AZETS

SHETTLESTON HOUSING ASSOCIATION LIMITED

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Members, Executive Officers, and Advisers

Board

Tracey Kernahan (Chair)	
Elizabeth Battersby (Vice Chair)	
Gillian Johnston	
Grace Barbour	
Eddie Robertson	Resigned March 2026
Brian Barclay	
Janice Saunders	
Marian Hassan	Resigned May 2025
Irene McGinnes (Secretary)	
Ania Ostrowska	Appointed September 2025
Lisa Miller	Appointed September 2025
Kieran Agnew	Appointed September 2025
Rae Connolly (Co-optee)	Co-opted October 2025
Ross Ramsay (Co-optee)	Co-opted October 2025
Hugh McIntosh	Resigned as Chairperson May 2025 / Co-opted October 2025

Registered Office
Helen McGregor House
65 Pettigrew Street
Glasgow
G32 7XR

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

Bank
Royal Bank of Scotland
1304 Duke Street
Glasgow
G31 5PZ

Solicitors
T C Young LLP
7 West George Street
G2 1BA

Executive Officers

Tony Teasdale	Chief Executive Officer
Kirsty Brown	Director of Finance & Corporate Services
Colette McKenna	Director of Property Services
Craig Russell	Director of Customer & Community Services

Internal Auditor
Cameron Audit
GF 4 Grosvenor Gardens
Edinburgh
EH12 5JU

SHETTLESTON HOUSING ASSOCIATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

Registration information

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered number SP1884RS
The Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered number 183
Scottish Charity Number	SC036687

SHETTLESTON HOUSING ASSOCIATION LIMITED

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

The Board presents its Report (incorporating the Strategic Report) and audited financial statements for the year ended 31 March 2026.

Principal Activity

The principal activity of the Group is the provision of social rented accommodation, the provision of estate caretaking services, the provision of a repairs and maintenance service and the acquisition and letting of properties at market and mid-market rents.

Objectives

During 2025/26 the Group adopted the following strategic objectives:

1. To achieve excellent standards of governance, organisational resilience and environmental sustainability;
2. To continue to improve the quality and value for money of our services;
3. To effectively manage our resources to protect our assets and deliver the best possible outcomes for quality, affordable and sustainable homes in the area;
4. To support our tenants and the local community through the “cost of living crisis” and promote health and wellbeing; and
5. To develop our staff team and refresh our working culture to ensure that SHA is a great place to work.

The Strategic Objectives outlined above are translated into practical tasks with timescales and targets with named individuals taking ownership of delivery and is incorporated into the Summary Delivery Plan along with our Key Performance Indicators (KPIs).

Progress against the Summary Delivery Plan and KPIs was reported to the Board.

Review of the Business and Future Developments

Overall

Significant progress was achieved with the delivery of our Business Plan during the year. The following is a summary of the key achievements and progress during 2025/26:

Governance

We continued to strengthen the Boards across the Group with the recruitment of new Members including tenants, other local residents and people with targeted professional skills.

There was a successful transition in the post of SHA Chairperson following the retirement of Hugh McIntosh as Chair and with the appointment of Tracey Kernahan. A strong and stable Group of office bearers and sub-Committee chairs has been maintained across the Group, in accordance with the Group Board Succession Plan.

A Board Development Plan was approved following the annual Board Review and in accordance with this a range of training / development activities undertaken and a Strategy Day held in January.

The Board kept the Association’s compliance with Regulatory standards under review and carried out a review of our assurance framework to reflect updated Guidance. Following its annual regulatory risk assessment the Scottish Housing Regulator confirmed that the Association’s “Compliant” status would be maintained in 2026/27.

The 2025 Group External Audit was successfully completed and a clean management letter received. A programme of internal audits was undertaken in accordance with the agreed plan. Areas considered this year included payroll and void management. A specialist consultant was commissioned to carry out a more in-depth review of the Association's approach to damp, mould and condensation. In all cases controls were found to be strong and action plans were put in place to address any areas highlighted for improvement. The Internal Audit service was tendered at the end of the year.

We also continued to develop our benchmarking arrangements to understand how our performance and costs compare with other RSLs. We participated in the Scottish Housing Network's Value for Money benchmarking exercise and this highlighted the Association's relatively strong performance, including the low cost of our reactive maintenance service.

Shettleston Housing Group takes seriously the threat of climate change and is committed to building sustainability into all of our activities. We submitted our first annual self-assessment report against Sustainability Reporting Standard (SRS) having signed up as an Adopter the year before.

Our 2025 AGM had a theme of tackling issues to do with waste management with a senior council official and Upkeep's Head of Operations as guest speakers. This generated a lively discussion from members in attendance about what can be done to improve the situation in the local area in future.

We continued to strengthen relationships within the Group as a whole. A successful conference for staff and Board Members from across the Group was held in May 2025 and we also celebrated Upkeep's 20th anniversary during the year.

A major step forward was taken with the development of our ICT strategy to boost efficiency and effectiveness of operations and to ensure business continuity. Our existing Capita system had historic issues and was coming to the end of its life. A decision was taken during the year to procure the HomeMaster system as a replacement and – with lots of hard work from across the staff team - this was successfully introduced. This involved not just implementation of the new system and associated training but also a badly needed clean-up of data and internal processes. The new system was launched in April 2026.

Operations and Services

During the year we made progress in a number of areas to improve the quality and effectiveness of our housing and maintenance service delivery.

A new staff structure for the Customer and Community Service (CCS) team had been introduced in 2024. This had included the creation of two area teams, each led by an Area Housing Manager and changes to Housing Officer roles with each officer having a more geographically focused patch, closely aligned to maintenance officer areas to allow for greater collaborative working.

Following on from this, during 2025/26, progress was made towards the wider objectives of the structure review. The staff team settled down, with the appointment of five new members of staff in the CCS team during the year. Housing officers began to get to know their tenants and the stock and to build relationships. This is an ongoing process.

A Customer Service Charter was developed with input from staff and customers. This Charter introduced measurable standards for our customer interactions and applied across the Shettleston Housing Group.

All staff across the took part in Customer Service refresher training to help embed our new Customer Service Standards and Complaints Handling refresher training was delivered to all staff.

An Annual House Visit Strategy was developed and implemented, increasing the number of house visits carried out. This has helped us get to know tenants better and target assistance we can provide with housing and property issues.

An independent audit was undertaken of our policy and procedures for addressing damp, mould and condensation in homes. Following on from this a fully revised policy and procedures have been implemented that will improve how we effectively manage these issues for tenants.

There was a strong focus during the year on environmental management. In August 2025, as part of the initial, independent, tenant survey about the rent restructure, we asked tenants about the caretaking services being delivered. Whilst there was clear ongoing support for the delivery of these services there was also a lot of comments and suggestions for service improvement.

Following on from this we agreed new Estate Caretaking specifications for close-cleaning, back-court maintenance and bulk uplift with Upkeep, the service provider. These new specifications were introduced in late 2025, with new close based QR codes introduced at the same time to facilitate ongoing tenant feedback. Arrangements have also been made for the full service to be provided to closes where only a partial service was previously in place. The early priority was to carry out catch up deep cleans in each close and early feedback suggests that improvements can be seen. The new service will be subject to ongoing monitoring.

We also implemented a revised and improved landscaping service to all common areas.

The increasing issues with bulk waste, fly-tipping and low levels of recycling from flats across the City continued to pose a challenge for residents and Upkeep, and SHA staff were involved in close partnership working in some areas to attempt to tackle this.

We reviewed our homelessness referrals arrangement with Glasgow HSCP and the Council. The agreed target for homeless referrals as a proportion of all lets was increased to 50% and we are on track to meet this target for year-end.

The staff team responded well to the various challenges and high standards of performance were again achieved. The majority of our key service delivery targets / KPIs were met and our performance continued to compare generally well against sector averages. Despite the challenging economic environment, rent arrears were kept under control and we continued to work hard to support tenants in their tenancies. We introduced Pay360 to improve rent payment options.

Following consultation with tenants, the longstanding aim of reviewing the SHA rent structure was achieved during the year in line with the following objectives:

- Develop a single, harmonised rent structure to be applied to all properties.
- Continue to reflect key property features but be simpler and easier to understand.
- Ensure that future rental income is maintained in line with the Business Plan.
- Continue to ensure that rents are affordable and comparable with other social landlords.
- Provide advice and support to tenants and phase large increases (and reductions) in over a number of years.

We continued to meet with our Tenant Forum to discuss key areas of service delivery and progress against the Service Improvement Action Plan with some new members recruited.

A review was undertaken of our factoring arrangements following consultation with owners.

Our “wider role” in the community

A main objective during the year was to continue to support our tenants and the local community through the “cost of living crisis”. We continued to provide targeted information and advice and tenancy sustainment support. We successfully sourced additional external funding to boost local incomes and assist with fuel bills throughout the year.

Around Christmas 2025 we were pleased to be able to work with other local bodies and partners to provide additional support to tenants and the local community.

- Cash for Kids funding of £3,000 enabled the provision of £25 or £50 vouchers to 67 families.
- 163 pantomime tickets and goodie bags were issued.

We continued to subsidise shops for SHA customers at the Drillhall Pantry in Parkhead.

