ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED AND SUBSIDIARIES

Report of the Board of Management and Financial Statements for the year ended

31st March 2026

Registration Particulars:

Scottish Housing Regulator	Registered Number: 360
Co-operative and Community Benefit Societies Act 2014	Registered Number: 2661R (S)
Office of the Scottish Charity Regulator	Registered number: SC042713

ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED AND SUBSIDIARIES

For the year ended 31st March 2026

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ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED AND SUBSIDIARIES

BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS

For the year ended 31st March 2026

The Board of Management

The Board of Management and the Executive Officers who held office during the year are as follows:

Board of Management		**Appointed**	**Resigned**
Tenant and Independent Members			
Mike Brown		21st September 2022	
Steven Duffy		20th March 2025	
Brian Gannon		28th August 2025	
Catherine Grant	Chair	22nd August 2019	
Esther Hughes		4th February 2021	
Dan Hughes		21st September 2022	
Mark Irvine	Vice Chair	2nd February 2023	
Ian McIntyre		16th November 2017	
Pat McVey		15th December 2022	
James Milne	Secretary	14th June 2012	
Argyll and Bute Council Nominees			
Jan Brown		19th May 2022	
William Sinclair		2nd May 2024	

Executive Officers

Michelle Mundie	Chief Executive	
Allan MacDonald	Director of Group Services	
Sandra McLeod	Director of Customer Experience	
William Mulheron	Director of Assets	28th August 2026

All resignations and appointments from 31st March 2026 to the date of signing of the accounts are also included above.

ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED AND SUBSIDIARIES

BOARD OF MANAGEMENT, EXECUTIVES AND ADVISERS

For the year ended 31st March 2026

Registered Office:	Menzies House Glenshellach Business Park Oban PA34 4RY
Auditors:	TC Group Business Advisors and Accountants 180 St Vincent Street Glasgow G2 5SG
Principal Bankers:	Lloyds Banking Group 120 George Street Edinburgh EH2 4LH
Solicitors:	TC Young 7 West George Street Glasgow G2 1BA
Internal Auditors:	WBG 168 Bath Street Glasgow G2 4TP

ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED AND SUBSIDIARIES

STRATEGIC REPORT OF THE BOARD OF MANAGEMENT

For the year ended 31st March 2026

ABOUT ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED GROUP

The Board of Management present their report and audited financial statements for the financial period 1st April 2025 to 31st March 2026.

Argyll Community Housing Association Limited (ACHA) was incorporated on 27th May 2005. ACHA is a not-for-profit organisation, registered with the Scottish Housing Regulator as a Registered Social Landlord (RSL) No. 360 on 21st November 2006 and constituted as an Industrial and Provident Society incorporated under the Co-operative and Community Benefit Societies Act 2014 (Registered Number 2661R(S)). ACHA was registered as a charity with the Office of the Scottish Charity Regulator on 4th November 2011, registered No. SC042713.

Argyll Homes For All Limited (AHFA) is a wholly owned subsidiary of ACHA incorporated on 27th January 2012. It is a trading company limited by shares and registered with Companies House under the Companies Act 2006, number SC415603.

PRINCIPAL ACTIVITIES

ACHA's principal activity is to provide and manage quality affordable housing accommodation for people in housing need across the Argyll and Bute region. ACHA received 5,398 homes from Argyll and Bute Council as a result of the whole stock transfer on 21st November 2006 and now has 5,193 homes as a result of previous right to buy sales, stock rationalisation and new development / acquisitions. ACHA owns and manages a range of housing for rent in primarily general needs accommodation, some sheltered accommodation and a small number of gypsy traveller sites. It provides accommodation for the homeless through tenancies with Argyll and Bute Council.

The emphasis of ACHA's activities is the provision of quality, affordable and sustainable homes, delivering quality housing and more homes in great places to live and work.

The principal activity of the wholly owned subsidiary, AHFA, is property repairs and maintenance, in addition to small capital works, for ACHA.

GOVERNANCE AND DECISION MAKING

ACHA's organisational structure consists of a voluntary Board of Management (Board) supported by a Senior Management Team (SMT). The Board comprises of tenants (5 places), Argyll and Bute Council nominated representatives (2 places) and independent representatives (5 places). The Regulation of Social Housing (Influence of Local Authorities) (Scotland) Regulations 2018 provides that no more than 24% of governing bodies to be made up of Board members from the local authority. During the 2025/26 financial year ACHA's Board of Management filled 1 independent vacancy. At the end of March 2026 there were no vacancies on ACHA's Board.

The SMT comprises the Chief Executive and each of the directors heading the functional departments of Housing & Neighbourhood Services, Property Services, and Group Services, plus the Managing Director of AHFA.

All Board members and staff operate within a set of standing orders, policies and financial regulations. Decisions relating to ACHA's strategic objectives are taken at regular Board meetings whilst operational matters are dealt with by staff. ACHA also has standing committees, which were reviewed in 2024/25 and are comprised of the Risk, Finance and Audit Committee, Policy, Performance and Operations Committee and Staffing and Remuneration Committee. The Risk, Finance and Audit Committee's remit includes all aspects of audit compliance and internal assurance, monitoring risk, treasury and debt write off and the annual accounts and financial statements. The Policy, Performance and Operations Committee has delegated powers to consider customer facing strategies and policies and oversee performance. The Staffing and Remuneration Committee considers matters relating to staffing policies, staffing structure, salary levels and related issues. The Group's Standing Orders and Scheme of Delegation were amended in 2024/25 to take account the new committee remits.

