AZETS

CAIRN HOUSING ASSOCIATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

The Scottish Housing Regulator: HEP218
Scottish Charity Number: SC016647

CAIRN HOUSING ASSOCIATION LIMITED

BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS

FOR THE YEAR ENDED 31 MARCH 2026

Board of Management	A Lamont, Chairperson L Crawford, Vice-Chairperson L Casserly A Clark D Reid N Wood J Duncan (appointed 3 September 2025) N Fortnum (appointed 3 September 2025) A Latto (appointed 3 September 2025) S Lyons (appointed 3 September 2025) S Travers (appointed 3 September 2025) D Paton (resigned 26 March 2026) N Chapman (resigned 3 September 2025)
Executive Officers	A Simpson, Chief Executive and Secretary K Tudhope, Director of Finance, ICT & Risk/ Deputy CEO C Milburn, Director of Customer Services J MacLennan, Director of People & Insights (appointed November 2025) M Deasley, Director of Property Services (resigned August 2026) M Boyter, Director of Business Services (resigned August 2025)
Secretary	A Simpson
Head Office	Bellevue House 22 Hopetoun Street Edinburgh EH7 4GH
Auditor	Azets Audit Services Limited Chartered Accountants Titanium 1 King's Inch Place Renfrew PA4 8WF
Bankers	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh EH2 2YB
Other Lenders	Metlife Investment Management Ltd 34th Floor One Canada Square London E14 5AA Nationwide Building Society Kings Park Road Moulton Park Northampton NN3 6NW
Registration numbers	
Financial Conduct Authority	2335R(S)
The Scottish Housing Regulator	HEP218
Registered Scottish Charity	SC016647

CAIRN HOUSING ASSOCIATION LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

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CAIRN HOUSING ASSOCIATION LIMITED

REPORT OF THE BOARD OF MANAGEMENT (INCORPORATING THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 MARCH 2026

The Board of Management present its Report and the audited financial statements for the year ended 31 March 2026.

Principal activities

The principal activity of Cairn Housing Association is the provision of affordable housing for rent and related services for tenants and other parties.

Objectives and strategy

Our key strategic objectives are informed by our Vision, Values & Mission:

Our vision is Great Homes, Great Services, Great People.

Our Values are Customers First, Accountability, Excellence, Respect, One Team.

Our mission is to provide quality, safe, affordable homes, and services, with partners in our local communities.

Our objectives are:

- High quality affordable homes and thriving neighbourhoods;
- Customer focused services, delivered with efficiency and to achieve value for money; and
- Skilled and engaged staff and sound governance.

Cairn Housing Group consists of:

- Cairn Housing Association Limited (as Group Parent), a registered social landlord incorporated in Scotland; and
- Pentland Community Services Limited (PCE) which is the operating commercial subsidiary of the Group. PCE undertakes a range of commercial activities and any non-charitable activities, including management of homes at mid-market rent, full-market rent and garage management services, with future plans for factoring and other commercial projects to benefit the Group.

Review of the Group's business

Highlights during the year included:

- ANCHO tenants fully transferred to Cairn making the final step of the Transfer of Engagement;
- We won the SHARE Customer Service Star Award for going the extra mile for our tenants (for helping tenants with fuel support, debt relief, emergency financial aid and expert welfare benefits advice);
- Held a staff gathering for all colleagues at the Dunblane Hydro - the first time we have all been together in one room for eight years;
- Our welfare benefits team helped 442 tenants secure more than £1.4 million in additional income;
- We invested £395,000 in medical adaptations to 95 tenants' homes allowing them to live in a safe environment which meets their needs;
- Thirty leaders within Cairn took part in two major development programmes, Insights and Liberator, designed to strengthen how we lead, communicate, and support our teams;
- We were granted planning permission by the Cairngorms National Park Authority to redevelop the former Morlich Court site in Aviemore;
- We launched our new tenant engagement strategy, which sets out how we will work with tenants over the next five years and is a major strategic milestone for Cairn;
- Work began on 29 new homes in Lambhill in Glasgow. The homes are a mixture of two and three-bed houses with 8 for social rent and 21 being mid-market rent;
- We relaunched our Cairn Community Fund and gave our first grant to Kilwinning Rangers Madrid, a youth football team in North Ayrshire;
- We partnered with Lightning Reach, an online tool to help tenants find and apply for financial support that is available to them. This highlights digital innovation in service delivery;
- We started work on 19 new homes in East Whitburn, a mixture of two, three and four-bedroom houses all for social rent;
- Jo MacLennan was appointed as Cairn's Director of People and Insights; and
- Our OD team delivered monthly Lunch and Learn sessions for staff, including topics on complaints, cybersecurity, procurement, budgets and neurodiversity.

Financial performance

The Association posted an operating surplus of £3,150,645 (*2025: £2,409,461*). There was an exceptional gain of £18,003,727 from the transfer of all assets and liabilities of ANCHO Limited on 1 April 2025. This contributed to an overall surplus of £17,924,490 (*2025: £1,442,081*).

During the year the Association invested over £3,942,279 in replacement of components in homes along with £12,809,448 constructing new homes.

Effective treasury management supports the achievement of the Association's business and service objectives. The Association maintains a loan portfolio to support its business activities. There was a new loan of £3,000,000 drawn down in the year.

Future developments

The Board and the Executive Team of Cairn Housing Association Limited actively monitor risks and remain confident about business resilience. We are focused on delivering our vision of Great Homes, Great Services, and Great People. We will continue our commitment to continue to modernise and change where required - including further delivery of our Digital Strategy and to operate the business in the long-term interests of current and future customers in communities throughout Scotland.

The Association's commercial subsidiary, Pentland Community Enterprises Limited (PCE), will continue to develop and seek out profitable commercial opportunities.

As part of our business and financial planning we have the financial capacity to sustain our new build development activity in the coming years. We intend to continue with a new build development programme based on strict financial and strategic criteria which will determine the size and balance of the programme.

Growth & partnerships

The full merger of Cairn Housing Association and ANCHO via a Transfer of Engagement following a successful tenant vote took place on 1 April 2025.

We will continue to explore collaboration and potential organisational and service partnerships with other housing associations, as we look to strengthen business resilience and capacity to have a greater impact on the quality of lives of our customers and communities throughout Scotland.

Risks and uncertainties

Risks are managed through the Risk Register which documents associated controls in place. These are reviewed frequently by management and the Board, and include:

- Impact of labour and materials supply on maintenance service;
- Current and forecast inflation and interest rates;
- Political changes including welfare reform, health & safety legislation, zero carbon targets and funding pressures; and
- Management of cash flows to meet the delivery of the investment programme whilst preserving lender loan covenants.

The Board has a formal risk management process to assess, monitor and manage business risks. This involves identifying the types of risks that Association faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying controls in place to mitigate these risks. The Board reviews the adequacy of the Association's current internal controls through Risk Register reviews, KPI reporting and a programme of Internal Audit.