We also continued the operation of the Tollcross Shettleston Money Advice Service (TSMAS) with our Tollcross partners, in addition to our own income maximisation service. The project was successful in securing funding from AdviceUK to continue providing the service for a further 3 years.

Our Energy Advice service (shared with Tollcross Housing Association) continued to offer support to tenants (including providing emergency top-ups and assistance with energy debt). We were successful in securing funding in November to secure the project for a further 2 years.

We continued to provide support to important local community organisations including Shettleston Community Growing Project (SCGP), the Men's Shed, the Food Pantry, Fuse and the Shettleston Keen-agers.

Our shop premises at 981 Shettleston Rd (the Shettleston "HUB") continued to function but longstanding services (the Pantry and Shettleston Does Digital) came to an end. FUSE continues to deliver digital skills from the Hub and we have been trialling other activities including subsidised yoga sessions and arts and crafts activities.

A very successful Shettleston Gala was held in conjunction with SCGP in August, with over 500 people in attendance.

We contributed to the Shaping Shettleston consultation exercise and influenced the final Locality Plan for the Shettleston Electoral Ward and look forward to helping to deliver on the actions proposed.

As part of the Council's consultation on the future use of its £1m Neighbourhood Infrastructure Improvement Fund (NIIF) we submitted a range of proposals for enhancing the local area.

We continued to review the feasibility of taking Shettleston Community Centre into community ownership. This included funding submissions for capital grant works and the commissioning of a detailed physical condition assessment of the building. Support with this was received from Community Links Scotland.

Ultimately, the decision was taken with regret that the community centre was no longer a viable option for improving community space provision in the area and the Association and instead will be focusing on other options. In particular, building on the range of activities delivered from the "HUB".

Through our subsidiary, Upkeep, we continued to deliver apprenticeship and other training opportunities to benefit local young people.

We successfully recruited a new Community Development Officer in late 2025 and are confident of being able to deliver on our objective of playing an enhanced role in the community going forward.

Investment

In 2025/26 we invested over £6 million in the Association's existing housing stock. Along with a comprehensive range of cyclical works and our reactive and void repairs programme we undertook a capital works projects totalling more than £3 million. This included:

- Replacement of windows in 30 homes
- Replacement of common windows in 28 closes
- Replacement of 107 flat entrance doors

- Installation of 30 boilers
- Installation of 120 new kitchens
- Replacement of 45 bathrooms
- Replacement of 6 front close doors and 20 rear close doors
- Completed major stonework repairs to 14 homes over 2 closes

Work is also underway to install new windows in a further 24 homes. This work will be completed in early 2026/27.

In addition to the above we also completed medical adaptation works in 28 homes. This work has been fully funded by grant from Glasgow City Council at a cost of £86,121.

In October 2025 we secured grant funding of £250,000 from the Social Housing Net Zero Heat Fund to assist with the delivery of a decarbonization pilot project in 15 homes. Works commenced on site in March 2026 and include the installation of air source heat pumps, solar pvs and battery storage in these of two storey houses. The project will be completed in April and we expect the energy efficient clean heating system, combined with solar power generation and battery storage to help reduce tenants fuel costs.

We bought back one home from a sharing owner during the year and converted this to social rented stock. In addition, we acquired 10 further homes under the Council's Private Acquisitions Strategy, with grant funding assistance of £0.79million. These homes have been upgraded by the Association to meet our lettable standard and allocated via Section 5 referrals to help alleviate homelessness in the area.

Financial Update

During the year the Association made a surplus of £2,683,073 and its net assets position was £17,806,982 at 31 March 2026. The Group made a surplus of £2,652,802 and its net assets position was £18,509,139 at 31 March 2026.

Inflation remained higher than anticipated over the year and although it has now dropped to 2.8% as of April 2026, it is still higher than the Bank of England target of 2%. At the start of the 2026 year, it was thought that the 2% target would be in reach by December 2026 however the situation in the Middle East will likely keep the inflation rate higher for longer. The impact of this inflation battle is that interest rates will now likely remain higher than previously expected. The Bank of England Base Rate has been steadily reducing from its peak of 5.25% in August 2023 and now sits at 3.75%. Another two cuts were previously assumed, taking it to 3.25% terminal rate by the summer of 2026. However, due to the situation in the Middle East these cuts are no longer forecast. If inflation continues to run higher, we may see a return to an increasing base rate. Although over 80% of our borrowing is fixed, the impact of the higher interest rates on loan interest charges has been noticeable over the last few years, albeit starting to reduce. Overall significant costs pressures have eased in comparison to prior years however there is still pressure on insurance costs, staff costs and the labour rates passed on from contractors.

Despite these challenges, the Association has increased its income and achieved good cost control over the last 12 months. Forecast financial results for the 2025/26 year are favourable overall when compared to budgeted expectation. Cash reserves have reduced over the course of the year. However, this was expected and we are outperforming budget expectation for cash on hand.

In March 2025 we started taking advantage of the higher interest rates that are on offer by using 35/95-day notice accounts. These provide a higher rate of interest than our existing bank account offering, and the returns have been worthwhile.

The average rent increase implemented at the start of the 2025/26 year was 3.8% across all tenancies. The 2026/27 rent increase will be a flat 5.1% across all tenancies, however we have also completed our rent harmonisation project over the course of the year which has resulted in some large swings in rent levels. As such, a phasing approach has been adopted to mitigate the financial impact for tenants.

Therefore, not all tenants will receive the same overall uplift as the 5.1% inflationary uplift is combined with the phasing of new rent levels. It should also be noted that our business plan rent inflation assumption is +1% above inflation for years 2027/28 to 2037/38 (11-year period). We will continue to review and update our financial position along with our rent levels going forward, considering the needs of the business and those of our tenants.

We reviewed our loan covenants in 2024 with our lender, the Royal Bank of Scotland (RBS). This resulted in the amendment of our interest cover covenant calculation. We now have more headroom available which provides more flexibility in terms of investment spend; this is important as we have yet to incorporate any significant spend in relation to EESSH2 or Net Zero into our business plan projections.

The update to the 30-year business plan model was approved by the Board in March 2026. It is also worth noting the following key financial performance indicators for the 2025/26 year:

- All statutory reporting and compliance requirements were met on time; and
- All loan covenants were achieved at the end of the financial year.

Related Party Transactions

Some members of the Board are tenants. Their tenancies are on the Association's normal tenancy terms and they cannot use their positions to their advantage. Transactions with the Board are included in Note 29.

Statement on Internal Financial Control

The Board acknowledge their ultimate responsibility for ensuring that the Group and Association 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 and Association or for publication;
- 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 mis-statement or loss.

Key elements include ensuring that:

(a) Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Group's and the Association's assets;

(b) Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;

(c) Forecasts and budgets are prepared which allow the Board and management to monitor the key business risks and financial objectives, and progress towards financial plans set out for the year. During the financial year, regular management accounts are prepared promptly, providing relevant, reliable and up to date financial and other information. Significant variances from budgets are investigated as appropriate;

(d) All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the relevant sub-committee which are comprised of Board members;

(e) The Group and Association has appointed a firm of consultants, who specialise in internal audit, as internal auditors with the specific responsibility of assessing the adequacy and reliability of the system of internal financial control. The results of such reviews are reported to the Audit & Corporate Sub-Committee;

(f) The Board reviews reports from the external auditor to provide reasonable assurance that control procedures are in place and are being followed; and

(g) Formal practices have been established for instituting appropriate action to correct weaknesses identified from the reports of the external auditor and the internal auditor.

The Board has reviewed the effectiveness of the system of internal control in existence in the Group and Association for the year ended 31 March 2026. No weaknesses were found in internal financial control 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.

Statement of the Board's responsibilities

Housing Association legislation requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and the Association and of the income and expenditure of the Group and the Association for the year ended on that date. In preparing those financial statements the Board are required to:-

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Association and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019.

The Board is also responsible for safeguarding the assets of the Group and the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

As far as the Board members are aware, there is no relevant audit information of which the Group’s auditor is unaware and the Board members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure the Group’s auditor is aware of such information.

Auditor

Azets Audit Services will be proposed for reappointment at the Annual General Meeting.