ACHA also has a Health and Safety Committee comprising of staff in recognition of the key strategic importance of health and safety compliance across the Group.

AHFA is a wholly owned subsidiary and is a company limited by shares. AHFA has a Board of Management and Board members operate according to established standing orders, policies and financial regulations. AHFA has no sub committees. AHFA has a Board comprising of 6 members, 2 who are independent members. There was 1 vacancy at the year end. AHFA operates across the whole of the Argyll and Bute region with 2 principal office locations being Oban and Helensburgh. It has a Managing Director who oversees all aspects of its functions. An independent strategic review of AHFA's operations and governance was undertaken by David Tolson Partnership in 2024/25 and a review of AHFA's key governance documents is being undertaken.

RISK MANAGEMENT

The Group's risk appetite and strategic risk register were reviewed by Board members at its Strategy Days held on 26th and 27th February 2026 and the Group Risk Registers are reviewed on a quarterly basis by the Risk, Finance and Audit Committee.

An approved internal audit programme was undertaken during the year, with the outcomes of the internal audit reviews considered by officers and reported to the Risk, Finance and Audit Committee who monitor any outstanding recommendations and actions. The internal audit annual plan for the 2026/27 financial year was approved by the Risk, Finance and Audit Committee in May 2026.

ACHA was compliant with its regulatory requirements throughout the year. The Scottish Housing Regulator engaged with the Association on Notifiable Events submitted throughout the year and continued to engage with the Association because it is deemed to be a systemically important landlord due to its significance within its area of operation. Representatives from the Scottish Housing Regulator attended a Board meeting in December 2025 in line with the Engagement Plan.

HEALTH AND SAFETY

The Group employs a Health, Safety and Environmental Advisor and has a health and safety committee comprised of staff members. A Board member also attends the meetings. A quarterly update is provided by the Health, Safety and Environmental Advisor and the Property Services Manager to the Board of Management on Group safety issues, as well as tenant/resident safety. In addition to the quarterly meetings, monthly meetings with the Senior Management Team were introduced in January 2026 to focus on tenant safety. An annual audit of Health & Safety Management systems is undertaken, to assess compliance with current Health & Safety legislation and best practice. A landlord compliance audit is also undertaken. These audits are carried out on an alternate basis by the Health, Safety and Environmental Advisor and an external company. The Health, Safety and Environmental Advisor also carries out additional internal health and safety system audits to ensure compliance.

STAFF

The ACHA group employed 251 full time equivalent (FTE) staff during 2025/26 (weighted FTE – breakdown within note 7 to the accounts), a decrease of 8 on the 259 full time equivalent staff during 2024/25. Staff turnover at the end of March 2026 was 9.93%, a marginal increase on the 9.64% in the prior year and well below the target of 14.0%. Exit trends continue to indicate retirement, temporary contracts and career progression as being our key reasons for leaving.

Sickness absence rates for 2025/26 have increased to 4.07% (from 3.88%), against a target of 3.4%. Trigger points for short term and long term absence are followed up at an early stage to allow individuals to access a wealth of health and wellbeing programmes. ACHA continue to refresh the 'one stop' Group wide Health and Wellbeing Policy, training for managers, and add to our wide range of health programmes to support staff.

OBJECTIVES, OPERATIONS AND PERFORMANCE

Performance Management

Performance levels are routinely monitored by staff delivering services, the SMT and Board. The Scottish Housing Regulator monitors and reports on ACHA's performance using the Annual Return on the Charter (ARC). For the ARC, ACHA submits data pertaining to performance indicators which are measured against other social housing providers in Scotland. ACHA use these comparisons to help set its own performance targets which, as a minimum, will be to at least meet the Scottish National Average.

ACHA publishes an annual Landlord Report to show how we are performing against the standards set out in the Scottish Social Housing Charter, ensuring tenants and others can assess the effectiveness of our work and allowing us to identify where improvements can be made. The most recent report was published in October 2025.

The Scottish Housing Regulator also requires ACHA to submit an Annual Assurance Statement. The purpose of this statement is for ACHA's Board to assess whether they are assured that the organisation complies with regulatory requirements.

Each year the Scottish Housing Regulator publishes an Engagement Plan for each landlord. This outlines what they will do and details Regulatory returns which we must provide in order for the Scottish Housing Regulator to monitor our performance.

It is important that tenants and other customers have the opportunity to provide feedback on the services they receive and ACHA conducts a number of different surveys throughout each year.

Complaints information is used as a learning tool, together with other performance information such as satisfaction surveys and benchmarking of performance indicators. This helps to build an accurate picture of how services are performing and assists in developing service improvements. Areas of concern are also reviewed and considered by the Board as part of their Strategic Planning role and may be included in the Corporate Strategic Plan, which sets out ACHA's aims and objectives going forward.

Each of the three departments within ACHA, and AHFA, also develop and maintain annual directorate plans setting out their departmental objectives for the year ahead.

Tenant Participation and Customer Involvement

Customer involvement remains central to ACHA's approach to service delivery and governance. By engaging with tenants and other customers, ACHA is able to gather valuable feedback on service performance, understand local priorities and ensure that customer views inform decision-making and continuous improvement activities.