Key performance indicators

The Association continues to closely monitor key performance indicators, including those required under the Annual report on The Scottish Social Housing Charter. We also pay particular attention to key financial indicators on gearing and interest cover to ensure ongoing financial stability and to meet our lending covenants.

Governance

Cairn Housing Association Limited has a Board of Management elected by the shareholding members of the Association at each Annual General Meeting. The Board directs the strategy, sets policies, oversees the overall direction, and monitors the business plan of the Association and its subsidiaries.

The Board also ensures appropriate levels of assurance and strategic risk management, including external advice where appropriate, and compliance with regulatory standards. The Chair and Vice-Chair are remunerated whilst the other members of the Board of Management are currently unpaid, other than expenses.

We review the Board Succession & Development Plan each year, following annual personal development meetings, to ensure the appropriate level and mix of skills and experience and keeping up to date with regulatory requirements and best practice standards.

We are members of the Scottish Federation of Housing Associations, and we continue positive working relationships with our Regulators, (SHR and OSCR), local authorities and other partners. We are also members of Scotland's Housing Network for benchmarking and improvement good practice.

Cairn is committed to continuous improvement, and the Board sets challenging business targets, which are regularly monitored and reviewed by the Board and Executive Team.

Governance arrangements include an Audit & Performance Committee; a Remuneration Committee and we are in the process of setting up a new Tenant Board to provide an additional level of scrutiny and to support improvement activities.

The Board of Management and Executive Officers

The Board of Management and executive officers of the Association are listed on the first page of the financial statements. Each member of the Board of Management holds one fully paid share of £1 in Cairn Housing Association. The executive officers of the Association hold no interest in the Association's share capital and although not having the legal status of directors they act as executives within the authority delegated by the Board. The Schedule of Delegated Authorities ensures the appropriate balance of enabling operational effectiveness with proper board oversight and decision making where required.

Statement of the Board of Management's responsibilities

The Board of Management is responsible for preparing the annual report and financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

The Board of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements as issued by the Scottish Housing Regulator. It has general responsibility for taking reasonable steps to safeguard the assets of the Association and to prevent and detect fraud and other irregularities.

The Board of Management is responsible for the maintenance and integrity of the corporate and financial information included on the Association's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in another jurisdiction.

Statement on internal financial control

The Board of Management is responsible for the Association's system of internal financial control.

Internal financial controls are those procedures established by the senior management team, and reviewed by the Audit & Performance Committee, in order to provide reasonable assurance on the safeguarding of assets and the maintenance of proper accounting records and the reliability of financial information used within the Association or for publication. Such a system of controls can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The approach adopted by the Board of Management to provide effective financial control can be summarised as follows:

(a) An appropriate control environment has been created by the careful recruitment and training of staff and the provision of comprehensive guidance on the standards and controls to be applied. A comprehensive programme of internal audit, covering over time, the Association's main activities is on-going. Reports are made to the Audit & Performance Committee with appropriate action taken where necessary.

(b) Management information systems have been developed to provide accurate and timeous data on all aspects of the business. Management accounts comparing actual results against budget are presented to the Board of Management quarterly.

(c) Major business risks and their financial implications are assessed by reference to established criteria.

(d) The financial implications of major business risks are controlled by means of delegated authorities, which reserve significant matters to the Board of Management for decision, segregation of duties in appropriate areas and physical controls over assets and access to records as detailed in the Financial Regulations.

(e) The Board of Management monitors the operation of the internal financial control system by considering regular reports from management and the external and internal auditors and ensures appropriate corrective action is taken to address any reported weaknesses.

While retaining overall responsibility for internal financial control, the Board of Management has delegated the day-to-day administration of the Association to the executive officers.

The Board of Management has reviewed the system of internal financial control in the Association during the year ended 31 March 2026. No weaknesses were found in internal financial control which could result in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements.

Disclosure of information to the auditor

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

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

Auditor

Following a formal tender process, Azets Audit Services were reappointed. The auditor, Azets Audit Services, has expressed their willingness to continue in office as auditor and will be proposed for reappointment at the Annual General Meeting.

The Report of the Board of Management (incorporating the Strategic Report) has been approved by the Board of Management:

By order of the Board

[redacted]

Audrey Simpson
Chief Executive & Secretary

Date: 27 August 2026

[redacted]

A Lamont
Chairperson

Date: 27 August 2026

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAIRN HOUSING ASSOCIATION LIMITED ON THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of the Association's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements issued by the Scottish Housing Regulator.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 of Management'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 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 of Management 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 of Management is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Other information (continued)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board of Management

As explained more fully in the Statement of the Board of Management 's responsibilities set out on page 5, the Board of Management 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 of Management 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 of Management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Management either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 Association, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Association is 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 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 partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Association through discussions with the Board members and the senior management team, and from our knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010, the Determination of Accounting Requirements 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 of Management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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 of Management and relevant sub-committees;
- enquiring of the senior management team and the Board of Management 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 any correspondence with HMRC, the Scottish Housing Regulator, OSCR and the Association's legal advisors.

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

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates 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 Association’s members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association’s members, as a body, those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association’s members, as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services

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

Date: 2 September 2026

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

REPORT OF THE AUDITOR TO THE MEMBERS OF CAIRN 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 statement 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 of Management and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Board of Management’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 Limited
Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date: 2 September 2026

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

CAIRN HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	*2025 £*
Turnover	4	32,209,775	*27,012,798*
Operating expenditure	4	(29,059,130)	*(24,603,337)*
Operating surplus	4	3,150,645	*2,409,461*
Gain on business combination	30	18,003,727	-
Gain on sale of investment property	10	-	*131,748*
Interest receivable	11	135,376	*258,334*
Interest payable and similar charges	12	(3,365,258)	*(3,097,462)*
Gain on revaluation of investment property	14b	-	*1,740,000*
Surplus for the year before taxation		17,924,490	*1,442,081*
Taxation	13	-	-
Surplus after taxation		17,924,490	*1,442,081*
Other comprehensive income			
Actuarial gain in respect of the SHAPS defined benefit pension scheme	22	287,000	*234,000*
Total comprehensive income for the year		18,211,490	*1,676,081*

The results for the year relate wholly to continuing activities.

Approved and authorised for issue by the Board of Management on 27 August 2026 and signed on its behalf by:

[redacted] [redacted] [redacted]

Mr A Lamont — Chairperson

Ms L Crawford — Vice Chairperson

Ms A Simpson — Secretary

The notes form part of these financial statements.