By order of the Board

Irene McGinnes

Irene McGinnes
Secretary

Dated: 18 August 2026

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

Opinion

We have audited the financial statements of Shettleston Housing Association Limited (the "Parent Association") and its subsidiaries (the "Group") for the year ended 31 March 2026 which comprise the Group and Association Statements of Comprehensive Income, the Group and Association Statements of Changes in Capital and Reserves, the Group and Association Statements of Financial Position, the Group and Association Statements of Cash Flows and the notes to the financial statements, 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 Group's and the Parent Association's affairs as at 31 March 2026 and of the Group's and the Parent Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board is responsible for the other information. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

- the engagement director ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group and the Parent Association through discussions with the Board members and the senior management team, and from our knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group and the Parent Association, including the Co-operative and Community Benefit Societies Act 2014, the Co-operative and Community Benefits Societies (Group Accounts) Regulations 1969, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and taxation, data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of the senior management team and the Board and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the Parent Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Parent Association's members, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Association and the Parent Association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

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

Date: 10 September 2026

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

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

In addition to our audit of the financial statements, we have reviewed your statements on page 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial control contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial control and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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

Azets Audit Services

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

Date: 10 September 2026

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

SHETTLESTON HOUSING ASSOCIATION LIMITED

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

	Notes	2026 £	*2025* *£*
Turnover	4	**13,550,764**	*13,024,781*
Operating expenditure	4	**(9,927,876)**	*(9,317,216)*
Operating surplus	4, 11	**3,622,888**	*3,707,565*
(Decrease) in the fair value of investment properties	14b	**-**	*(5,781)*
Interest receivable and other income	9	**79,027**	*70,272*
Gain/(loss) on disposal of fixed assets		**32,311**	*-*
Net interest on pension scheme asset	22	**(60,000)**	*(52,000)*
Interest payable and similar charges	10	**(1,157,135)**	*(1,236,932)*
Surplus before taxation		**2,517,091**	*2,483,124*
Tax charge on surplus	12	**(1,289)**	*(13,828)*
Surplus for the year		**2,515,802**	*2,469,296*
Other comprehensive income			
Actuarial gain in respect of the SHAPS defined benefit pension scheme	22	**181,000**	*178,000*
Actuarial (loss) in respect of the Strathclyde defined benefit pension scheme	22	**(44,000)**	*(72,000)*
Total comprehensive income		**2,652,802**	*2,575,296*

The financial statements were authorised for issue by the Board on 18 August 2026 and were signed on its behalf by:

Tracey Kernahan — Chair

Elizabeth Battersby — Vice Chair

Irene McGinnes — Secretary

Regulated Number: SP1884RS

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements

SHETTLESTON HOUSING ASSOCIATION LIMITED

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

	Notes	2026 £	2025 £
Turnover	4	**13,358,084**	*12,970,347*
Operating expenditure	4	**(9,835,074)**	*(9,384,697)*
Operating surplus	4, 11	**3,523,010**	*3,585,650*
(Decrease) in the fair value of investment properties	14c	**-**	*(80,781)*
Interest receivable and other income	9	**99,097**	*90,342*
Gain/(loss) on disposal of fixed assets		**32,312**	*-*
Net interest on pension scheme asset		**(60,000)**	*(52,000)*
Interest payable and similar charges	10	**(1,157,135)**	*(1,235,936)*
Investment income – gift aid from subsidiary		**108,789**	*153,977*
Surplus for the year		**2,546,073**	*2,461,252*
Other comprehensive income			
Actuarial gain in respect of the SHAPS defined benefit pension scheme	22	**181,000**	*178,000*
Actuarial (loss) in respect of the Strathclyde defined benefit pension scheme	22	**(44,000)**	*(72,000)*
Total comprehensive income		**2,683,073**	*2,567,252*

The financial statements were authorised for issue by the Board on 18 August 2026 and were signed on its behalf by:

T Kernahan

Tracey Kernahan — Chair

Elizabeth Battersby

Elizabeth Battersby — Vice Chair

Irene McGinnes

Irene McGinnes — Secretary

Regulated Number: SP1884RS

The results for the year relate wholly to continuing activities.

The notes form part of these financial statements

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

	Share Capital £	**Revenue Reserve £**	**Capital Redemption Reserve £**	**Total Reserves £**
Balance at 1 April 2025	**138**	**15,855,400**	**772**	**15,856,310**
Issue of share capital	**27**	**-**	**-**	**27**
Cancellation of share capital	**(9)**	**-**	**9**	**-**
Total comprehensive income	**-**	**2,652,802**	**-**	**2,652,802**
Balance at 31 March 2026	**156**	**18,508,202**	**781**	**18,509,139**

	Share Capital £	*Revenue Reserve £*	*Capital Redemption Reserve £*	*Total Reserves £*
Balance at 1 April 2024	*128*	*13,280,104*	*752*	*13,280,984*
Issue of share capital	*30*	*-*	*-*	*30*
Cancellation of share capital	*(20)*	*-*	*20*	*-*
Total comprehensive income	*-*	*2,575,296*	*-*	*2,575,296*
Balance at 31 March 2025	*138*	*15,855,400*	*772*	*15,856,310*

The notes form part of these financial statements.

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

	Share Capital	**Revenue Reserve**	**Capital Redemption Reserve**	**Total Reserves**
	£	**£**	**£**	**£**
Balance at 1 April 2025	**138**	**15,122,972**	**772**	**15,123,882**
Issue of share capital	**27**	**-**	**-**	**27**
Cancellation of share capital	**(9)**	**-**	**9**	**-**
Total comprehensive income	**-**	**2,683,073**	**-**	**2,683,073**
Balance at 31 March 2026	**156**	**17,806,045**	**781**	**17,806,982**

	Share Capital	*Revenue Reserve*	*Capital Redemption Reserve*	*Total Reserves*
	£	*£*	*£*	*£*
Balance at 1 April 2024	*128*	*12,555,720*	*752*	*12,556,600*
Issue of share capital	*30*	*-*	*-*	*30*
Cancellation of share capital	*(20)*	*-*	*20*	*-*
Total comprehensive income	*-*	*2,567,252*	*-*	*2,567,252*
Balance at 31 March 2025	*138*	*15,122,972*	*772*	*15,123,882*

The notes form part of these financial statements.

SHETTLESTON HOUSING ASSOCIATION LIMITED

GROUP STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Notes	2026 £	*2025 £*
Tangible fixed assets			
Housing properties	14a	**80,112,328**	*77,730,541*
Other fixed assets	14b	**2,701,392**	*2,695,603*
		82,813,720	*80,426,144*
Current assets			
Stock	15b	**41,549**	*145,025*
Debtors	16	**1,341,512**	*879,724*
Cash and cash equivalents	17	**1,247,391**	*2,690,374*
Investments	18	**1,523,383**	*1,283,114*
		4,153,835	*4,998,237*
Creditors: amounts falling due within one year	19	**(4,305,634)**	*(4,130,500)*
Net current (liabilities)/assets		**(151,799)**	*867,737*
Total assets less current liabilities		**82,661,921**	*81,293,881*
Creditors: amounts falling due after more than one year	20	**(63,144,530)**	*(64,367,608)*
Provisions for liabilities	13	**(55,244)**	*(53,955)*
SHAPS defined benefit pension liability	22	**(1,011,008)**	*(1,126,008)*
Strathclyde pension scheme defined benefit pension liability	22	**58,000**	*110,000*
Net assets		**18,509,139**	*15,856,310*
Capital and reserves			
Share capital	23	**156**	*138*
Revenue reserve	23	**18,508,202**	*15,855,400*
Capital redemption reserve	23	**781**	*772*
		18,509,139	*15,856,310*

The financial statements were authorised for issue by the Board on 18 August 2026 and were signed on its behalf by:

T Kernahan

Tracey Kernahan — Chair

Elizabeth Battersby

Elizabeth Battersby — Vice Chair

Irene McGinnes

Irene McGinnes — Secretary

Regulated Number: SP1884RS
The notes form part of these financial statements

SHETTLESTON HOUSING ASSOCIATION LIMITED

ASSOCIATION STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2026

	Notes	2026 £	*2025* *£*
Tangible fixed assets			
Housing properties	14a	**80,112,328**	*77,730,541*
Other fixed assets	14c	**1,685,608**	*1,714,063*
		81,797,936	*79,444,604*
Investments			
Investments in subsidiaries	15a	**2**	*2*
Current assets			
Debtors due in more than one year	16	**669,359**	*669,359*
Debtors due in less than one year	16	**1,296,642**	*839,206*
Cash and cash equivalents	17	**966,012**	*2,438,733*
Investments	18	**1,523,383**	*1,283,114*
		4,455,396	*5,230,412*
Creditors: amounts falling due within one year	19	**(4,348,814)**	*(4,167,520)*
Net current assets		**106,582**	*1,062,892*
Total assets less current liabilities		**81,904,520**	*80,507,498*
Creditors: amounts falling due after more than one year	20	**(63,144,530)**	*(64,367,608)*
SHAPS defined benefit pension liability	22	**(1,011,008)**	*(1,126,008)*
Strathclyde pension scheme defined benefit pension liability	22	**58,000**	*110,000*
Net assets		**17,806,982**	*15,123,882*
Capital and reserves			
Share capital	23	**156**	*138*
Revenue reserve	23	**17,806,045**	*15,122,972*
Capital redemption reserve	23	**781**	*772*
		17,806,982	*15,123,882*

The financial statements were authorised for issue by the Board on 18 August 2026 and were signed on its behalf by:

T Kernahan

Tracey Kernahan — Chair

Elizabeth Battersby

Elizabeth Battersby — Vice Chair

Irene McGinnes

Irene McGinnes — Secretary

Regulated Number: SP1884RS
The notes form part of these financial statements

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

	Notes	2026 £	*2025 £*
Net cash generated from operating activities	1	**5,740,227**	*6,050,537*
Cashflows from investing activities			
Purchase of housing properties		**(5,005,489)**	*(2,538,652)*
Purchase of property, plant and equipment		**(196,279)**	*(142,624)*
Proceeds from sale of property, plant and equipment and investment properties		**-**	*-*
Deferred Government Capital Grants received		**1,100,721**	*344,958*
Interest received		**79,027**	*70,272*
Tax paid			*-*
Cashflows from financing activities			
Interest paid		**(1,995,021)**	*(2,065,970)*
Loan repayment		**(925,927)**	*-*
Repayment of HP		**-**	*(18,843)*
Issue of share capital		**27**	*30*
Deposit to current asset investments		**(240,269)**	*(631,109)*
Net changes in cash and cash equivalents		**(1,442,983)**	*1,068,599*
Cash and cash equivalents at 1 April 2025		**2,690,374**	*1,621,775*
Cash and cash equivalents at 31 March 2026		**1,247,391**	*2,690,374*

i) Analysis of changes in net debt

	At 1 April 2025 £	Cash flows £	Other non-cash changes £	At 31 March 2026 £
Cash and cash equivalents				
Cash and cash equivalents	**2,690,374**	**(1,442,983)**	**-**	**1,247,391**
	2,690,374	**(1,442,983)**	**-**	**1,247,391**
Borrowings				
Debt due within one year	**(1,894,676)**	**-**	**(168,949)**	**(2,063,625)**
Debt due after one year	**(48,399,877)**	**-**	**1,932,762**	**(46,467,115)**
	(50,294,553)	**-**	**1,763,813**	**(48,530,740)**
Total	**47,604,179**	**(1,442,983)**	**1,763,813**	**(47,283,349)**

The notes form part of these financial statements

NOTES TO THE GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2026

1) Reconciliation of surplus for year to Net Cash Inflow from Operating Activities

	2026	*2025*
	£	*£*
Surplus for the year	**2,515,802**	*2,469,296*
Adjustments for non-cash items		
Depreciation	**2,814,192**	*2,539,796*
Movement in fair value of investment properties	**-**	*5,781*
(Increase)/decrease in debtors	**(461,788)**	*45,496*
(Decrease)/increase in creditors	**(15,806)**	*163,517*
Release of deferred Government capital grants	**(369,046)**	*(357,778)*
Strathclyde Pension Scheme – non cash movements	**8,000**	*14,000*
SHAPS Pension Scheme – non cash movements	**66,000**	*76,000*
Carrying value of tangible fixed asset disposals	**-**	*-*
Decrease/(increase) in stock	**103,476**	*(89,166)*
Taxation charge	**1,289**	*13,828*
Adjustments for investing or financing activities		
Proceeds from sale of tangible fixed assets	**-**	*3,107*
Interest received	**(79,027)**	*(70,272)*
Interest payable	**1,157,135**	*1,236,932*
	5,740,227	*6,050,537*

SHETTLESTON HOUSING ASSOCIATION LIMITED

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

	Notes	2026 £	*2025 £*
Net cash generated from operating activities	1	**5,589,434**	*5,979,389*
Cashflows from investing activities			
Purchase of housing properties		**(5,005,489)**	*(2,538,652)*
Purchase of property, plant and equipment		**(95,294)**	*(66,750)*
Proceeds from sale of property, plant and equipment and investment properties		**-**	*-*
Deferred Government Capital grants received		**1,100,721**	*344,958*
Interest received		**99,097**	*90,342*
Cashflows from financing activities			
Interest paid		**(1,995,021)**	*(2,064,975)*
Loan repayment		**(925,927)**	*-*
Issue of share capital		**27**	*30*
Deposit to current asset investments		**(240,269)**	*(631,109)*
Net changes in cash and cash equivalents		**(1,472,721)**	*1,113,233*
Cash and cash equivalents at 1 April 2025		**2,438,733**	*1,325,500*
Cash and cash equivalents at 31 March 2026		**966,012**	*2,438,733*

(i) Analysis of changes in net debt

	At 1 April 2025 £	Cash flows £	Other non-cash changes £	At 31 March 2026 £
Cash and cash equivalents				
Cash and cash equivalents	**2,438,733**	**(1,472,721)**	**-**	**966,012**
	2,438,733	**(1,472,721)**	**-**	**966,012**
Borrowings				
Debt due within one year	**(1,894,676)**	**-**	**(168,949)**	**(2,063,625)**
Debt due after one year	**(48,399,877)**	**-**	**1,932,762**	**(46,467,115)**
	(50,294,553)	**-**	**1,763,813**	**(48,530,740)**
Total	**(47,855,820)**	**(1,472,721)**	**1,763,813**	**(47,564,728)**

The notes form part of these financial statements.

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

1) Reconciliation of surplus for year to Net Cash Inflow from Operating Activities

	2026	*2025*
	£	*£*
Surplus for the year	**2,546,073**	*2,461,252*
Adjustments for non-cash items		
Depreciation	**2,747,451**	*2,482,299*
Movement in fair value of investment properties	**-**	*80,781*
(Increase)/decrease in debtors	**(457,436)**	*43,631*
(Decrease)/increase in creditors	**(9,646)**	*33,610*
Release of deferred Government capital grants	**(369,046)**	*(357,778)*
Strathclyde Pension Scheme – non cash movements	**8,000**	*14,000*
SHAPS Pension Scheme – non cash movements	**66,000**	*76,000*
Adjustments for investing or financing activities		
Proceeds from sale of tangible fixed assets	**-**	*-*
Interest received	**(99,097)**	*(90,342)*
Interest payable	**1,157,135**	*1,235,936*
	5,589,434	*5,979,389*

1. General Information

The Group is registered under The Co-operative & Community Benefit Societies Act 2014. The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements issued by the Scottish Housing Regulator and Statement of Recommended Practice for Social Housing Providers.

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

The Association is a registered social landlord in Scotland and its registered number is 183. The registered address is included in the front page of the financial statements.

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

2. Accounting policies

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers.

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

A summary of the principal accounting policies is set out below.

(a) Basis of preparation
The financial statements are prepared on the historical cost basis of accounting subject to the revaluation of certain fixed assets and in accordance with applicable accounting standards.

The effect of events relating to the year ended 31 March 2027, which occurred before the date of approval of the financial statements by the Board of Management have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2026 and of the results for the year ended on that date.

(b) Going concern
The Board anticipates that a surplus will be generated in the year to 31 March 2027 and the year to 31 March 2028. The Group has a healthy cash position and thus the Board is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus, the Board continue to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Turnover

Association
Turnover represents rental and service charge income, factoring service income, and fees or revenue grants receivable from Glasgow City Council and from the Scottish Government. Also included is any income from first tranche shared ownership disposals.

2. Accounting policies (continued)

(c) Turnover (continued)

Upkeep Shettleston Community Enterprises Limited and East End Housing Development Company Limited
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

(d) 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 costs of staff directly attributable to the operations dealt with in the financial statements.

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

(f) Interest receivable and other income
Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

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

(h) Lessor
The Group rents out commercial property under formal leases. The rental income is recognised within other activities (note 6) on an accruals basis.

(i) Fixed assets - Housing properties
Housing properties are stated at deemed cost based on an Existing Use Value at 1 April 2014. From this date, housing properties have been accounted for under historical cost. The development cost of housing properties includes the following:

- cost of acquiring land and buildings;
- development expenditure; and
- internal administrative costs relating to the acquisition and development of housing properties.

Included within housing properties are 32 mid-market units leased to tenants via East End Housing Development Company Limited.

2. Accounting policies (continued)

(i) Fixed assets - Housing properties (continued)

These costs are termed "qualifying costs" by the Scottish Government for approved Housing Association Grant. Refurbishment expenditure on existing properties is capitalised to the extent that the expenditure represents improvements to the properties or replacement of components.

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.

(j) Fixed assets – investment properties
Investment properties are initially recorded at cost. Thereafter investment properties are held at fair value with any changes in fair value recognised in the Statement of Comprehensive Income.

(k) Fixed assets – other fixed assets
Other fixed assets are stated at cost less accumulated depreciation.

(l) Development and maintenance administration costs
Development and maintenance administration costs relating to development and maintenance capital projects activities are capitalised based on an apportionment of the staff time spent directly on this activity.

100% of the payroll cost of the development staff is capitalised whilst a proportion (ranging from 25% to 100%) of the payroll cost of maintenance staff is capitalised based on an estimate of the time spent by maintenance staff on managing capital additions (i.e., new components).

(m) Depreciation

Housing properties
Housing properties are stated at cost, less accumulated depreciation. Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. The cost of new housing units is depreciated from the month the unit is first rented. The following major components and useful lives have been identified by the Association:

Land	- not depreciated
Structure	- over 50 years
Heating	- over 15 years
Digital	- over 15 years
Kitchen	- over 15 years
Bathroom	- over 30 years
Doors	- over 30 years
Windows	- over 30 years
Cladding	- over 50 years
Roof	- over 50 years
Gutters	- over 30 years
Electrical	- over 30 years

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

2. Accounting policies (continued)

(m) Depreciation (continued)

The following rates have been used:

Computer Equipment	-	33% on cost
Motor Vehicles	-	25% on cost
Furniture & Fittings	-	20% on cost
Office Premises	-	2% on cost

A full year's depreciation is charged in the year of purchase. No charge is made in the year of disposal.

(n) Stock

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each Statement of Financial Position date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

(o) Debtors

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

Rental arrears represent amounts due by tenants for rental of social housing properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 16.

(p) Cash and Cash Equivalents

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

(q) Investments

Bank deposits that have a maturity of more than three months are disclosed as investments.

