support and services. The aggregate amount of capital and reserves and results of Willowacre Trust for the year ended 31 March 2026 were as follows:

	2026 £000	2025 £000
Capital and Reserves	513	507
(Deficit)/Surplus for the Year	6	4

During the year the Association provided management services to Willowacre Trust for which a charge of £16,182 (2025: £15,512) was raised of which £nil (2025: £nil) was outstanding at the year-end. An amount of £776 (2025: £1,310) was due from the Trust in respect of other goods and services purchased by the Association on behalf of the Trust.

The Association leases premises to Willowacre Trust for a nominal rent of £1 (2025: £1).

To support the activities undertaken by Willowacre Trust which deliver services and projects associated with the Supporting Communities strategy to West of Scotland Housing Association tenants and communities, the Association makes support funding available on an annual basis. This funding is subject to annual review. In the year ended 31 March 2026 £563,204 (2025: £436,129) was paid to the Trust.

Notes to the financial Statements
For the year ended 31 March 2026

12. Subsidiary Undertakings (cont'd)

The Association also controls Westscot Living Limited, a private company limited by shares, registered in Scotland, registered office Camlachie House, 40 Barrowfield Drive, Glasgow, G40 3QH. The principal activities of Westscot Living are the provision of factoring services and the management of mid market rental properties. The aggregate amount of capital and reserves and results of Westscot Living for the year ended 31 March 2026 were as follows:

	2026 £000	2025 £000
Capital and Reserves	106	14
(Deficit)/Surplus for the Year	92	15

During the year the Association provided management services to Westscot Living for which a charge of £181,365 (2025: £170,176) was raised of which £Nil (2025:£144,256) was outstanding at the year end. The Association also received lease income of £1,043,838 (2025: £981,348) in respect of the lease of the mid market rental properties to Westscot Living in the year. An amount of £284,720 (2025: £489,453) was due from Westscot Living in respect of other goods and services purchased by the Association on the Company's behalf.

13. Receivables amounts falling due within one year

	2026 £000	2025 £000
Rental Arrears	1,383	913
Less: provision for bad debts	(887)	(499)
	496	414
Amounts owed by Subsidiary undertaking's (due within 1 year)	285	826
Other Debtors	834	1,706
Prepayments and Accrued Income	335	269
	1,950	3,215

14. Payables - amounts falling due within one year

	2026 £000	2025 £000
Bank loans (note 16)	1,795	1,871
Trade Creditors	1,138	807
Contract retentions	930	1,423
Other Creditors	918	851
Accruals and deferred income	2,506	1,820
Rent in advance	864	927
	8,151	7,699

Included in Other Creditors is £69,259 (2025: £58,575) in respect of pension contributions due to the Scottish Housing Associations Pension Schemes.

Notes to the financial Statements
For the year ended 31 March 2026

15. Payables – amounts falling due after more than one year

	2026 £000	2025 £000
Bank loans	88,887	89,966
Grant Repayable / Recyclable	310	399
	89,197	90,366

The bank loans are secured by specific charges on the Association's properties and are repayable at rates of interest ranging from 1.21% to 5.32% (2025: 1.21% to 6.2%).

The bank loans are repayable as follows:

	2026 £000	2025 £000
Between one and two years	12,603	1,812
Between two and five years	14,173	8,957
In five years or more	62,110	79,198
	88,887	89,966
Amounts included due within one year	1,795	1,871
	90,682	91,838

16. Provision for Liabilities and Charges

	2026 £000	2025 £000
Furniture Replacement for Supported Accommodation		
At 01 April 2025	145	160
Added / (released) during year	(18)	(15)
At 31 March 2026	127	145

Notes to the financial Statements
For the year ended 31 March 2026

17. Deferred Capital Grants

	Housing Properties Held for Letting £000	Housing Properties In Course of Construction £000	Shared Ownership Properties Held for Letting £000	Total £000
At start of year	148,449	13,110	(88)	161,471
Additions during year	515	3,382	-	3,897
Transfers in year	3,198	(3,198)	-	-
Reinstated following disposal	(26)	-	74	48
Amortised in year	(4,641)	-	14	(4,626)
At end of year	147,496	13,293	-	160,790

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

	2026 £000	2025 £000
Amounts due within one year	4,576	4,489
Amounts due in one year or more	156,214	156,982
	160,790	161,471

18. Share Capital

Shares of £1 each issued and fully paid	2026	2025
At beginning of year	243	271
Issued during the year	5	4
Shares forfeited in year	(6)	(32)
At end of year	242	243

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

19. Reserves

Reserves include all current and prior year retained surpluses or deficits and are held to meet future requirements of the Association.