CAIRN HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN CAPITAL AND RESERVES

AS AT 31 MARCH 2026

	Share capital £	**Revenue reserve £**	**Total reserves £**
Balance at 1 April 2025	120	63,637,144	63,637,264
Total comprehensive income for the year	-	18,211,490	18,211,490
Shares acquired in the year	32	-	32
Cancelled shares during the year	(13)	-	(13)
Balance at 31 March 2026	139	81,848,634	81,848,773

AS AT 31 MARCH 2025

	Share capital £	*Revenue reserve £*	*Total reserves £*
Balance at 1 April 2024	*138*	*61,961,063*	*61,961,201*
Total comprehensive income for the year	-	*1,676,081*	*1,676,081*
Issue of shares during the year	-	-	-
Cancelled shares during the year	*(18)*	-	*(18)*
Balance at 31 March 2025	*120*	*63,637,144*	*63,637,264*

The notes form part of these financial statements.

CAIRN HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes		2026		*2025*
		£	£	*£*	*£*
Tangible fixed assets and investments					
Housing properties	14a		223,036,089		*187,564,335*
Investment properties	14b		11,075,566		*10,734,804*
Other fixed assets	14c		1,524,971		*1,309,502*
Investments	14d		470,001		*470,001*
			236,106,627		*200,078,642*
Current assets					
Debtors due after one year	15	-		*1,460,000*	
Debtors within one year	16	1,986,709		*2,145,030*	
Cash and cash equivalents	17a	1,139,213		*2,489,354*	
Investments	17b	1,348,270		*3,515,000*	
Stock		34,827		*34,000*	
		4,509,019		*9,643,384*	
Creditors: amounts falling due within one year	18	(8,195,654)		*(7,334,428)*	
Net current (liabilities)/ assets			(3,686,635)		*2,308,956*
Total assets less current liabilities			232,419,992		*202,387,598*
Creditors: amounts falling due after more than one year	19		(147,461,445)		*(136,805,838)*
SHAPS defined benefit pension scheme	22		(1,772,000)		*(1,944,496)*
Provisions	23		(1,337,774)		*-*
Net assets			81,848,773		*63,637,264*
Capital and reserves					
Share capital	24		139		*120*
Revenue reserves	25		81,848,634		*63,637,144*
			81,848,773		*63,637,264*

Approved and authorised for issue by the Board of Management on 27 August 2026 and signed on its behalf by:

[redacted]	[redacted]	[redacted]
Mr A Lamont	Ms L Crawford	Ms A Simpson
Chairperson	Vice Chairperson	Secretary

The notes form part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	*2025 £*
Net cash generated from operating activities	26	7,534,623	*7,856,604*
Cash flow from investing activities			
Payments to acquire and improve housing stock	14a	(17,007,923)	*(8,278,610)*
Purchase of other fixed assets	14c	(430,238)	*(112,022)*
HAG and other capital grants received	21	6,593,309	*462,328*
Movement of cash balance (to)/from investments	17b	2,166,730	*(515,000)*
Cash received on transfer of engagement	30	1,457,401	-
Interest received	11	135,376	*258,334*
Improvement to investment properties	14b	(209,302)	*(127,140)*
Proceeds from sale of tangible fixed assets and investment properties		-	*400,000*
Disposal of investment in subsidiary		-	*1*
		(7,294,647)	*(7,912,109)*
Taxation paid		-	-
Cash flow from financing activities			
Interest paid		(3,229,264)	*(2,995,462)*
Housing loans repaid		(1,339,395)	*(748,723)*
Housing loans received		3,000,000	*4,400,000*
Repayment of other loans		(21,490)	*(21,489)*
Issue of share capital		32	-
		(1,590,117)	*634,326*
Net change in cash and cash equivalents		(1,350,141)	*578,821*
Cash and cash equivalents at beginning of year	17a	2,489,354	*1,910,533*
Cash and cash equivalents at end of the year	17a	1,139,213	*2,489,354*

(i) Analysis of changes in net debt

	At 1 April 2025 £	Cash flows £	Non-cash changes* £	At 31 March 2026 £
Cash and cash equivalents				
Cash	2,489,354	(1,350,141)	-	1,139,213
Overdrafts	-	-	-	-
	2,489,354	(1,350,141)	-	1,139,213
Current asset investments	3,515,000	(2,166,730)	-	1,348,270
Borrowings				
Debt due within one year	(799,725)	1,339,395	(1,807,430)	(1,267,760)
Debt due after one year	(94,445,315)	(3,000,000)	(1,972,219)	(99,417,534)
	(95,245,040)	(1,660,605)	(3,779,649)	(100,685,294)
Total	(89,240,686)	(5,177,476)	(3,779,649)	(98,197,811)

*Included in the non-cash changes is the £3,744,161 of loans transferred from ANCHO Limited.

The notes form part of these financial statements.

1. General Information

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Housing Requirements as issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018. The principal accounting policies are set out below.

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 (note 3).

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

These financial statements represent the results of the Association and are presented in £GBP.

The Association is a Co-operative and Community Benefit Society Limited by shares and is incorporated in Scotland. The Association is a registered social landlord (HEP218) and a registered charity (SC016647). The registered address of the Association is Bellevue House, 22 Hopetoun Street, Edinburgh EH7 4GH.

2. Principal Accounting policies

(a) Basis of accounting

The financial statements are prepared under the historical cost convention, subject to the revaluation of certain fixed assets, and in accordance with applicable accounting standards and statements of recommended practice. The effect of events relating to the year ended 31 March 2026, which occurred before the date of approval of the financial statements by the Board 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) Consolidation

The Association has a fully owned subsidiary, Pentland Community Enterprises Limited. The Financial Conduct Authority has granted exemption from preparing group financial statements on the basis that the Board have concluded that the financial results of the subsidiary are immaterial from a Group perspective and that there is no real value in preparing group financial statements. These financial statements therefore represent the results of the Association and not of the Group.

(c) Going concern

The financial statements have been prepared on a going concern basis by the Board of Management as surpluses are expected in 2026/27 and 2027/28, maintaining a healthy cash position. This going concern review includes the Board's assessment of the current inflationary and cost of living pressures on the Association's operations and financial performance in the 12 months following the signing of these financial statements. Thus, the Board continues to adopt the going concern basis of accounting in preparing the financial statements.

2. Principal Accounting policies (continued)

(d) Turnover

Turnover represents rental and service charge income, fees receivable and revenue grants receivable from local authorities and from the Scottish Government. Also included is any income from first tranche shared ownership disposals and management fees from the factoring of properties for private owners as the provision of factoring services is accounted for on an agency basis.

(e) Apportionment of management expenses

Direct employee, administration and operating costs have been apportioned to the relevant sections of the Statement of Comprehensive Income on the basis of the number of units (excluding garages) relevant to that area of the business.

The costs of cyclical and major repairs are charged to the Statement of Comprehensive Income in the year which they are incurred.

(f) Interest receivable

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

(g) Interest payable

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

(h) Tangible 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:

(i) cost of acquiring land and buildings;
(ii) development expenditure; and
(iii) internal administrative costs relating to the acquisition and development of housing properties.