(r) Creditors

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

(s) Financial Instruments

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

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

2. Accounting policies (continued)

(s) Financial instruments (continued)

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

(t) Government capital grants

Government capital grants, at amounts approved by The Scottish Government or Glasgow City Council, are paid directly to the Group as required to meet its liabilities during the development process. This is treated as a deferred capital grant and is released to income in accordance with the accrual model over the useful life of the asset it relates to on completion of the development phase. The accrual model requires the Group to recognise income on a systematic basis over the period in which the Group recognises the related costs for which the grant is intended to compensate. The government capital grants relating to new housing units is amortised from the month the unit is first rented.

(u) Non-government capital and revenue grants

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

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

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

(v) Loans

Mortgage loans are advanced by Private Lenders under the terms of individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval by Glasgow City Council.

(w) Pensions (note 22)

The Scottish Housing Association Defined Benefits Pension Scheme

The Association participates in The Scottish Housing Associations' Defined Benefits Pension Scheme (SHAPS) and 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 Associations taken as a whole.

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

2. Accounting policies (continued)

(w) Pensions (note 22) (continued)

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

The Strathclyde Pension Fund

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

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each reporting date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the reporting date. A pension scheme liability is recognised to the extent that the Association has a legal or constructive obligation to settle the liability.

The Scottish Housing Association Defined Contribution Scheme

This is a defined contribution scheme. Employer contributions are charged to the Statement of Comprehensive Income on an accruals basis.

(x) Financial Commitments

Assets held under finance leases where substantially all the risks and rewards of ownership of the asset have passed to the Group and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated in the Statement of Comprehensive Income over the period of their useful lives.

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

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

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

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

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

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

Estimate	Basis of estimation
Useful lives of property, plant and equipment	The useful lives of property, plant and equipment are based on the knowledge of senior management at the Association, with reference to expected asset life cycles.
The main components of housing properties and their useful lives	The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.
Recoverable amount of rental and other trade receivables	Rental arrears and other trade receivables are reviewed by appropriately experienced senior management team members on a case by case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.
The obligations under the SHAPs Pension Scheme and Strathclyde Pension Scheme	These have relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.
The valuation of investment properties	The investment properties were valued by an appropriately qualified surveyor using market data at the date of valuation.

4. Particulars of turnover, operating expenditure and operating surplus

Group			**2026**			*2025*
	Turnover	**Operating Expenditure**	**Operating Surplus**	*Turnover*	*Operating Expenditure*	*Operating Surplus*
	£	**£**	**£**	*£*	*£*	*£*
Income and Expenditure From lettings						
Social Lettings (Note 5)	**13,015,443**	**9,714,740**	**3,300,703**	*12,598,761*	*9,310,507*	*3,288,254*
Other activities (Note 6)	**342,641**	**120,334**	**222,307**	*371,586*	*74,190*	*297,396*
Upkeep Shettleston Community Enterprises Limited	**3,047,127**	**2,960,254**	**86,873**	*2,767,779*	*2,654,995*	*112,784*
East End Housing Development Company Limited	**311,231**	**298,226**	**13,005**	*290,678*	*281,547*	*9,131*
Less: Intergroup transactions*	**(3,165,678)**	**(3,165,678)**	**-**	*(3,004,023)*	*(3,004,023)*	*-*
	13,550,764	**9,927,876**	**3,622,888**	*13,024,781*	*9,317,216*	*3,707,565*

Association			**2026**			*2025*
	Turnover	**Operating Expenditure**	**Operating Surplus**	*Turnover*	*Operating Expenditure*	*Operating Surplus*
Income and Expenditure From lettings	**£**	**£**	**£**	*£*	*£*	*£*
Social Lettings (Note 5)	**13,015,443**	**9,714,740**	**3,300,703**	*12,598,761*	*9,310,507*	*3,288,254*
Other activities (Note 6)	**342,641**	**120,334**	**222,307**	*371,586*	*74,190*	*297,396*
	13,358,084	**9,835,074**	**3,523,010**	*12,970,347*	*9,384,697*	*3,585,650*

**These are intergroup transactions removed on consolidation including the sales from Upkeep to the Association and EEHDC, the management charge from the Association to the two subsidiaries and rent charged by the Association to two subsidiaries.*

5. Particulars of turnover, operating expenditure and operating surplus from social letting activities

Association	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership Accommodation £	2026 Total £	*2025 Total £*
Income from rent and service charges					
Rent receivable net of service charges	**11,984,897**	**-**	**31,480**	**12,016,377**	*11,538,958*
Mid-market rent lease income	**98,650**	**-**	**-**	**98,650**	*111,102*
Service charges	**488,405**	**-**	**2,196**	**490,601**	*503,871*
Gross income from rents and service charges	**12,571,952**	**-**	**33,676**	**12,605,628**	*12,153,931*
Less voids	**(67,046)**	**-**	**-**	**(67,046)**	*(71,713)*
Net income from rents and service charges	**12,504,906**	**-**	**33,676**	**12,538,582**	*12,082,218*
Stage 3 grants	**86,121**	**-**	**-**	**86,121**	*123,199*
Revenue grants	**21,694**	**-**	**-**	**21,694**	*35,566*
Amortisation of deferred Government Capital Grants	**369,046**	**-**	**-**	**369,046**	*357,778*
Total turnover from social letting activities	**12,981,767**	**-**	**33,676**	**13,015,443**	*12,598,761*
Expenditure					
Management and maintenance administration costs	**3,274,590**	**-**	**20,945**	**3,295,535**	*3,117,581*
Service charges	**963,280**	**-**	**6,033**	**969,313**	*993,586*
Planned cyclical maintenance including major repairs	**871,787**	**-**	**-**	**871,787**	*1,049,814*
Reactive maintenance costs	**1,558,538**	**-**	**-**	**1,558,538**	*1,420,391*
Bad debts – rents and service charges	**35,875**	**-**	**-**	**35,875**	*(8,721)*
Depreciation of social housing	**2,602,143**	**-**	**6,274**	**2,608,417**	*2,382,883*
Property insurance	**375,275**	**-**	**-**	**375,275**	*354,974*
Operating costs for social letting activities	**9,681,488**	**-**	**33,252**	**9,714,740**	*9,310,507*
Operating Surplus on letting activities, 2026	**3,300,279**	**-**	**424**	**3,300,703**	
Operating Surplus on letting activities, 2025	**3,284,999**	**-**	**3,255**		*3,288,254*

6. Particulars of turnover, operating expenditure and operating surplus from other activities

Association	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	2026 Total Turnover £	*2025 Total Turnover £*	Operating expenditure - bad debts £	Other operating expenditure £	2026 Operating Surplus £	*2025 Operating surplus £*
Wider role activities #	-	-	-	-	-	-	-	-	-	-
Care and repair of property	-	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	72,491	72,491	*69,390*	-	(83,706)	(11,215)	*9,087*
Care activities	-	-	-	-	-	-	-	-	-	-
Agency/management services for RSLs				9,300	9,300	*9,300*	-	-	9,300	*9,300*
Adaptations	-	-	-				-	-	-	-
Commercial rent	-	-	-	85,060	85,060	*130,446*	-	(36,628)	48,432	*116,559*
Management charge to subs	-	-	-	175,790	175,790	*162,450*	-	-	175,790	*162,450*
Total from other activities, 2026	-	-	-	342,641	342,641		-	(120,334)	222,307	
Total from other activities, 2025	-	-	-	371,586		*371,586*	-	*(74,190)*		*297,396*

\# Undertaken to support the community, other than the provision, construction, improvement and management of housing.

The minimum expected rental income for commercial units for 2026/27 is £64,087.

7. Directors' Emoluments

Group and Association

The directors are defined as the members of the Board, the Chief Executive and anyone who reports directly to the Chief Executive or the Board. No emoluments were paid to any member of the Board during the year. The Association considers key management personnel to be the Board and Executive Officers (as listed on the front page of the financial statements).

	2026	*2025*
	£	*£*
Emoluments (excluding pension contributions) of:		
Chief Executive	**106,832**	**102,723**

The Chief Executive is a member of the Scottish Housing Association Pension Scheme (SHAPS) described in note 22. No enhanced or special terms apply to membership and he has no other pension arrangements to which the Association contributes. The Association's contribution for the Chief Executive in the year amounted to £13,888 (2025*: £12,901)*. No past service deficit contributions are made in respect of the Chief Executive.

Numbers of Directors whose emoluments exceed £60,000 during the year were as follows (excluding pension contributions):-	**2026 Number**	*2025 Number*
£60,001 - £70,000	**-**	*-*
£70,001 - £80,000	**-**	*-*
£80,001 - £90,000	**3**	*3*
£90,001 - £100,000	**-**	*-*
£100,001 - £110,000	**1**	*1*
£110,001 - £120,000	**-**	*-*

The total emoluments (excluding pension contributions) for those earning more than £60,000 were £365,402 (*2025: £349,739)*. The total pension contributions (excluding past service deficit contributions) for those earning more than £60,000 were £46,734 (*2025: £41,839*).

The total emoluments (including pension contributions but excluding past service deficit contributions) paid to key management personnel was £412,136 (*2025: £391,578*). The social security costs for these individuals was £41,614 (*2025: £36,378*).