Notes to the financial Statements
For the year ended 31 March 2026

20. Statement of Cash Flows

Reconciliation of surplus to net cash inflow from operating activities	2026 £000	2025 £000
Surplus	18	49
Actuarial (charge) / credit	402	281
Depreciation of tangible fixed assets	9,454	8,325
Shares forfeited	-	(-)
Gain on revaluation of investment properties	-	-
Decrease / (Increase) in trade and other debtors	1,265	910
Increase in trade and other creditors	440	(1,154)
Increase in Provisions	(18)	(15)
Increase / (Decrease) in provisions and employee benefits	(273)	(164)
Release of deferred government grant	(4,578)	(4,488)
Gain on disposal of fixed assets	(67)	(46)
Interest payable and similar charges	3,637	3,639
Interest receivable and similar income	(92)	(105)
Net cashflow from operating activities	10,188	7,232

21. Movement in Net Debt

	2025 £000	Movement in cash flow £000	Loans Drawn £000	Loans Repaid £000	Loan Arrangement fee Amortisation £000	2026 £000
Cash and cash equivalents	2,772	(732)	-	-	-	2,041
Loans outstanding	(91,487)	-	(1,714)	2,570	(50)	(90,681)
	(88,715)	(732)	(1,714)	2,570	(50)	(88,641)

Notes to the financial Statements
For the year ended 31 March 2026

22. Key Management Personnel

The key management personnel are defined as the members of the Board, the executive officers and any other person reporting directly to the Chief Executive or the Board. No emoluments were paid to any members of the Board during the year.

	2026	2025
	£	£
Emoluments (excluding pension contributions) of:		
Chief Executive	110,866	110,113

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

	2026	2025
£60,000 - £70,000	5	2
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

	2026	2025
	£	£
Pension Contributions payable for the above:-	140,353	103,731

The total emoluments paid to directors, including those holding the post of chief executive, during the year was:

	2026	2025
	£	£
Emoluments (excluding pension contributions)	411,689	404,804
Total expenses reimbursed in so far as not chargeable to UK Income Tax	-	-

The Chief Executive is an ordinary member of the Association's pension scheme as described in note 28. The Association's contribution for the chief executive in the year amounted to £26,234 (2025: £20,502).

Notes to the financial Statements
For the year ended 31 March 2026

23. Employee Information

	2026	2025
The average total number of persons employed during the year was	89	97
The average monthly number of full-time equivalent persons employed during the year was	85	88

	2026 £000	2025 £000
Staff costs (including directors emoluments)	3,860	3,572
Social security costs	492	350
Pension costs	811	786
	5,163	4,708

24. Operating Surplus

	2026 £000	2025 £000
Operating surplus is stated after charging / (crediting):		
Depreciation	9,498	8,325
Amortised capital grants	(4,576)	(4,488)
Operating lease payments	12	11
Repairs: cyclical, major, day to day	6,169	6,677
Auditor's remuneration	19	22

25. Taxation

The Association is a registered charity and is exempt from corporation tax on its charitable activities. No corporation tax was due on its non-charitable activities.

Notes to the financial Statements
For the year ended 31 March 2026

26. Capital Commitments

	2026 £000	2025 £000
Capital expenditure which has been contracted for but has not been provided for in the financial statements	4,547	5,616
Capital expenditure which has been authorised by the Board of Management but is not contracted	44,353	50,687
	48,899	56,303

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

	2026 £000	2025 £000
Funding from the Scottish Government	32,437	36,382
Private Finance	16,462	19,921
	48,899	56,303

27. Pensions

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. A recovery plan was put in place to eliminate the deficit which commenced on 1 April 2026.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