These costs are termed "qualifying costs" by the Scottish Government for approved Housing Association Grant. Expenditure on schemes is written off in the year unless it is recognised that the schemes will be developed to completion. Refurbishment expenditure on existing properties is capitalised to the extent that the expenditure represents improvements to the properties or replacement of components.

The housing properties were transferred from ANCHO Limited at fair value, based on existing use. This is now the deemed cost of these housing properties.

The housing properties were revalued as at 1 April 2014, 31 March 2022 (stock transferred from Pentland HA) and 1 April 2025 (stock transferred from ANCHO Limited) by Jones Lang LaSalle Limited on an existing value basis and this value was used as the deemed cost from those dates in accordance with FRS 102.

2. Principal Accounting policies (continued)

(i) Shared ownership transactions

First tranche proceeds arising from part-owners' purchase of equity in shared ownership schemes is regarded as sales of assets held for sale and is treated as turnover. The percentage of development costs representing the estimated first tranche percentages to be sold is shown as current assets until sold. Remaining costs are treated as fixed assets and sales taking place after the initial purchase are accounted for as disposals of fixed assets.

(j) Government capital grants

Government capital grants, at amounts approved by The Scottish Government or local authorities, are paid directly to the Association 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 Association to recognise income on a systematic basis over the period in which the Association recognises the related costs for which the grant is intended to compensate.

(k) Government revenue grants

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

(l) 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.

2. Principal Accounting policies (continued)

(m) Depreciation

Housing properties

Housing properties under construction are stated at cost and are not depreciated. These are reclassified as housing properties held for letting on practical completion of construction.

Freehold land is not depreciated.

Housing properties held for letting are considered to comprise the following components which are depreciated over estimated economic lives as follows:

Component	Useful Economic Life
Structure	50 - 60 years
Kitchens	20 years
Bathrooms	25 years
Central heating systems (excl boilers)	30 years
Boilers	25 years
Lifts	25 years
Roofs	60 years
Windows and doors	25 years
Rewiring	30 years
LD2	25 years
Fire doors	25 years
Fire stopping	25 years
Solar panels	25 years

In the year of replacement, the Net Book Value of the component being replaced is written off and is included in the depreciation charge for the year in accordance with the RSL SORP.

Shared ownership housing properties

Depreciated over 60 years.

Other fixed assets

Depreciation is provided on other fixed assets at rates calculated to write off cost evenly over expected useful lives as follows:

Heritable office properties	Over 60 years
Office furniture and equipment	4 to 20 years

2. Principal Accounting policies (continued)

(n) Pensions (Note 22)

Scottish Housing Associations' Pension Scheme (SHAPS)

Up until 1 April 2014, the Association participated in The Scottish Housing Associations' Defined Benefits Pension Scheme (SHAPS) and retirement benefits to employees 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.

On 1 April 2014 these employees were transferred to a Defined Contribution Scheme within the Scottish Housing Association Pension Scheme (SHAPS). All new staff members are eligible to participate in a defined contribution scheme provided by Standard Life.

The SHAPS defined benefit 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, with an accounting update prepared by the actuary 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.

Standard Life and AVIVA Auto Enrolment scheme

The Association operates these two defined contribution schemes. Employer contributions are charged to the Statement of Comprehensive Income on an accruals basis.

(o) Operating leases

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

(p) Investment properties

Investment properties are held at market value with any changes in market value recognised in the Statement of Comprehensive Income.

2. Principal Accounting policies (continued)

(q) Fixed asset Investments

Fixed asset investments are stated at cost, less any provisions required where there has been a permanent diminution in their value.

(r) Debtors

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

(s) Rental arrears

Rental arrears represent amounts due by tenants for rental of affordable 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.

(t) Stock

Stock held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

(u) Cash and cash equivalents and investments

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.

Deposits that mature in more than three months from the date of acquisition are classified as investments.

(v) 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.

(w) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period in which it arises.

2. Principal Accounting policies (continued)

(x) Financial instruments

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

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

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

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

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 of Management 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;
- The amount disclosed as ‘operating surplus’ is representative of activities that would normally be regarded as ‘operating’; and
- The identification of a cash-generating unit for impairment purposes.

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

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

Estimate	Basis of estimation
Valuation of housing properties	Housing Properties are held at deemed cost which is based on an existing use valuation at the date of transition to FRS 102 of 1 April 2014, 31 March 2022 (stock transferred from Pentland HA) and 1 April 2025 (stock transfer from ANCHO Limited).
The obligations under the SHAPs defined benefit pension scheme	This has relied on the actuarial assumptions of a qualified actuary 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.
The valuation of the riverbank provision	The provision is the expected costs of repairing the riverbank based on tender prices provided by a independent 3rd party suppliers.
Transfer of engagement	The transfer of engagement of ANCHO Limited on 1 April 2025 was completed at fair value as at that date. The valuation was performed by an appropriately qualified surveyor using market data at the date of valuation.

4. Particulars of turnover, operating expenditure and operating surplus

			2026			*2025*
	Turnover	**Operating Expenditure**	**Operating Surplus**	*Operating Turnover*	*Operating Expenditure*	*Operating Surplus*
	£	**£**	**£**	*£*	*£*	*£*
Affordable lettings (note 5)	**29,960,959**	**(27,744,665)**	**2,216,294**	*24,172,935*	*(22,093,014)*	*2,079,921*
Other activities (note 6)	**2,248,816**	**(1,314,465)**	**934,351**	*2,839,863*	*(2,510,323)*	*329,540*
	32,209,775	**(29,059,130)**	**3,150,645**	*27,012,798*	*(24,603,337)*	*2,409,461*