8. Employee Information

	2026 Number	*2025 Number*
The average number of persons employed during the year on a full time equivalent basis was:		
Housing Management	**15**	*14*
Maintenance	**11**	*11*
Finance	**5**	*5*
Administration	**5**	*5*
Factoring	**2**	*2*
Housing Support	**1**	*1*
IT	**2**	*2*
Welfare Rights Officers	**2**	*1*
Community Engagement & Support	**1**	*2*
Association	**44**	*43*
Upkeep Shettleston Community Enterprises Limited	**48**	*47*
	92	*90*

The average headcount for the group was 92 *(2025: 92)*. The average headcount for the Association is 44 (*2025: 45)*.

Group staff costs	2026 £	*2025 £*
Staff costs (including directors' emoluments):		
Wages and salaries	**3,394,535**	*3,362,855*
Social security costs	**388,302**	*293,291*
Pension costs	**262,862**	*242,962*
Defined benefit pension charge – Strathclyde Pension Fund (Note 22)	**14,000**	*23,000*
SHAPS re-measurements (Note 22)	**-**	*-*
Agency fees	**64,342**	*3,564*
	4,124,041	*3,925,672*

Association staff costs	2026 £	*2025 £*
Staff costs (including directors' emoluments):		
Wages and salaries	**2,057,806**	*2,087,377*
Social security costs	**243,093**	*193,595*
Pension costs	**218,422**	*207,497*
Defined benefit pension charge – Strathclyde Pension Fund (Note 22)	**14,000**	*23,000*
SHAPS re-measurements (Note 22)	**-**	*-*
Agency Fees	**64,342**	*3,564*
	2,597,663	*2,515,033*

9. Interest receivable and other income

	Group 2026 £	*Group 2025 £*	Association 2026 £	*Association 2025 £*
Interest received on deposits	**79,027**	*70,272*	**79,027**	*70,272*
Interest received on loans to subsidiaries	**-**	*-*	**20,070**	*20,070*
	79,027	*70,272*	**99,097**	*90,342*

10. Interest payable and similar charges

	Group 2026 £	*Group 2025 £*	Association 2026 £	*Association 2025 £*
Bank interest paid	**1,995,021**	*2,064,975*	**1,995,021**	*2,064,975*
Effective interest rate adjustment in respect of break costs (note 20)	**(837,886)**	*(829,039)*	**(837,886)**	*(829,039)*
	1,157,135	*1,235,936*	**1,157,135**	*1,235,936*
Hire purchase finance interest	**-**	*996*	**-**	*--*
	1,157,135	*1,236,932*	**1,157,135**	*1,235,936*

11. Operating surplus

	Group 2026 £	*Group 2025 £*	Association 2026 £	*Association 2025 £*
Operating surplus is stated after charging:				
Depreciation – social housing	**2,374,907**	*2,244,438*	**2,374,907**	*2,244,438*
Depreciation – replaced components net book value	**233,510**	*138,444*	**233,510**	*138,444*
Depreciation – other fixed assets	**190,490**	*156,914*	**123,749**	*99,417*
Auditor's remuneration (excluding VAT)				
- In their capacity as auditors	**37,600**	*35,785*	**23,100**	*22,000*
- In respect of other services	**3,900**	*2,300*	**1,500**	*1,000*

12. Taxation

	2026 £	*2025 £*
Group		
Provision has been made for United Kingdom corporation tax at 25% (*2025: 25%*)		
Deferred tax (note 13)	**(1,289)**	*(13,828)*
Tax (charge)	**(1,289)**	*(13,828)*

Association

As a charity, Shettleston Housing Association Limited’s charitable activities are not subject to taxation. However, the surpluses from non-charitable activities are subject to taxation. No corporation tax was due in 2026 or 2025 in respect of these non-charitable activities.

13. Provision for liabilities and charges: Deferred Taxation

Group	2026 £	*2025 £*
Accelerated capital allowances	**22,383**	*19,578*
Capital gains	**39,527**	*39,527*
Tax losses	**(6,666)**	*(5,150)*
	55,244	*53,955*
Provision at start of year	**53,955**	*40,127*
Deferred tax charge in Statement of Comprehensive Income for the year (note 12)	**1,289**	*13,828*
Provision at end of year	**55,244**	*53,955*

14a. Tangible Fixed Assets – Housing Properties

Group and Association

	Housing units for let Completed £	Housing units for let under Construction £	Shared ownership Completed £	Total £
Cost				
At 1 April 2025	91,676,203	2,149,588	321,103	94,146,894
Additions during year	-	5,005,489	-	5,005,489
Transfers	5,258,850	(5,225,044)	(33,806)	-
Disposals	(494,790)	-	(33,630)	(528,420)
At 31 March 2026	96,440,263	1,930,033	253,667	98,623,963
Depreciation				
At 1 April 2025	16,349,547	-	66,806	16,416,353
Charge for year	2,368,633	-	6,274	2,374,907
Transfers	7,674	-	(7,674)	-
Disposals	(271,792)	-	(7,833)	(279,625)
At 31 March 2026	18,454,062	-	57,573	18,511,635
Net Book Value				
At 31 March 2026	**77,986,201**	**1,930,033**	**196,094**	**80,112,328**
At 31 March 2025	*75,326,656*	*2,149,588*	*254,297*	*77,730,541*

14a. Tangible Fixed Assets – Housing Properties (continued)

Development and maintenance administration costs capitalised amounted to £158,952 (*2025: £150,119*). £3,688,737 (*2025: £2,388,533*) of expenditure on new components was capitalised in the year.

Components with a cost of £494,790 (*2025: £266,473*) and accumulated depreciation of £271,792 (*2025: £128,029*) were disposed of in the year.

Included in freehold housing properties is land with a historic cost allocation of £14,103,087 *(2025: £13,966,401).*

14b. Tangible Fixed Assets – Other Tangible Assets

Group	Investment Properties	Motor Vehicles	Office Premises	Furniture & Fittings	Computer Equipment	Total
Cost	**£**	**£**	**£**	**£**	**£**	**£**
At 1 April 2025	1,755,000	272,210	950,546	475,216	827,835	4,280,807
Additions	-	54,798	-	44,192	97,289	196,279
Disposals	-	(19,500)	-	-	(431)	(19,931)
Revaluation/impairment	-	-	-	-	-	-
At 31 March 2026	1,755,000	307,508	950,546	519,408	924,693	4,457,155
Depreciation						
At 1 April 2025	-	198,735	208,092	428,814	749,563	1,585,204
Charge for year	-	49,852	19,037	23,895	97,706	190,490
Disposals	-	(19,500)	-	-	(431)	(19,931)
At 31 March 2026	-	229,087	227,129	452,709	846,838	1,755,763
Net Book Value						
At 31 March 2026	**1,755,000**	**78,421**	**723,417**	**66,699**	**77,855**	**2,701,392**
At 31 March 2025	*1,755,000*	*73,475*	*742,454*	*46,402*	*78,272*	*2,695,603*

14c. Tangible Fixed Assets – Other Tangible Assets

Association

	Investment Properties £	Office Premises £	Furniture & Fittings £	Computer Equipment £	Total £
Cost					
At 1 April 2025	865,000	950,546	315,713	810,215	2,941,474
Additions	-	-	6,996	88,298	95,294
Disposals	-	-	-	(431)	(431)
At 31 March 2026	865,000	950,546	322,709	898,082	3,036,337
Depreciation					
At 1 April 2025	-	208,092	285,971	733,348	1,227,411
Charge for year	-	19,037	10,707	94,005	123,749
Disposals	-	-	-	(431)	(431)
At 31 March 2026	-	227,129	296,678	826,922	1,350,729
Net Book Value					
At 31 March 2026	**865,000**	**723,417**	**26,031**	**71,160**	**1,685,608**
At 31 March 2025	*865,000*	*742,454*	*29,742*	*76,867*	*1,714,063*

Investment properties comprise of 7 properties and 16 lockups. The fair value of the investment properties have been arrived at on the basis of a desktop valuation carried out in March 2025 by DM Hall Chartered Surveyors, a firm of RICS registered surveyors, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The directors are satisfied that this is reflective of the fair value at 31 March 2026.

15a. Investments

Association	2026 £	*2025* £
Investment in subsidiary undertakings	**2**	*2*

Shettleston Housing Association Limited owns 1 ordinary £1 share in Upkeep Shettleston Community Enterprises Limited. The investment is held at cost. This represents a 100% shareholding in Upkeep Shettleston Community Enterprises Limited, a company registered in Scotland, whose principal activity is the provision of a repairs and maintenance and estate caretaker service. Upkeep Shettleston Community Enterprises Limited made a profit of £83,817 (*2025: profit of £111,749*) for the year ended 31 March 2026 and had net assets of £504,370 (*2025: £529,343*).

Shettleston Housing Association Limited owns 1 ordinary £1 share in East End Housing Development Company Limited. The investment is held at cost. This represents a 100% shareholding in East End Housing Development Company Limited, a company registered in Scotland. This company rents out property. East End Housing Development Company Limited made a loss of £5,298 (*2025: profit of £50,272*) for the year ended 31 March 2026 and had net assets of £197,789 (*2025: £203,087*).