The Association is committed to providing a range of opportunities for customers to influence services and participate in the development of policies and strategic priorities. Customers can participate in the following ways:

- Join our Feedb@ck Forum, which allows tenants and customers to review and comment on consultations from the comfort of their own home.
- Become an ACHA member for just £1 for life. Members can attend the Annual General Meeting, vote on key issues affecting the association, and, if eligible, stand for election to the Governing Body.
- Establish a Registered Tenant Organisation, enabling tenants to work together to represent the views of their community.
- Take part in the "Your Voice" tenant scrutiny group, which plays a key role in evaluating ACHA's services, assessing performance, and working with us to drive improvement.
- Join Estate Walkabouts, where tenants, owners, and ACHA officers work together to identify areas for improvement within communities.
- Participate in consultation events, which may be large-scale or tailored to specific local communities.
- Share views on services, policies, and proposals through surveys and questionnaires.
- Engage with ACHA on social media by commenting on recent news and proposals.

Customer participation also forms an important part of ACHA's governance. The Governing Body includes tenant members alongside independent members and representatives from Argyll and Bute Council, ensuring that customer perspectives contribute to the strategic direction of the organisation.

The Customer Involvement Strategy 2024-2029 sets out ACHA's commitment to strengthening participation and increasing opportunities for involvement. Through this approach, the Association seeks to enhance accountability, improve service outcomes and ensure that services continue to reflect the needs and aspirations of the communities it serves.

Housing Allocations

ACHA is one of the main Social Housing providers in the Argyll and Bute area. Our properties are allocated via a Common Housing Register, HOME Argyll (Housing Options Made Easy), which is operated in partnership with Dunbritton Housing Association, West Highland Housing Association, Fyne Homes and Argyll and Bute Council. Having a common housing register allows applicants seeking rehousing to complete a single online application form, available through the Home Argyll website.

A revised Allocations Policy was implemented in July 2025 to meet legislative requirements, reflect best practice, and support the management of identified housing pressures.

As at 31st March 2026 there were 3,296 applicants with an active or deferred application on the HOME Argyll waiting list.

During 2025/26 ACHA let 441 properties to applicants from the following waiting list categories:

Statutory Homeless	158 (36%)
Direct Waiting List	178 (40%)
Transfer Waiting List	96 (22%)

In addition, we let a further 9 properties (2% of lets) to external agencies for specific purposes.

Tenants may apply for a mutual exchange with another social landlord tenant, subject to approval of all landlords involved. During 2025/26, 17 tenants were able to move via this scheme.

Estate Management

ACHA is committed to maintaining safe, clean and well-maintained neighbourhoods for tenants and residents across Argyll & Bute. Effective estate management plays an important role in supporting tenancy sustainment, enhancing community wellbeing and protecting the Associations assets.

Throughout the year, our staff carried out regular estate inspections to monitor the condition of neighbourhoods, identify environmental issues and ensure that communal areas are maintained to an appropriate standard. Estate Walkabouts were also undertaken in partnership with tenants and residents, providing opportunities for customers to raise local concerns and identify areas for improvement. ACHA is not the sole landowner or landlord with responsibilities for the maintenance of open spaces, and therefore whenever possible, we work with other owners for the benefit of our estates and the wider community.

The Association recognises that well managed estates contribute to customer satisfaction, community pride and neighbourhood sustainability. Our last tenant satisfaction survey revealed that 93.73% of our tenants were satisfied with the management of the neighbourhood that they lived in.

We host annual 'Garden in Bloom' competitions in each area. This is an opportunity to recognise the hard work and commitment from tenants in maintaining their gardens.

Anti Social Behaviour

ACHA is dedicated to maintaining safe and sustainable communities and takes reports of ant-social behaviour seriously. Our teams work with tenants, residents and partner agencies to investigate concerns, support those affected and take appropriate action where tenancy conditions have been breached.

During 2025/26, 75 cases of anti-social behaviour were successfully resolved. We remain committed to addressing anti-social behaviour and continue to work in close partnership with Police Scotland, Argyll and Bute Council, and other agencies to help maintain safe and welcoming communities. ACHA raised court action and recovered 1 property for anti-social behaviour during 2025/26.

Factoring and Private Owners

ACHA's day to day factoring undertakings involve private owners where they own properties in shared blocks, estates or common ground. As many owners have a shared responsibility they also have an ability to influence decision making, and a legal responsibility for maintenance, upkeep and repairs to common property and common areas.

During the financial year of 2025/26 the number of owners signed up to ACHA's comprehensive factoring service reduced to 372, from a total of 115 blocks, who had previously entered into a formal arrangement. The comprehensive service is in place to arrange repairs, maintenance and upgrading work to common blocks to maintain and improve the property for all residents and provide customers with access to the repairs service and customer service centre to report work required. The reduction in static figures for the last year can mainly be attributed to an ACHA buyback which then meant a full block was owned by ACHA, and also to the withdrawal of an entirely privately owned block from the factoring service. This was coupled with the fact that ACHA undertook a full review of their factoring service, resulting in the suspension of any further owners being signed up to the comprehensive factoring service pending the outcome of the review and the resulting actions to be taken forward.

Welfare Rights Service

The Welfare Rights team played an important role during the financial year of 2025/26 in relation to assisting 1,657 tenants with a wide range of enquiries. Welfare Rights Officers support tenants by providing expert advice on benefits and financial entitlements, helping tenants claim what they are eligible for and challenging incorrect decisions. We work in partnership with other agencies such as ALI Energy and the Flexible Food Fund, with 249 tenants referred during 2025/26. The Welfare Rights Officer's goal is to maximise tenant's income, reduce financial stress and help our tenants maintain stable housing. The team remains committed to undertaking training to ensure they stay up to date with developments in legislation and policy.