5. Particulars of turnover, operating expenditure and operating surplus or (deficit) from affordable letting activities	**General Needs Housing £**	**Amenity Housing £**	**Sheltered Housing £**	**Supported Housing £**	**Shared Ownership £**	**2026 £**	*2025* £
Rent receivable net of service charges	21,150,561	5,276	4,630,667	-	93,938	25,880,442	*21,262,787*
Service charges net of voids	594,550	-	2,385,535	-	6,045	2,986,130	*2,434,009*
Gross income from rents and service charges	21,745,111	5,276	7,016,202	-	99,983	28,866,572	*23,696,796*
Less: Rental voids	(150,056)	-	(58,173)	-	-	(208,229)	*(231,923)*
Net income from rents and service charges	21,595,055	5,276	6,958,029	-	99,983	28,658,343	*23,464,873*
Release of deferred capital government grant	746,399	-	-	-	-	746,399	*693,546*
Grants from the Scottish Ministers	546,051	-	9,828	-	338	556,217	*14,516*
Other revenue grants	-	-	-	-	-	-	-
Total turnover from affordable letting activities	22,887,505	5,276	6,967,857	-	100,321	29,960,959	*24,172,935*
Management and maintenance administration costs	8,337,645	2,205	2,114,271	-	72,754	10,526,875	*8,065,815*
Service costs	914,991	658	2,312,672	-	21,715	3,250,036	*2,739,891*
Planned and cyclical maintenance	1,669,883	430	412,311	-	14,188	2,096,812	*1,655,564*
Responsive maintenance costs	5,280,429	1,360	1,303,793	-	44,865	6,630,447	*5,278,453*
Bad debt provision	40,870	-	18,335	-	-	59,205	*(5,952)*
Write offs	136,759	-	33,271	-	1,144	171,174	*171,174*
Impairment	-	-	-	-	-	-	--
Depreciation of affordable housing	4,190,892	1,073	1,029,419	-	13,732	5,235,116	*4,188,069*
Exceptional expenditure – Riverside provision (note 23)	(450,000)	-	-	-	-	(450,000)	-
Impairment of loan to subsidiary	225,000	-	-	-	-	225,000	-
Operating expenditure for affordable letting activities	20,346,469	5,726	7,224,072	-	168,398	27,744,665	*22,093,014*
Operating surplus/(deficit) for affordable lettings 2026	2,541,036	(450)	(256,215)	-	(68,077)	2,216,294	
Operating surplus /(deficit) for affordable lettings – 2025	*3,551,265*	*423*	*(1,426,931)*	-	*(44,836)*		*2,079,921*
Number of units in management:							
2026	3,884	1	959	-	33	4,877	
2025	*3,204*	*1*	*959*	-	*33*		*4,197*

Included in depreciation of social housing is £320,635 (*2025: £196,167*) relating to the loss on disposal of components.

6. Particulars of turnover, operating expenditure and operating surplus or (deficit) from other activities

	Grants from Scottish Ministers £	Other Revenue Grants £	Supporting People Income £	Other Income £	Total turnover £	Operating Expenditure - bad debts £	Other operating expenditure £	Operating surplus or (deficit) 2026 £	Operating surplus or (deficit) 2025 £
Care and repair of property	**759,616**	**-**	**-**	**69,706**	**829,322**	**-**	**840,360**	**(11,038)**	*51,417*
Commercial rent from investment properties	**-**	**-**	**-**	**917,053**	**917,053**	**-**	**183,701**	**733,352**	*322,200*
Development and construction of property activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	*-*
Support activities	**-**	**-**	**3,768**	**-**	**3,768**	**-**	**-**	**3,768**	*3,767*
Care activities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	*-*
Factoring activities	**-**	**-**	**-**	**125,405**	**125,405**	**-**	**27,209**	**98,196**	*16,893*
Service charge admin recharge	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	*-*
Third party recharge costs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	*-*
NSSE sales	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	*2,399*
Other activities	**99,464**	**-**	**-**	**273,804**	**373,268**	**-**	**263,195**	**110,073**	*(67,136)*
Total from other activities 2026	**859,080**	**-**	**3,768**	**1,385,968**	**2,248,816**	**-**	**1,314,465**	**934,351**	
Total from other activities 2025	*575,255*	*-*	*3,767*	*2,260,841*	*2,839,863*	*-*	*2,510,323*		*329,540*

The other activity headings as noted in The Scottish Housing Regulator's Determination of Accounting Requirements do not apply.

Included in other activities is a donation for £1,908 (*2025: £*923), revenue grants and other income £135,492 (2025: £*55,200)* and intergroup recharges of £235,868 (*2025: £1,337,029*).

7. Employees	**2026**	*2025*
	£	*£*
Staff costs during year:		
Wages and salaries	7,428,776	*7,195,869*
Social security costs	945,340	*718,577*
Pension costs	1,131,581	*1,036,584*
Defined benefit pension charge – SHAPs (Note 22) Pension Admin cost	27,111	*26,321*
Death in service	104,309	*93,355*
Movement in accrued holiday pay	(19,050)	*70,538*
Agency costs	22,869	*72,299*
Redundancy and compensation payments (including NI)	51,215	*-*
Staff recruitment costs	52,513	*30,796*
	9,744,664	*9,244,339*

During the year SHAPS past service deficit contributions of £nil *(2025: £nil)* were paid net of £27,111 *(2025: £26,321)* of administration expenses.

	2026 Ave No.	**2026 FTE No.**	*2025 Ave No.*	*2025 FTE No.*
Average weekly number and the full time equivalent (FTE) employees of the Association including staff on an agency basis during the year was				
Office staff	156	147	*154*	*143*
HomeWorks staff	12	12	*13*	*13*
Housing managers and other staff	47	23	*43*	*21*
	215	182	*210*	*177*

8. Directors' emoluments

The directors are defined as the members of the Board of Management, the Chief Executive and any other person reporting directly to the Chief Executive or the Board of Management. The Association considers key management personnel to be the Board of Management and the senior management team of the Group only.

	2026	2025
	£	*£*
Aggregate emoluments payable to all the officers earning > £60k) (excluding pension contributions) amounted to:	**960,059**	*954,352*

Total pension payments to officers earning > £60k was £87,713 (*2025: £90,878*). This does not take into account any past service deficit payments.

Total emoluments paid to key management personnel including Eer NI was £692,277 (*2025: £648,257*).

Total emoluments payable to the Chief executive (excluding pension contributions) amounted to:	136,980	*133,379*

The Chief Executive is an ordinary member of the Association's pension scheme described in Note 22. The Association's contributions for the Chief Executive in the year amounted to £13,698 (*2025: £12,004*).

The numbers of officers including the highest paid Officer who received emoluments (excluding pension contributions) in the following ranges were:	**Number**	*Number*
£60,001 - £70,000	3	*3*
£70,001 - £80,000	3	*3*
£80,001 - £90,000	0	*0*
£90,001 - £100,000	3	*2*
£100,001 - £110,000	0	*2*
£110,001 - £120,000	1	*0*
£130,001 - £140,000	1	*1*

	2026	*2025*
	£	*£*
Aggregate emoluments payable to the Chairperson & Vice Chairperson amounted to:	9,881	*9,543*
	£	£
Total Board of Management expenses reimbursed in so far as not chargeable to United Kingdom Income Tax	5,137	*16,353*

9. Operating surplus

	2026	2025
	£	£
Operating surplus is stated after charging:		
Depreciation:		
- housing properties	4,985,534	3,991,902
- loss on disposal of components	320,635	196,167
- other fixed assets	259,445	256,897
Auditor's remuneration (exc vat):		
- External audit services	33,750	32,150
- non-audit services	3,000	6,100
- internal audit services	18,299	27,030
Operating lease rentals	426,538	389,490

10. Gain on sale on property, plant and equipment

	2026	2025
	£	£
Gain on general needs housing	-	-
Gain on shared ownership tranches	-	-
Gain on Retirement Court sales	-	-
Gain on Investment Property	-	131,748
Gain on other fixed assets	-	-
	-	131,748

11. Interest receivable	**2026**	*2025*
	£	*£*
Interest on group loans to ANCHO	-	*51,100*
Interest receivable on bank deposits	135,376	*207,234*
	135,376	*258,334*

12. Interest payable and similar charges	**2026**	*2025*
	£	*£*
On bank loans	3,252,258	*2,995,354*
SHAPS – finance cost (note 22)	113,000	*102,000*
Other	-	*108*
	3,365,258	*3,097,462*

13. Taxation

The Association is a Scottish Charity and no liability to corporation tax arises on its charitable activities in the current or prior year.