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

Notes to the financial Statements
For the year ended 31 March 2026

27. Pensions (cont'd)

Principal Actuarial Assumptions

Key Assumptions	**2026** **% per annum**	**2025** **% per annum**
Discount Rate	6.08%	**5.82%**
Inflation (RPI)	3.31%	**3.10%**
Inflation (CPI)	3.03%	**2.79%**
Salary Growth	4.03%	**3.79%**
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

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

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

Net Liability	**2026** **£000**	**2025** **£000**
Fair value of plan assets	16,124	15,787
Present value of defined benefit obligation	18,077	18,013
Surplus (deficit) in plan	(1,953)	(2,226)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,953)	(2,226)

Notes to the financial Statements
For the year ended 31 March 2026

27. Pensions (cont'd)

Assets	**2026 (£000s)**	**2025 (£000s)**
Global Equity	2,129	1,829
Liquid Alternatives	3,083	2,907
Insurance-Linked Securities	31	60
Property	841	782
Infrastructure	1	3
Private Equity	35	14
Real Assets	1,599	1,884
Private Credit	2,079	1,969
Credit	735	671
Investment Grade Credit	677	722
Cash	6	84
Long Lease Property	-	5
Secure Income	218	365
Liability Driven Investment	4,451	4,445
Currency Hedging	(1)	26
Net Current Assets	240	21
Total assets	16,124	15,787

Reconciliation of the Opening and Closing Balances of the Fair Value of Plan Assets

	Period from 31 March 2025 to 31 March 2026 £000
Fair value of plan assets at start of period	15,787
Interest income	901
Experience on plan assets (excluding amounts included in interest income	35
Employer contributions	31
Member contributions	-
Benefits paid and expenses	(630)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	16,124

Notes to the financial Statements
For the year ended 31 March 2026

27. Pensions (cont'd)

Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	2026 £000
Defined benefit obligation at start of the period	18,013
Current service cost	-
Expenses	31
Interest expense	1,030
Member contributions	-
Actuarial losses (gains) due to scheme experience	(264)
Actuarial losses (gains) due to changes in demographic assumptions	183
Actuarial losses (gains) due to changes in financial assumptions	(630)
Defined benefit obligation at end of period	18,077

Defined benefit costs recognised in Statement of Comprehensive Income (SOCI)

	2026 £000
Current service cost	-
Expenses	31
Net interest expense	129
Defined benefit costs recognised in Statement of Comprehensive Income (SOCI)	160

Defined Benefit Costs Recognised in Other Comprehensive Income (SOCI)

	2026 £000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	35
Experience gains and losses arising on the plan liabilities - gain (loss)	264
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(183)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	286
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	402
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	402

Notes to the financial Statements
For the year ended 31 March 2026

28. Property Stock

The number of units of accommodation owned by the Association was as follows:

	Units under Management		Units under Development	
	2026	**2025**	**2026**	**2025**
General Needs Housing	4,097	4,086	21	94
Shared Ownership Accommodation	34	37	-	-
Supported Housing Accommodation	221	221	-	-
Total Housing Stock	4,352	4,344	21	94
Other Property				
Commercial	11	11	-	-
Mid Market Rental	144	144	94	124
Heritable – Association's Offices	2	2	-	-
Total Other Property	157	157	94	124

The Mid Market Rental property is owned by the Association and managed on behalf of the Association by Westscot Living Limited.

29. Other Financial Commitments

Non-cancellable operating lease rentals are payable as follows:

	2026 £000	**2025 £000**
Within one year	40	31
Within two to five years	30	46
	70	77

30. Lessor

At the reporting end date, the Association had contracted with tenants for the following minimum lease payments £696,529 (2025: £121,825).

31. Related Party Transactions

The Association has two wholly owned subsidiaries, Willowacre Trust, a charitable Association limited by guarantee and Westscot Living, a private company limited by shares. Details of transactions with the subsidiaries are included in Note 12.

The terms applicable to tenant members of the Association are the same terms applicable to all tenants. Rental income and associated services charges of £27,870 (2025: £29,046) were received from members of the Board who were also tenants of the Association. The aggregate balance outstanding at the 31 March 2026 was £Nil (2025: Nil).

During the year expenses of £337 (2025: £427) were reimbursed to members of the Board of Management in respect of training, travelling and subsistence costs.