ACHA is working in partnership with the Housing Associations Charitable Trust (HACT), which enables fuel vouchers to be issued to tenants with pre-payment gas and electricity meters in financial difficulty. During 2025 we issued vouchers to 744 households bringing in an amount of just over £0.111 million.

Total client gain recorded for 2025/26 was £4.3 million, reflecting the continued level of need for support with income maximisation. Within that figure, Universal Credit Housing Cost elements of over £0.766 million were secured, Housing Benefit payments of over £0.391 million were paid and Discretionary Housing Payments of over £0.170 million were awarded.

Sheltered Housing

A full strategic review of our Sheltered Housing service highlighted the need for a more flexible, person-centred approach to older people's housing services in Argyll and Bute. Through extensive consultation with our tenants and external partners, we have been able to affect positive change.

Our service offer for older tenants has changed from 11 sheltered complexes to 5 sheltered complexes which remain registered with the Care Inspectorate, 3 Retirement Housing Models, and 3 complexes changed to Amenity housing. By modernising our service model, removing unnecessary regulatory burdens, and embracing digital solutions, we can better meet the diverse needs of our tenants- now and in the future.

These changes will support tenant independence, improve wellbeing, and ensure that our services remain sustainable and responsive to demographic changes.

Gypsy Traveller Sites
ACHA owns and operates 2 sites for Gypsy/Travellers, currently offering 11 pitches. There are sites at Duncholgan, Lochgilphead (7 pitches) and Bayview, Oban (4 pitches).

ACHA currently have plans to upgrade our existing gypsy traveller sites to create culturally appropriate, inclusive and sustainable living environments. The sites will be upgraded to meet the needs of the gypsy traveller community, whilst fully complying with planning regulations, environmental standards, and health and safety requirements. We intend to commence a phased refurbishment programme across the financial years 2026/27 and 2027/28 with the works to Bayview commencing first in 2026. Our design team will work in close collaboration with our tenants ensuring they are kept informed and engaged throughout the process.

Voids (Empty Houses)
ACHA aims to limit the length of time that our properties remain empty. Wherever possible we will pre-allocate properties in order to reduce the length of time that they are empty to maximise our potential income. There has been significant focus on voids over the last few years to improve performance. During 2025/26, although the average void relet times increased from 31 days to 37 days during the year, performance continued to compare favourably with the national average.

HOUSING STOCK

Maintaining Our Houses
ACHA seeks to maintain its properties to the highest standards, with programmes of cyclical repairs carried out in the medium term to deal with the gradual and predictable deterioration of building components. ACHA also undertakes reactive or responsive repairs and maintenance based on emergency and routine works requests from its tenants and factored owners. In addition, ACHA has a long-term programme of major repairs which have become necessary since the original developments were completed, including works required by subsequent legislative changes.

Repairs Category (Average Completion Time)

Emergency	3.01 hours	(2024/25– 5.69 hours)
Non-Emergency	14.91 days	(2024/25 – 13.19 days)

Repairs satisfaction is monitored in a number of ways (including telephone surveys, physical post inspection of work and via returned satisfaction questionnaires). Satisfaction levels have dropped slightly but remain high, with 90.19% of respondents confirming that they were happy with our repairs service.

Investing to Improve the Housing Stock

ACHA has delivered the following elements of work during 2025/26:

Investment programme – Element completions	Planned	Outturn	Percentage
No of kitchen/bathrooms	43	42	98%
No of window/door	60	60	100%
No of heating/rewire	104	90	87%
No of roof/roughcast	6	6	100%
No of energy efficiency upgrades	429	429	100%

The total number of elements required for completion this year of all types was 642, ACHA delivered 627 elements equating to 98% of the targeted objective.

After carrying out a 100% stock condition survey in 2019, and having an independent update of this information in 2022 we continue to address the fails in the Scottish Housing Quality Standard (SHQS) that were identified, a substantial number of these fails were energy efficiency fails, which has also impacted on our performance in meeting the EESSH (Energy Efficiency Standard for Social Housing) target. Property services will be carrying out stock condition surveys on 20% of the Association stock annually. This will continue to be our focus to address all of these fails and improve the energy efficiency of our homes. The Association secured ECO4 (Energy Company Obligation) funding allowing for the delivery of energy efficiency measures being installed within 429 Association properties, this funding assisted with improving the energy efficiency within the properties and raised the energy performance certificate from G, F, E and D to a minimum of B which allows the Association to meet the EESSH2 criteria.

Developing New Housing Stock

We have not completed any new build sites in this financial year. We have purchased 5 properties with the assistance of the Scottish Government's buy back scheme following completion of necessary repairs these properties provide much needed additional homes. We also received approval to demolish 46 flats at Dalintober in Campbeltown with plans in place to build 37 energy efficient new homes on the site due for completion in 2028.

Argyll Homes For All Ltd – Performance Review 2025/26

Argyll Homes for All Limited (AHFA) is a wholly owned subsidiary of ACHA, providing a dedicated, responsive repairs and maintenance service across ACHA's housing stock of 5,193 homes. In addition to reactive repairs, AHFA delivers compliance servicing, small capital works, estate maintenance, and refurbishment programmes, helping to ensure that homes across Argyll and Bute remain safe, efficient, and well maintained for tenants. During the 2025/26 financial year, AHFA completed 35,023 repair and maintenance jobs across all contracts. These works comprised emergency repairs, routine maintenance, property refurbishments, and planned servicing programmes. Of the total delivered, more than 3,000 repairs were undertaken on behalf of partner organisations, with almost 20,000 reactive repairs completed for ACHA.