	2026	*2025*
	£	*£*
Corporation Tax due on other activities	-	-
	-	-

14a. Tangible fixed assets and investments

(a) Housing properties

	Housing Properties held for letting	Shared Ownership held for letting	Housing Properties in the course of construction	Housing Properties Total
	£	£	£	£
Cost or valuation				
At the start of the year	210,926,508	784,654	2,484,769	214,195,931
Transfer in on acquisition of ANCHO on 1 April 2025	23,770,000	-	-	23,770,000
Additions during year				
- properties	256,196	-	-	256,196
- new developments	-	-	12,809,448	12,809,448
- improvements to existing properties	3,942,279	-	-	3,942,279
Transfer	982,174	-	(982,174)	-
Disposals during year				
- properties	-	-	-	-
- replaced components	(502,522)	-	-	(502,522)
At the end of the year	239,374,635	784,654	14,312,043	254,471,332
Depreciation				
At the start of the year	26,492,559	139,037	-	26,631,596
Charge for year	4,972,515	13,019	-	4,985,534
Disposals during year				
- properties	-	-	-	-
- replaced components	(181,887)	-	-	(181,887)
At the end of the year	31,283,187	152,056	-	31,435,243
Net book value				
At 31 March 2026	208,091,448	632,598	14,312,043	223,036,089
At 31 March 2025	*184,433,949*	*645,617*	*2,484,769*	*187,564,335*

14 a. Tangible fixed assets and investments (continued)

Total cost of replacement components (capitalised maintenance) for the year amounted to £3,942,279 (*2025: £5,409,234*). The amount spent on maintenance of housing properties held for letting can be seen in note 5b.

Additions to Housing Properties during the year includes £nil capitalised interest (*2025: £nil*) and £nil capitalised administration costs (*2025: £nil*). All housing properties are freehold.

Included in freehold housing properties is land with a historic cost allocation of £30,154,442 *(2025: £26,676,213).*

The housing properties were revalued as at 1 April 2014, 31 March 2022 (stock transferred from Pentland HA) and 1 April 2025 (stock transferred from ANCHO Limited) by Jones Lang LaSalle Limited on an existing value basis and this value was used as the deemed cost from those dates in accordance with FRS 102.

14 (b) Investment properties	**2026**	*2025*
	£	*£*
At 1 April 2025	10,734,804	*9,152,682*
Transfer in on acquisition of ANCHO on 1 April 2025	385,000	-
Component additions during year	209,302	*127,140*
Component disposals during year	(28,540)	*(16,766)*
Transfer to subsidiary	(225,000)	-
Disposal on sale	-	*(268,252)*
Gain on revaluation	-	*1,740,000*
At 31 March 2026	11,075,566	*10,734,804*

Investment properties are accommodation, offices and garages leased to 3rd parties. The turnover and operating expenditure in relation to these properties is disclosed in Note 6b. There are 240 (2025:164) investment properties.

The investment properties were revalued in August 2025 (by Jones Lang LaSalle Limited) in accordance with FRS 102. This is considered the fair value at 31 March 2026.

The minimum lease payments receivable in respect of leases in relation to investment properties are due within one year. This amounted to £917,053 (2025: £*949,384*).

14. Tangible fixed assets and investments (continued)

14 (c) Other fixed assets	Heritable Office Property	Office Furniture and Equipment	Other Fixed Assets Total
	£	£	£
Cost			
At start of year	975,854	2,219,722	3,195,576
Additions during year	422,870	7,368	430,238
Transfer in on acquisition	53,928	6,073	60,001
Disposals	(18,657)	(8,321)	(26,978)
At end of year	1,433,995	2,224,842	3,658,837
Depreciation			
At start of year	287,400	1,598,674	1,886,074
Provided during year	20,613	238,832	259,445
Disposals	(3,332)	(8,321)	(11,653)
At end of year	304,681	1,829,185	2,133,866
Net book value			
At 31 March 2026	1,129,314	395,657	1,524,971
At 31 March 2025	*688,454*	*621,048*	*1,309,502*

14 (d) Investments	2026	*2025*
	£	*£*
Investment in subsidiary undertaking:		
Pentland Community Enterprises Limited	**470,001**	*470,001*

Cairn Housing Association Limited owns 470,001 (*2025:* 470,001) ordinary £1 shares in Pentland Community Enterprises Limited (SC309344. The investment is held at cost. This represents a 100% shareholding in Pentland Community Enterprises Limited, a company registered in Scotland, whose principal activity is the rental of housing units at mid-market rent. Pentland Community Enterprises Limited made a loss of £10,840 *(2025: profit of £56,514)* for the year ended 31 March 2026 and had net assets of £220,976 (*2025: £231,816)*.

15. Debtors due after more than one year

	2026	*2025*
	£	*£*
Amounts owed by subsidiary		
ANCHO Limited	-	*1,460,000*
	-	*1,460,000*

16. Debtors due within one year

	2026	*2025*
	£	*£*
Rent arrears	**994,526**	*942,367*
Less: provision for bad debts	**(499,314)**	*(457,016)*
	495,212	*485,351*
Amounts owed by subsidiary	**446,650**	*487,175*
Prepayments and accrued income	**846,405**	*828,941*
Other debtors	**198,442**	*343,563*
	1,986,709	*2,145,030*

17a. Cash and cash equivalents

	2026	*2025*
	£	*£*
Current account	**1,139,213**	*2,489,354*
	1,139,213	*2,489,354*

17b. Investments

	2026	*2025*
	£	*£*
Deposit accounts > 3 months	**1,348,270**	*3,515,000*
	1,348,270	*3,515,000*

18. Creditors: amounts falling due within one year	**2026**	*2025*
	£	*£*
Housing loans due in less than 1 year (note 20)	1,181,270	*713,235*
Other loans	86,490	*86,490*
Trade creditors	2,013,589	*1,745,441*
Retentions	329,442	*695,335*
Amounts owed to subsidiary	-	*112,680*
Prepaid rents and service charges	1,486,771	*1,161,124*
Accruals and deferred income	1,616,926	*1,613,120*
Other taxes and social security	12,860	*9,405*
Deferred Government capital grant (note 21)	914,371	*665,773*
Other creditors	553,935	*531,825*
	8,195,654	*7,334,428*
Secured creditors	1,181,270	*713,235*