15b. Stock

Group	2026 £	2025 £
Work in progress	**9,256**	*115,930*
Stock of materials	**32,293**	*29,095*
	41,549	*145,025*

16. Debtors < 1 year

	Group 2026 £	Group 2025 £	Association 2026 £	Association 2025 £
Amounts falling due within one year:				
Rental arrears	**590,621**	*474,958*	**590,621**	*474,958*
Less: provision for bad debts	**(310,379)**	*(293,863)*	**(310,379)**	*(293,863)*
	280,242	*181,095*	**280,242**	*181,095*
Trade debtors	**29,064**	*39,172*	**5,605**	*19,398*
Amounts owed by subsidiaries	**-**	-	**54,370**	*66,793*
Accrued income and prepayments	**489,971**	*363,175*	**453,533**	*312,188*
Other debtors	**542,235**	*296,282*	**502,892**	*259,732*
	1,341,512	*879,724*	**1,296,642**	*839,206*

Debtors > 1 year

	Group 2026 £	Group 2025 £	Association 2026 £	Association 2025 £
Amounts owed by subsidiaries	-	-	**669,359**	*669,359*

17. Cash and cash equivalents

	Group 2026 £	Group 2025 £	Association 2026 £	Association 2025 £
Cash – balances held in bank accounts with notice period less than 3 months and petty cash	**1,247,391**	*2,690,374*	**966,012**	*2,438,733*

18. Investments

	Group 2026 £	Group 2025 £	Association 2026 £	Association 2025 £
Cash – balances held in bank accounts with notice period greater than 90 days	**1,523,383**	*1,283,114*	**1,523,383**	*1,283,114*

	Group 2026 £	*Group 2025 £*	Association 2026 £	*Association 2025 £*
19. Creditors				
Amounts falling due within one year				
Bank loans	**2,063,625**	*1,894,676*	**2,063,625**	*1,894,676*
Trade creditors	**647,271**	*470,676*	**621,270**	*381,541*
Amounts owed to subsidiaries	**-**	*-*	**235,212**	*244,276*
Other creditors	**225,802**	*237,715*	**165,845**	*189,293*
Rent in advance	**596,572**	*552,693*	**596,572**	*552,693*
Capital works and retentions	**27,589**	*108,090*	**27,589**	*108,090*
Accruals and deferred income	**263,790**	*412,791*	**189,654**	*368,803*
Corporation tax	**-**	*-*	**-**	*-*
Other tax and social security	**101,216**	*96,081*	**69,278**	*70,370*
Deferred government capital grants (note 21)	**379,769**	*357,778*	**379,769**	*357,778*
	4,305,634	*4,130,500*	**4,348,814**	*4,167,520*

20. Creditors – Amounts falling due outwith one year

	2026 £	*2025 £*
Group		
Bank loan	**46,467,115**	*48,399,877*
Deferred government capital grants (note 21)	**16,677,415**	*15,967,731*
	63,144,530	*64,367,608*
Association		
Bank loan	**46,467,115**	*48,399,877*
Deferred government capital grants (note 21)	**16,677,415**	*15,967,731*
	63,144,530	*64,367,608*
Bank loans:		
Principal loan balance	**40,674,073**	*41,600,000*
Break costs incurred on refinancing	**12,293,654**	*12,293,654*
Gross loan	**52,967,727**	*53,893,654*
Cumulative amortisation of break fees – Effective interest rate adjustment (note 10)	**(4,436,987)**	*(3,599,101)*
Net loan	**48,530,740**	*50,294,553*
Split as:		
Due in less than one year	**2,063,625**	*1,894,676*
Due between one and two years	**2,053,130**	*2,063,625*
Due between two and five years	**12,694,389**	*6,127,097*
Due in five years or more	**31,719,596**	*40,209,155*
	48,530,740	*50,294,553*

20. Creditors – Amounts falling due outwith one year

Loans are secured by specific charges on the Association's properties and are repayable at rates of interest between 2.43% and 6.43% in instalments. The net book value of housing properties secured at the year-end was £59.53m *(2025: £55.95M)*. The loans are due to be repaid in full by 30 September 2045.

21. Deferred government capital grants

	2026	*2025*
	£	*£*
Group and Association		
At 1 April	**16,325,509**	*16,338,329*
Grants received in year	**1,100,721**	*423,958*
Grant repaid	**-**	*(79,000)*
Released to income in year	**(369,046)**	*(357,778)*
As at 31 March	**17,057,184**	*16,325,509*
Deferred government capital grants:		
Due in less than one year	**379,769**	*357,778*
Due between one and two years	**379,769**	*357,778*
Due between two and five years	**1,139,307**	*1,073,334*
Due in five years or more	**15,158,339**	*14,536,619*
	17,057,184	*16,325,509*

22. Pensions

Scottish Housing Association Pension Scheme (SHAPS)

Shettleston Housing Association Limited (the 'Association') participates in the Scottish Housing Association Pension Scheme (SHAPS) (the "Scheme"). The Scheme is a multi-employer defined benefit scheme. There are six benefit structures available, namely:

(a) Final salary with a 1/60th accrual rate;
(b) Career average revalued earnings with a 1/60th accrual rate;
(c) Career average revalued earnings with a 1/70th accrual rate;
(d) Career average revalued earnings with a 1/80th accrual rate;
(e) Career average revalued earnings with a 1/120th accrual rate, contracted-in; and
(f) Defined contribution (DC) option.

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

Shettleston Housing Association Limited has elected to operate a 1/70th CARE scheme and Defined Contribution scheme from 1 April 2014 having previously operated a final salary scheme with a 1/60th accrual rate structure.

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

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

Employer contributions to the Defined Contribution Scheme ranged from 3% to 10% and employees contributed at various levels from 3% upwards. There was no payment made in respect of annual employer past service deficit contribution (net of administration costs) in the year ended 31 March 2026 (*2025 - £nil*).

As at the Statement of Financial Position date there were 41 (*2025: 39*) active members of the Scheme employed by Shettleston Housing Association Limited. The annual pensionable payroll in respect of these members was £1,944,852 (*2025: £1,863,618).* Shettleston Housing Association Limited continues to offer membership of the Scheme to its employees.

The SHAPS defined benefit pension liability is accounted for as a defined benefit pension scheme. In accordance with FRS 102 section 28, the operating and financing costs of pension and post-retirement schemes (determined by TPT) are recognised separately in the Statement of Comprehensive Income. Service costs are systematically spread over the service lives of the employees and financing costs are recognised in the period in which they arise. The difference between actual and expected returns on assets during the year, including changes in the actuarial assumptions, is recognised in Other Comprehensive Income.

The Association ceased participating in the DB option and started offering staff the DC option within the SHAPS scheme from 1 April 2023.

22. Pensions (continued)

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

	31 March 2026 £'000	*31 March 2025 £'000*
Fair value of plan assets	**7,942**	*7,896*
Present value of defined benefit obligations	**(8,953)**	*(9,022)*
Defined benefit liability to be recognised	**(1,011)**	*(1,126)*

Reconciliation of opening and closing balances of the defined benefit obligation

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Defined benefit obligation at start of period	**9,022**	*10,063*
Current service cost	**-**	*-*
Expenses	**15**	*15*
Interest cost	**514**	*484*
Contribution by plan participants	**-**	*-*
Actuarial (gain) due to scheme experience	**(142)**	*(49)*
Actuarial loss due to changes in demographic assumptions	**91**	*-*
Actuarial (gain) due to changes in financial assumptions	**(150)**	*(1,101)*
Benefits paid and expenses	**(397)**	*(390)*
Defined benefit liability at the end of the period	**8,953**	*9,022*

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

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Fair value of plan assets at start of the period	**7,896**	*8,820*
Interest income	**448**	*423*
Experience on plan assets (excluding amounts included in interest income)	**(20)**	*(972)*
Contributions by the employer	**15**	*15*
Contributions by participants	**-**	*-*
Benefits paid and expenses	**(397)**	*(390)*
Fair value of plan assets at end of period	**7,942**	*7,896*

22. Pensions (continued)

Defined benefit costs recognised in the Statement of Comprehensive Income

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Current service cost	**-**	*-*
Admin expenses	**15**	*15*
Net interest expense	**66**	*61*
Defined benefit costs recognised in Statement of Comprehensive Income	**81**	*76*

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Experience on plan assets (excluding amounts included in net interest cost – (loss)	**(20)**	*(972)*
Experience gains and losses arising on the plan liabilities – gain	**142**	*49*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – (loss)	**(91)**	*-*
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	**150**	*1,101*
Total amount recognised in other comprehensive income – actuarial gain	**181**	*178*

22. Pensions (continued)

Fund allocation for employer's calculated share of assets

	31 March 2026 £'000	*31 March 2025 £'000*
Global Equity	**1,049**	*915*
Liquid Alternatives	**1,519**	*1,454*
Insurance-Linked Securities	**15**	*30*
Property	**414**	*391*
Infrastructure	**-**	*2*
Private Equity	**17**	*7*
Real Assets	**788**	*942*
Opportunistic Illiquid Credit	**-**	*-*
Private Credit	**1,024**	*985*
Credit	**362**	*336*
Investment Grade Credit	**333**	*361*
High Yield	**-**	*-*
Cash	**3**	*42*
Long Lease Property	**-**	*3*
Secure Income	**107**	*182*
Liability Driven Investment	**2,193**	*2,223*
Currency Hedging	**-**	*13*
Net Current Assets	**118**	*10*
Total Assets	**7,942**	*7,896*

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

Assumptions as at	31 March 2026 % per annum
Discount rate	**6.08%**
Inflation (RPI)	**3.31%**
Inflation (CPI)	**3.03%**
Salary growth	**4.03%**
Allowance for commutation of pension for cash at retirement	**75% of maximum allowance**

22. Pensions (continued)

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

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

Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2026 model with an allowance for smoothing of recent mortality experience and long-term rates of 1.25% p.a. for males and 1% p.a. for females.