To meet the varied and often complex needs of ACHA's geographically dispersed housing stock, including homes in remote and island communities, AHFA continues to supplement its core workforce with a carefully selected network of approved external contractors. These partners are engaged where specialist expertise is required or during periods of peak demand. This blended delivery model has proven effective in maintaining service continuity and supporting the achievement of service standards.

The range of services delivered under contract to ACHA includes:

- Reactive repairs service
- Gas servicing, maintenance and repairs
- Solid fuel appliance servicing
- Gutter cleaning and inspection
- Electrical periodic inspections
- Fire alarm servicing and testing
- Servicing of specialist equipment such as stairlifts and hoists
- Renewables servicing
- Estates maintenance
- Delivery of small-scale capital works
- Installation of aids and adaptions

Customer Satisfaction & Sector Challenges

Despite significant challenges across the housing and construction sectors, including rising material costs, labour shortages, and reduced contractor availability, AHFA has continued to deliver high-quality services. Customer satisfaction remains high, reflecting our ongoing commitment to responsiveness, professionalism, and tenant care.

Strategic Partnerships and Contract Growth

AHFA continues to strengthen its service offer across repairs, estate maintenance, and gas servicing to other housing associations. They have also created opportunities to share good practice, make better use of operational capacity, and strengthen resilience through a wider and more diverse client base. Performance across these contracts has continued to improve, particularly in relation to response times, completion rates, service quality, and customer satisfaction, reinforcing the value of partnership working as part of AHFA's long-term growth and sustainability strategy. AHFA will continue to explore opportunities with partner organisations moving into 2026/27.

Visibility and Community Presence
AHFA is a familiar and trusted presence in communities across Argyll and Bute. Our vehicle fleet is fully liveried, and our operatives are clearly identifiable through branded uniforms, reinforcing public trust and organisational identity. Visibility is important not only for accountability, but also for providing reassurance to tenants and maintaining a strong community presence.

People and Workforce Development
AHFA remains committed to investing in training, development, and staff wellbeing. In 2025/26, we continued to expand our structured training and upskilling programme, which included:

- Regular internal toolbox talks focused on safety, operational updates, and quality standards
- Specialist external training delivered in partnership with industry bodies, manufacturers, and further education institutions
- Self-directed learning and certification in health and safety modules, ensuring staff maintain up-to-date knowledge and best practice
- The commencement of a graduate apprenticeship programme.

This investment helps AHFA meet its regulatory obligations, improve service quality, and provide clearer career development pathways for staff. It also supports staff retention and succession planning, both of which are essential to sustaining long-term service delivery. This workforce development investment will continue into 2026/27 with plans to invest further in modern apprenticeships.

Financial Performance
For the financial year 2025/26, AHFA reported a profit of £1.075m before tax. One of the main drivers behind this significant profit was a number of one-off projects which generated agreed profits on each. This was supplemented by increased external / third party work and related profit in addition to one-off, unplanned insurance related works and an increase in delivery of aids and adaptations. AHFA also focussed on close cost control, and a disciplined approach to operational management during a period of continued inflationary pressure and wider sector cost increases.

AHFA, as a wholly owned subsidiary was set up with the intention of allowing profit to be gift aided back to ACHA as parent, and as a registered charity. For 2025/26, £0.750m of the profit has been subject to gift aid. This structure benefits the ACHA group by enabling profits generated by the subsidiary to be gift aided back to the Association for reinvestment in core housing stock investment.

Looking ahead, AHFA will continue to focus on improving productivity and maximising efficiency across all areas of the business, but in 2026/27 will also seek to invest in key areas such as IT, equipment and machinery, storage facilities and staff training as well as resourcing and transformation.

It is also recognised that investment requirements are likely to emerge in 2026/27 to support future service delivery, maintain compliance standards, modernise systems and equipment, and ensure the organisation remains well placed to respond to new opportunities and operational demands. Investment planning and the availability of working capital will be important in supporting sustainable growth and continued service improvement.

Growth and Opportunities
There are clear opportunities for AHFA to build on its track record and develop relationships with a wider range of public sector bodies. The organisation's experience in repairs, compliance servicing, estate maintenance, and small works provides a strong platform for engaging with local authorities, registered social landlords, health and social care partners, and other public agencies with property and asset management requirements. These opportunities could support business growth, broaden income streams, and make better use of AHFA's operational expertise across Argyll and Bute.

As public bodies continue to seek value, resilience, and trusted delivery partners, AHFA is well positioned to present itself as a flexible and dependable provider. Future growth will depend on targeted business development, strong partnership management, and the ability to demonstrate consistent performance, quality, and value for money across all service areas.

Workforce Efficiency

To support future delivery and improve overall efficiency, AHFA is also considering how its workforce can be organised to align more closely with operational priorities and service demand. This includes reviewing structures, roles, and deployment arrangements to streamline operations, reduce duplication, and ensure resources are directed to the areas where they add greatest value. A more agile operating model will improve coordination across teams, strengthen accountability, and support faster, more efficient service delivery. This work is intended to create a more efficient and sustainable organisation, capable of responding to changing business needs while maintaining service quality. By streamlining operations and embedding efficiencies, AHFA will be better placed to manage costs, support staff effectively, and create the capacity required to pursue future growth opportunities.

Conclusion

AHFA continues to play a vital role in maintaining and improving homes and communities across Argyll and Bute. Through a combination of in-house expertise, strategic partnerships, a strong community presence, and continued investment in its people, AHFA remains a resilient and responsive organisation, well placed to meet future challenges and to take advantage of emerging opportunities.