19. Creditors: amounts falling due after more than one year	**2026**	*2025*
	£	*£*
Housing loans (note 20)	99,417,449	*94,423,740*
Deferred Government capital grant (note 21)	47,965,789	*42,345,684*
Other loans	85	*21,575*
Retentions	78,122	*14,839*
	147,461,445	*136,805,838*
Secured creditors	99,417,449	*94,423,740*

20. Loans	**2026**	*2025*
	£	*£*
Loans or mortgages secured by charges on the Association's housing properties:		
Loans advanced by:		
Private lenders	**100,598,719**	*95,136,975*
Amounts falling due in:		
One year (note 18)	**1,181,270**	*713,235*
One year or more but less than two years (note 19)	**702,040**	*711,965*
Two years or more but less than five years (note 19)	**1,442,751**	*2,158,377*
Five years or more (note 19)	**97,272,658**	*91,553,398*
	100,598,719	*95,136,975*

The loans are advanced to finance the development and refurbishment of housing properties and are repayable by quarterly instalments of principal and interest. The loans bear interest at rates between 2.10% and 5.87%.

The Association's lenders have standard securities of the Social Housing Units and investment properties with a carrying value of £108,666,302 (*2025: £91,449,791*)

21. Deferred capital grants		**2026**	*2025*
		£	*£*
Deferred capital grants 1 April		**43,011,457**	*43,111,713*
Reallocated from other creditors		**-**	*131,573*
Grants received in year		**6,593,309**	*462,328*
Grant amortised in year		**(746,399)**	*(693,546)*
Grant written off in year		**-**	*(611)*
Transfer in on acquisition		**21,793**	-
Deferred capital grants 31 March		**48,880,160**	*43,011,457*
Split:	< 1 year	**914,371**	*665,773*
	1-2 years	**913,305**	*665,773*
	2-5 years	**2,741,515**	*1,997,318*
	> 5 years	**44,310,969**	*39,682,593*
Total		**48,880,160**	*43,011,457*

22. Pension scheme

(i) Defined Contribution Scheme

On 31 March 2014 the Association moved its pension provision from a defined benefit scheme via the Scottish Housing Associations' Pension Scheme to a defined contribution scheme via the Scottish Housing Associations' Pension Scheme and Standard Life.

61 members of staff are members of the Scottish Housing Associations' Defined Contribution Pension Scheme. This scheme was closed to new entrants on 1 April 2014. The assets of the scheme are administered by The Pensions Trust and are independent of the Association.

The contributions paid in respect of the Scottish Housing Associations' Defined Contribution Pension Scheme are variable with the maximum employer contribution of 12%.

65 members of staff are members of the Standard Life Group Personal Pension Scheme. The assets of the scheme are administered by each pension scheme' trustees and are independent of the Association.

65 members of staff are members of the Aviva Group Personal Pension Scheme. This scheme is used for auto enrolment as well as being open to new members. The assets of the scheme are administered by each pension scheme' trustees and are independent of the Association.

The contributions paid in respect of the Standard Life and Aviva Group Personal Pension Schemes are variable with the maximum employer contribution 10%.

(ii) SHAPS defined benefit scheme

The Association participates in the Scottish Housing Associations' Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK. The Scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK. The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. A Recovery Plan was put in place to eliminate the deficit which runs to 31 March 2030. The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme. For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive. The liabilities are compared, at the relevant accounting date, with the Association's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Scheme Benefit Review

The Trustee has undertaken a review that involved comparing the changes that have been made to the benefits provided to members with the requirements of the scheme's rules. This review has identified that, in some cases, changes to benefits may have been implemented at a time or in a way that may not be in accordance with the scheme rules. The Trustee is seeking court directions on how to interpret the rules and the court case was heard in March 2025. If the Trustee is required to make changes to the scheme, this will increase the scheme's liabilities.

At the same time, the Trustee has asked the court to clarify the Trustee's power to make changes in respect of benefits built up after the date changes were made to the scheme's rules. If the Trustee is required to make changes as a result of this clarification, this will also give rise to an additional liability.

22. Pension scheme (continued)

The results elsewhere in the report make no allowance for these potential additional liabilities. The Trustee and the sponsor both recognise that if the scheme's liabilities increase, action will be required to eliminate any arising deficit. Discussions have taken place between the Trustee and the sponsor regarding contingency arrangements for additional contributions should these be required. These contingency plans take into account the Trustee's assessment of the sponsor's ability and willingness to pay deficit contributions over the longer term.

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.

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	14,556	*14,336*
Present value of defined benefit obligation	(16,328)	*(16,282)*
Defined benefit liability to be recognised	(1,772)	*(1,946)*

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	(16,282)	*(17,704)*
Current service cost	-	-
Expenses	(27)	*(26)*
Interest expense	(926)	*(852)*
Actuarial gain due to scheme experience	76	*(355)*
Actuarial gain due to changes in demographic assumptions	(184)	-
Actuarial gain due to changes in financial assumptions	250	*1,999*
Benefits paid and expenses	765	*656*
Defined benefit liability at the end of the period	(16,328)	*(16,282)*

22. Pension scheme (continued)

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	14,336	*15,626*
Interest income	813	*750*
Experience on plan assets (excluding amounts included in interest inc – gain/(loss)	145	*(1,410)*
Contributions by the employer	27	*26*
Benefits paid and expenses	(765)	*(656)*
Fair value of plan assets at end of period	14,556	*14,336*

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	27	*26*
Net interest expense	113	*102*
Defined benefit costs recognised in Statement of Comprehensive Income	140	*128*

Defined benefit costs recognised in Other Comprehensive Income

	Year ended 31 March 2026 £'000	*Year ended 31 March 2025 £'000*
Experience on plan assets (excluding amounts included in net interest cost) – gain/(loss)	145	*(1,410)*
Experience gains and losses arising on the plan liabilities – gain/(loss)	76	*(355)*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation – gain/(loss)	(184)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain	250	*1,999*
Total amount recognised in other comprehensive income – actuarial gain/(loss)	287	*234*

22. Pension scheme (continued)

Fund allocation for employer's calculated share of assets

	31 March 2026 £'000	*31 March 2025 £'000*
Global Equity	1,922	*1,660*
Liquid Alternatives	2,783	*2,639*
Insurance-Linked Securities	28	*55*
Property	759	*710*
Infrastructure	1	*3*
Private Equity	32	*12*
Real Assets	1,444	*1,711*
Private Credit	1,877	*1,788*
Credit	663	*610*
Investment Grade Credit	611	*656*
Cash	6	*77*
Long Lease Property	-	*5*
Secured Income	197	*331*
Liability Driven Investment	4,017	*4,036*
Currency Hedging	(1)	*24*
Net Current Assets	217	*19*
Total Assets	14,556	*14,336*

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. Pension scheme (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

Member data summary

Active members

	Number	**Total earnings (£'000s p.a.)**	**Average age (unweighted)**
Males	11	543	54
Females	26	1,063	54
Total	**37**	**1,606**	**54**

Deferred members

	Number	**Deferred pensions (£'000s p.a.)**	**Average age (unweighted)**
Males	37	154	56
Females	63	151	56
Total	**100**	**305**	**56**

Pensioners

	Number	**Pensions (£'000s p.a.)**	**Average age (unweighted)**
Males	34	197	71
Females	70	444	74
Total	**104**	**641**	**73**

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.