Member data summary

Active members

	Number	Total earnings (£'000s p.a.)	Average age (unweighted)
Males	3	207	59
Females	7	352	58
Total	**10**	**559**	**58**

Deferred members

	Number	Deferred pensions (£'000s p.a.)	Average age (unweighted)
Males	9	36	56
Females	25	130	55
Total	**34**	**166**	**55**

Pensioners

	Number	Pensions (£'000s p.a.)	Average age (unweighted)
Males	10	142	71
Females	16	171	66
Total	**26**	**313**	**68**

The Trustee has carried out a review comparing the benefits provided to Scheme members with the requirements of the Scheme documentation. It has received legal advice that there is sufficient uncertainty regarding the effect of some benefit changes that the Court should be asked to provide clarity, to provide the Trustee with the certainty it needs to properly administer the Scheme.

The Court hearing concluded in March 2026, with the Court's determination expected no earlier than the summer of 2026. After this, the Trustee and its advisers will consider the outcome and communicate next steps to employers. Depending on the outcome of the hearing, it may be necessary to ask further questions of the Court to clarify certain additional points.

Should the Court decide that the historic benefit changes need to be applied differently, then some member benefits would need to be increased, which would increase the value placed on Scheme liabilities. No allowance has been made for potential additional liabilities within the estimate provided above.

22. Pensions (continued)

Employer debt on withdrawal

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

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

The Association has been notified by TPT of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2025. As of this date the estimated employer debt for the Association was £2,175,897.

Strathclyde Pension Fund

Shettleston Housing Association Limited participates in the Strathclyde Pension Fund which is a statutory multi-employer defined benefit scheme. It is administered by Glasgow City Council in accordance with the Local Scheme (Scotland) Regulations 1998, as amended. Three members of staff are members of the Scheme.

The main financial assumptions used by the Council’s Actuary, Hymans Robertson, in their 2026 valuations are as follows:

Assumptions as at	**31 March 2026**	*31 March 2025*
Pension increase rate	**3.00%**	*2.80%*
Salary increase rate	**3.70%**	*3.50%*
Discount rate	**6.20%**	*5.80%*

Mortality

Life expectancy is based on the Fund’s Vitacurves with improvements in line with the CMI 2023 model, with core parameterisation, initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age of 65 for the Employer are summarised below:

	Males	**Females**
Current Pensioners	20.1 years	23.9 years
Future Pensioners	20.8 years	24.2 years

22. Pensions (continued)

Reconciliation of defined benefit obligation

Year Ended:	**31 Mar 2026 £'000**	*31 Mar 2025 £'000*
Opening Defined Benefit Obligation	**1,156**	*1,324*
Current Service Cost	**17**	*27*
Interest Cost	**66**	*63*
Contributions by Members	**6**	*8*
Actuarial (gains)	**(17)**	*(219)*
Estimated Benefits Paid	**(47)**	*(47)*
Closing Defined Benefit Obligation	**1,181**	*1,156*

Reconciliation of fair value of employer assets

Year Ended:	**31 Mar 2026 £'000**	*31 Mar 2025 £'000*
Opening Fair Value of Employer Assets	**1,266**	*2,242*
Expected Return on Assets	**131**	*107*
Contributions by Members	**6**	*8*
Contributions by the Employer	**3**	*4*
Contributions in respect of Unfunded Benefits	**-**	*-*
Actuarial gains / (losses)	**78**	*(28)*
Estimated Benefits Paid	**(47)**	*(47)*
Cap on asset value	**(198)**	*(1,020)*
Closing Fair Value of Employer Assets	**1,239**	*1,266*
Net pension asset recognised	**58**	*110*

22. Pensions (continued)

Analysis of amounts included in Statement of Comprehensive Income

Year Ended:	**2026 £'000**	*2025 £'000*
Expected Return on pension scheme assets	**131**	*107*
Interest on pension scheme liabilities	**(125)**	*(98)*
Net Return – finance income	**6**	*9*

	2026 £'000	*2025 £'000*
Current service cost	**(17)**	*(27)*
Contribution by employers	**3**	*4*
Charge to staff costs	**(14)**	*(23)*

The expected Employer's contributions for the year to 31 March 2027 will be approximately £6,000.

Analysis of amount recognised in Statement of Comprehensive Income

	2026 £ 000	*2025 £ 000*
Actual return less expected return on scheme assets	**78**	*(28)*
Changes in assumptions underlying the present value of scheme liabilities	**17**	*219*
Cap on asset value	**(139)**	*(263)*
Actuarial (loss) recognised in other comprehensive income	**(44)**	*(72)*

In the prior year there was a pension surplus of £1,130k which was capped by £1,020k with reference to the asset ceiling to give a pension surplus of £110k as at 31 March 2025.

In the current year there was pension surplus of £1,276k which was capped by £1,218k with reference to the asset ceiling to give a pension surplus of £58k as at 31 March 2026.

23. Share capital and reserves

Group and Association	2026 £	*2025 £*
At beginning of year	**138**	*128*
Shares of £1 each fully paid and issued during the year	**27**	*30*
Shares forfeited in year	**(9)**	*(20)*
At end of year	**156**	*138*

Each share entitles a member to one vote. There is no right to any distribution.

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

The capital redemption reserve includes all issued shares that have been cancelled.

24. Capital Commitments

Group and Association	2026 £	*2025 £*
Contracted for but not provided in these accounts	**1,474,516**	*575,883*
This is to be funded by:		
Government grant	**-**	*-*
Private finance	**1,474,516**	*575,883*
Own Resources	**-**	*-*
	1,474,516	*575,883*
Approved by the Board but not contracted for	**942,480**	*2,079,580*
This is to be funded by:		
Private finance		
Own Resources	**942,480**	*2,079,580*
	942,480	*2,079,580*

25. Revenue commitments

Group

Operating Leases

The Group's annual commitments for rental payments under non-cancellable operating leases at 31 March 2026 were as set out below:

	2026 Land and Buildings £	**2026 Office Equipment £**	*2025 Land and Buildings £*	*2025 Office Equipment £*
Operating leases which expire				
Within one year	**-**	**40,262**	*-*	*40,262*
2-5 years	**-**	**75,492**	*-*	*115,754*
>5 years	**-**	**-**	*-*	*-*
	-	**115,754**	*-*	*156,016*

Association	**2026 Land and Buildings £**	**2026 Office Equipment £**	*2025 Land and Buildings £*	*2025 Office Equipment £*
Operating leases which expire				
Within one year	**-**	**40,262**	*-*	*40,262*
2-5 years	**-**	**75,492**	*-*	*115,754*
>5 years	**-**	**-**	*-*	*-*
	-	**115,754**	*-*	*156,016*

26. Legislative Provisions

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014. Upkeep Shettleston Community Enterprises Limited and East End Housing Development Company Limited are incorporated under the Companies Act 2006.

27. Housing stock

Group and Association

The number of units of accommodation in management was as follows: -

	Units in Management 2026	*Units in Management 2025*
General Needs Housing	**2,449**	*2,438*
Supported Housing Accommodation	**-**	*-*
Shared Ownership Accommodation	**9**	*11*
	2,458	*2,449*

Included in general needs housing are 32 units that are leased to tenants via the Association's subsidiary East End Housing Development Company Limited. Per the SORP these are deemed to be affordable rented units and thus should be included as property, plant, and equipment.

28. Other property

The other property held are as follows: -

	Group Units in Management 2026	*Group Units in Management 2025*	**Association Units in Management 2026**	*Association Units in Management 2025*
Investment properties - EEHDC	**13**	*13*	**-**	*-*
Commercial units – Association	**7**	*7*	**7**	*7*
Garages – Association	**16**	*16*	**16**	*16*
Main Offices- Association	**2**	*2*	**2**	*2*
	38	*38*	**25**	*25*

29. Transactions with the Board

No member of the Association received any fee or remuneration during the year *(2025: £nil)*. Members of the Board were reimbursed for out of pocket travel and accommodation expenses amounting to £nil (*2025: £nil*).

Some members of the Board are tenants of the Association. The tenancies of these Board Members are on normal terms and the members cannot use their position to their advantage.

The total rent and service charge receivable in the year relating to tenant Board members is £34,236 (*2025: £20,534*). The total rent and service charge arrears relating to tenant Board members included within debtors at the year-end is £nil (*2025: £nil*). The total rent and service charge prepaid relating to tenant Board members included within creditors at the year-end is £1,465 (*2025: £1,275*).