FINANCIAL REVIEW

Rental Income

Rents are our main source of income and are a key factor in what we can spend on services in future years. ACHA increased rents during the period by 4.75% with the average rent, including service charges, across all stock being £111.71 for 2025/26. In February 2026 the Board approved a rent increase of 4.5% for 2026/27. Rent receivable for 2025/26 was £30.18 million, an increase of £1.24 million, or 4.3%, from the £28.94 million in 2024/25.

Rent Arrears and Bad Debt

Rent arrears at 31st March 2026 is set out below.

Rent Arrears	Amount £000	Written Off £000
Current Tenants	751	
Former Tenants	407	5
Total	1,158	

The year-end figure for current tenants is 2.5% (3.4% 2024/25) against a target of 2.5%, which is calculated by taking the current tenant arrears at the year-end of £0.751 million and dividing this by the Gross Rent Charge £30.18 million. The timing of receipt of housing benefit and universal credit, which is paid in arrears, will mean this current tenant value is higher than in reality (i.e. technical arrears).

Voids (Empty Houses)

ACHA aims to limit the length of time that our properties remain empty. Wherever possible we will pre-allocate properties in order to reduce the length of time that they are empty to maximise our potential income. There has been significant focus on voids over the last few years to improve performance. During 2025/26, although the average void relet times increased from 31 days to 37 days during the year, performance continued to compare favourably with the national average.

During 2025/26, ACHA lost rental income to the value of £0.656 million due to properties not being re-let, a reduction of £0.031 million on the previous year.

Sundry Debt Income and Bad Debts

A total of £0.327million of sundry debtor invoices were issued by the group within 2025/26 compared to £1.295 million in 2024/25. This reduction is mainly due to high value grant income for projects within the previous year. In total the amount of outstanding debt as at 31st March 2026 increased to £1.064 million compared to £1.046 million at the previous year-end. Bad debts written off during the year amounted to £0.181 million compared to £0.564 million in 2024/25. Sundry debt provided for during 2025/26 increased by £0.009 million on the previous year.

Grant Income

During 2025/26 ACHA received Housing Association Grant (HAG) of £0.821 million and Strategic Housing Fund (SHF) of £0.237 million to support acquisitions / buy-back properties and refurbishments, Eco4 grant funding of £1.885million is shown to represent the market value of energy efficient components installed for free. A grant of £0.867 million was received relating to expenditure on Aids and Adaptions projects.

Expenditure

Expenditure on management and administration costs during 2025/26 increased to £8.27 million from £7.82 million in the previous year. This is mainly due to combination of increases in IT and insurance costs in addition to some one-off / non-recurring costs for organisational transformation. Planned and cyclical maintenance (including major repairs) expenditure in 2025/26 was £4.61 million compared to £3.54 million in 2024/25. Reactive maintenance expenditure, for the Association, was £7.24 million compared to £5.63 million, an increase of £1.59 million. For the group, the net expenditure on reactive maintenance was £7.24 million in 2025/26, an increase of £1.3 million from £5.63 million in the previous year. Depreciation on social housing charged during 2025/26 was £9.23 million compared to £7.78 million in the previous year (as restated).

Creditor Payment Policy

The payment policy, which ACHA follows, is to pay for all purchases within 28 days, although some payments are settled in 14 days, and/or in accordance with creditor terms of business. For ACHA, the average creditor payment period for 2025/26 was 27 days against 27 days for the prior year, with 5,918 invoices being processed for payment compared to 5,315 in the prior year. For AHFA the average creditor payment period for 2025/26 was 24 days against 24 for the prior year, with 15,800 invoices processed against 12,374 in the prior year.

Assets

Housing properties, net of depreciation, was reported at £193.124 million in 2025/26, a decrease of £2.216 million from £195.34 million in 2024/25 (as restated). This decrease includes £1.161 million of new build expenditure, including property acquisitions and £5.985 million of expenditure on existing properties, with disposals of £0.525 million, there was £0.038million impairment and a depreciation charge (for housing assets) of £8.79 million (after adjustment for disposals) during the year. Additions, less disposals were £6.621 in 2025/26 compared with £9.027 in 2024/25, with depreciation charged being £1.28 million more than the previous year.

Debtors increased to £2.79 million from £1.62 million in 2024/25, mainly as a result of timing of accrued income at the year end in relation to grant and direct housing payments. Cash held within the group at the 31st March 2026 was £6.61 million compared to £3.72 million at the previous year-end consistent with the approved business plan.

Liabilities

The group position on creditors due within one year increased to £17.121 million in 2025/26 from £16.043 million in 2024/25. Creditors due in more than a year decreased from £130.757 million to £129.443 million, due mainly to the release of amortised grant.

No additional loan funding was drawn down during the 2025/26 financial year. During the financial year ACHA paid a total of £3.04 million in relation to loan interest and repaid £0.110m of capital loan repayments on amortising loans. More detail on these loans is contained within Note 19. During 2025/26 the ACHA Board approved a new funding proposal which will result in the current £59.0m of borrowing with Lloyds Banking Group being refinanced. There will also be a further £25.0m of new funding drawn down. This is scheduled to take place in the Autumn of 2026. Within the current Lloyds Banking Group funding of £59.0m, there is a £10.0m loan which is due for repayment by the end of September 2026 and as a result is reported within creditors due within one year.