22. Pension scheme (continued)

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 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 amount 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 £3,963,207.

23. Provision – Riverbank

	2026 **£**	*2025* £
At 1 April 2025	-	-
Transfer from ANCHO	1,814,209	-
Utilised in year	(26,435)	-
Released in year	(450,000)	-
At 31 March 2026	1,337,774	-

The Association is the owner of a 207m stretch of the riverbank (into the middle of the riverbed) of the River Annick, behind Annick Drive, North Ayrshire. The gabion retaining structure is in poor condition due to extensive corrosion and the riverbank has experienced significant erosion affecting the stability of the fences and garden structures of the residential units along Annick Drive. There are 24 houses whose gardens back onto the land, of which the Association owns 1. The remaining 23 houses are privately owned and were disposed of via Right to Buy prior to the land coming into Cairn's ownership. This land was transferred to ANCHO as part of the original stock transfer from Scottish Homes (in 1999). The provision has been transferred to Cairn Housing Association Limited on the transfer of engagement from ANCHO Limited.

This is a complicated project, and expert advice had been taken prior to undertaking a tender exercise. A contractor has now been appointed, and the remedial work is due to take place in 2026, the timing being dependent on certain ecological factors. The provision reflects the Association's best estimate of the remedial works.

24. Share capital

	2026 £	*2025 £*
Shares of £1 each issued and fully paid		
At 1 April 2025	**120**	*138*
Issue of shares during the year	**32**	*-*
Cancelled during the year	**(13)**	*(18)*
At 31 March 2026	**139**	*120*

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled, and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings. Called up share capital on the Statement of Financial Position has been adjusted to reflect the number of shares held by active members.

25. Reserves

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

26. Net cash inflow from operating activities

	2026 £	*2025 £*
Surplus for the year	17,924,490	*1,442,081*
Adjustment for non-cash items		
Depreciation charges including loss on disposal of components	5,565,614	*4,444,966*
(Decrease)/increase in creditors	(449,508)	*1,466,601*
(Decrease) in provisions	(476,435)	*-*
Decrease in debtors	186,366	*186,982*
Decrease in stock	-	*8,500*
Share capital issued/(cancelled)	(13)	*(18)*
Gain on sale on disposal of investment properties	28,540	*(131,748)*
Gain on sale on disposal of other fixed assets	15,325	*-*
Write-off of deferred Government Grants	-	*(611)*
Gain on revaluation of investment properties	-	*(1,740,000)*
Gain on acquisition of ANCHO Limited	(18,003,727)	*-*
Provision against loan to subsidiary	225,000	*-*
Arrangement fee	35,488	*34,269*
Adjustments for investing or financing activities		
Release of deferred Government Grants	(746,399)	*(693,546)*
Interest payable	3,365,258	*3,097,462*
Interest receivable	(135,376)	*(258,334)*
Net cash inflow from operating activities	7,534,623	*7,856,604*

27. Related party transaction and balances

Remuneration paid to members of the Association during the year were £9,881 *(2025: £9,543).* Members of the Board of Management were reimbursed for out of pocket travel and accommodation expenses amounting to £5,137 (*2025: £16,353*).

Some members of the Board of Management 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 payable in the year relating to tenant Board members is £6,199 (*2025: £5,943)*. A balance of £569 is due at the year-end (*2025: £338*).

The total remuneration (including pension contributions and benefits in kind) paid to Key Management who are deemed to be the Executive Officers was £692,277 (*2025: £648,257).*

As detailed per Note 30, on 1 April 2025 the trade and assets of ANCHO Limited were transferred to the Association via a transfer of engagement. In prior year, there was a balance receivable from ANCHO Limited of £196,634 which was included in debtors. The loan receivable at the end of 2025 was £1,460,000 included in Debtors due after more than one year. The Association owed ANCHO Limited an amount of £112,680 which was included in creditor at the end of 2025. During the prior year, the Association charged payroll costs to ANCHO of £811,571 and other admin costs of £266,054.

During the year the Association charged rent in respect of mid-market properties of £108,431 (*2025: £122,937*) to Pentland Community Enterprises Limited. The Association also charged a management fee of £nil (*2025: £17,526*) and other intergroup recharges of £127,437 (*2025: £118,941*). During the year investment properties with a fair value of £225,000 were transferred to Pentland Community Enterprises Limited from the Association. There is a balance receivable from Pentland Community Enterprises Limited of £671,650 (*2025: £290,540*) at the year-end which is included in debtors. A provision has been made against the balance receivable from PCE of £225,000 (*2025: £nil*) to give a closing debtor of £446,650. In the prior year, the intergroup loan of £370,000 was capitalised as an investment in PCE.

28. Capital commitments

	2026	*2025*
Contracted	**35,610,930**	*8,181,490*
Approved but not contracted for	**-**	-
	35,610,930	*8,181,490*
This is to be funded by:		
Private finance	**15,788,965**	*5,458,672*
Grants	**19,821,965**	*2,722,818*
From reserves	**-**	-
	35,610,930	*8,181,490*

29. Revenue commitments

	Land & Buildings 2026 £	**Other 2026 £**	*Land & Buildings 2025 £*	*Other 2025 £*
Within a year	**189,106**	**140,875**	*161,885*	*27,891*
Within 2-5 years	**241,414**	**83,033**	*376,759*	*62,152*
After 5 years	**-**	**-**	*-*	*-*
	430,520	**223,908**	*538,644*	*90,043*

30. Gain on acquisition of ANCHO Limited

ANCHO Limited
On 1 April 2025, ANCHO Limited transferred their trade and assets via a transfer of engagement to Cairn Housing Association Limited for nil consideration. The assets and liabilities were transferred at fair value as follows:

Assets:	**£**
Housing properties	**23,770,000**
Investment Properties	**385,000**
Other fixed assets	**60,001**
Cash and cash equivalents	**1,457,401**
Debtors falling due within one year	**112,000**
Stock	**827**
Liabilities:	
Creditors falling due within one year	**(1,308,610)**
Creditors falling due out with one year	**(4,658,683)**
Provision (for Riverbank)	**(1,814,209)**
Gain on acquisition	**18,003,727**