Pensions

The actuarial report for the Strathclyde Pension Fund showed an actuarial loss of £0.382m compared to £0.403m in the previous year. At the year end the scheme has a deficit of £0.043m compared to nil in the previous year

Reserves

At the year-end 31st March 2026 the revenue reserves balance of the ACHA group had moved from a £55.64 million surplus to a surplus of £57.54 million.

ACHA's business plan incorporates planned costs for cyclical repairs and replacements across the 30-year business plan. The borrowing profile therefore incorporates costs without relying upon a specific designated reserve.

GOING CONCERN

The Risk, Finance and Audit Committee on behalf of the Board has considered ACHA's going concern status and is satisfied the ACHA has sufficient borrowing facilities in place to support the business plan, which demonstrates full repayment within the 30-year viability profile. In the view of the organisation therefore the test of being considered a going concern has been met.

FUTURE OUTLOOK

The ACHA Group corporate strategy (2024 to 2029) sets out our continued ambition, vision and strategic direction for the next 3 years. This strategy sets high standards for the delivery of services to our tenants and for us as an organisation. It demonstrates our ambition to grow as an organisation and to deliver excellent customer service, whilst achieving value for money for our tenants.

Work has been ongoing during 2025/26 to refinance our existing loan portfolio which has been in place since the 2006 stock transfer. The Board approved a new funding package after a detailed options appraisal in October 2025, to refinance ACHA's existing borrowing facility and also make new funding available to support new build development alongside targeted strategic area regeneration. Funding to support the development of over 300 new homes has been approved, which will see ACHA build not only social rented properties but also diversify into other tenure including Mid Market Rent and New Supply Shared Equity. Refinancing and new funding is expected to be in place during the Autumn of 2026.

During the year ACHA continued on a journey of transformation, prioritising some key project pathways on technology, data insight, process reviews and employee engagement. To support this transformation, ACHA recruited to a small number of key roles, bringing in skills within Business Transformation and Improvement, Organisational Development and Communications & Marketing.

A number of key challenges remain for the group, including:

- Assessing new build development opportunities to help Argyll and Bute Council address the local housing emergency, against a mismatch of supply and demand in terms of size, type, location and tenure of stock
- Wider macro-economic impact on the cost of living pressures for our tenants alongside similar cost pressures for the ACHA group, balancing rent affordability for tenants and the financial viability of the group business plan. These very visible macro-economic pressures also have a direct impact on ACHA's supply chain
- Staff recruitment, particularly to certain areas of the business

Achieving our ambition is underpinned by ensuring that the group remains a financially strong and resilient organisation that can continue to grow and develop the homes and services we provide across Argyll and Bute. A key part of this is ensuring alignment between our financial plans, transformation programme and our approved refinancing, ensuring that the investment is affordable and supports the long term ambitions of the group while retaining rent affordability for our tenants as a priority. Our business plan is regularly reviewed and updated, including regular review of changes in economic assumptions through stress testing of the plan.

AUDITORS

ACHA tendered for the external audit service during 2021 and appointed TC Group (formerly Alexander Sloan LLP) at the 2021 Annual General Meeting. TC Group have been contracted for a period of three years with an option to extend for a further two years.

By order of the Board of Management

Cathy Grant
Chair of the Board of Management

Date: 3/9/2026

ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED AND SUBSIDIARIES

BOARD OF MANAGEMENT'S RESPONSIBILITIES

For the year ended 31st March 2026

Statute requires the Board to prepare financial statements for each financial year which give a true and fair view of the affairs of ACHA and of the surplus or deficit for that period. In preparing those financial statements, the Board is required to fulfil the following obligations:

- select suitable accounting policies and apply them consistently
- make reasonable and prudent judgements and estimates
- 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 company will continue in business.

The Board confirms that the financial statements comply with these requirements.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of ACHA and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 as revised, and the Determination of Accounting Requirements 2024. They are also responsible for safeguarding the assets of ACHA and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board members have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Board members has confirmed that they have taken all the steps that they ought to have taken as Board members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the Board of Management

Cathy Grant
Chair of the Board of Management

Date: 3/9/2026

BOARD OF MANAGEMENT'S STATEMENT ON INTERNAL FINANCIAL CONTROLS

For the year ended 31st March 2026

The Board acknowledge their ultimate responsibility for ensuring that ACHA 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 ACHA 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. The Board can only provide reasonable assurance and not absolute assurance against material financial mis-statement or loss. Key elements of controls include ensuring that:

- 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 ACHA's assets. Core policies have been established and others continue to be developed
- experienced and suitably qualified staff take responsibility for important business functions. Staff review processes are in place to maintain standards of performance
- forecasts and budgets are prepared regularly which allow the Board and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information, and significant variances from budgets are investigated as appropriate
- ACHA's performance against the business plan is reviewed regularly
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Board members and Co-optees
- the Board reviews reports from their SMT, staff and from the internal and external auditors, and from specialised consultants to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing ACHA
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports
- an Internal Audit Needs Assessment has been developed by ACHA in accordance with established audit practice and internal audit has been in operation this year.

The Board has reviewed the system of internal financial control in ACHA for the year ended 31st March 2026 and until the below date. To the best of its knowledge, no weaknesses were found in internal financial controls 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.

These arrangements comply with the requirements contained in the Scottish Housing Regulator's regulatory standards.

By order of the Board of Management

Cathy Grant
Chair of the Board of Management

Date: 3/9/2026

INDEPENDENT AUDITORS REPORT

For the year ended 31st March 2026

Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Board of Management's statement on page 16 concerning the Association's compliance with the information required by the Regulatory Standards for systemically important RSL's in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the statement on internal financial control on page 16 has provided the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes, issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through 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 for systemically important RSLs in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

TC Group

TC Group
Business Advisors and Accountants
Statutory Auditors
GLASGOW

4/9/2026

INDEPENDENT AUDITORS REPORT

For the year ended 31st March 2026

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent Association's affairs as at 31st March 2026 and of the surplus for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 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 of Management with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Board of Management
As explained more fully in the statement of Board of Management's responsibilities as set out on page 15, the Board of Management is responsible for the preparation of the financial statements and for being satisfied that they give true and fair view, and for such internal control as the Board of Management determines is necessary to enable the preparation of the 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 group and 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 of Management 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.

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

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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- 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 gained an understanding of the legal and regulatory framework applicable to the group and parent Association through discussions with the Board of Management and other management, and from our wider 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 parent Association, including the Co-operative and Community Benefit Societies Act 2014 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other

requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management 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.

We assessed the susceptibility of the group and parent Association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of 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 set out in Note 1 were indicative of potential bias and
- investigated the rationale behind significant or unusual transactions.

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
- reviewing the minutes of meetings of those charged with governance
- enquiring of management as to actual and potential litigation and claims
- reviewing the parent Association's Assurance Statement and associated supporting information and
- requesting correspondence with the Scottish Housing Regulator, HMRC and the group and parent Association's legal advisors.

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Description of the 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 aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these financial statements.

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

Use of our Report

INDEPENDENT AUDITORS REPORT

For the year ended 31st March 2026

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

TC Group

TC Group
Business Advisors and Accountants
Statutory Auditors
GLASGOW

4/9/2026

GROUP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2026

	Note	2026 £000	2025 As Restated £000
Turnover	*2*	36,353	33,724
Operating costs	*2*	(30,934)	(26,459)
Operating Surplus		**5,419**	**7,265**
(Deficit) on disposal of housing fixed assets		(116)	(850)
Finance income	*9*	20	15
Finance charges	*10*	(3,038)	(3,022)
Surplus on ordinary activities before Taxation		**2,285**	**3,408**
Taxation	*11*	(3)	-
Surplus for the year		**2,282**	**3,408**
Actuarial (loss) on pension scheme	*27*	(382)	(403)
Total comprehensive income for the year		1,900	3,005

All figures relate to continuing operations.

The notes on pages 29 to 54 form part of these financial statements.

ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED AND SUBSIDIARIES

COMPANY STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st March 2026

	Note	2026 £000	2025 As restated £000
Turnover	*2*	36,538	33,858
Operating costs	*2*	(31,449)	(26,603)
Operating Surplus		**5,089**	**7,255**
(Deficit)/surplus on disposal of housing fixed assets		(115)	(850)
Finance income	*9*	20	-
Finance charges	*10*	(3,037)	(3,022)
Surplus on ordinary activities before Taxation		**1,957**	**3,383**
Taxation	*11*	-	-
Surplus for the year		1,957	3,383
Actuarial (loss) on pension scheme		(403)	(71)
Total comprehensive income for the year		1,554	3,312

All figures relate to continuing operations.

The notes on pages 29 to 54 form part of these financial statements.

ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED AND SUBSIDIARIES

GROUP STATEMENT OF FINANCIAL POSITION

As at 31st March 2026

	Note	2026 £000	2025 As Restated £000
Property, plant & equipment			
Housing properties	*12*	193,124	195,340
Other Fixed Assets	*13*	1,506	1,572
		194,630	196,912
Current assets			
Stock and work in progress	*15*	123	190
Debtors	*16*	2,788	1,621
Cash at bank and in hand	*17*	6,608	3,720
		9,519	5,531
Creditors: amounts falling due within one year	*18*	(17,121)	(16,043)
Net current assets / (liabilities)		(7,602)	(10,512)
Total assets less current liabilities		187,028	186,400
Creditors: amounts falling due after one year	*19*	(129,443)	(130,757)
Provisions for liabilities and charges: Deferred tax	*11*	-	-
Net assets before pension deficit		57,585	55,643
Pension liability	*27*	(42)	-
Net assets after pension deficit		57,543	55,643
Capital and reserves			
Share capital	*21*		-
Revenue Reserves		57,543	55,643
Designated Reserve		-	-
Shareholders' funds		57,543	55,643

The notes on pages 29 to 54 form part of these financial statements.

These financial statements were approved by the Board of Management, authorised for issue and signed on their behalf by:

Chair of the Board of Management — Cathy Grant

Board member — James Milne — James Milne

Secretary — Mark Irvine

3/9/2026

ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED AND SUBSIDIARIES

COMPANY STATEMENT OF FINANCIAL POSITION

As at 31st March 2026

	Note	2026 £000	2025 As restated £000
Property, plant & equipment			
Housing properties	*12*	193,296	195,340
Other Fixed Assets	*13*	1,479	1,549
		194,775	196,889
Current assets			
Stock and work in progress	*15*	-	-
Debtors	*16*	3,217	2,816
Cash at bank and in hand	*17*	6,587	3,309
		9,804	6,125
Creditors: amounts falling due within one year	*18*	(18,008)	(16,725)
Net current assets / (liabilities)		(8,204)	(10,600)
Total assets less current liabilities		186,571	186,289
Creditors: amounts falling due after one year	*19*	(129,443)	(130,757)
Provisions for liabilities and charges: Deferred tax	*11*	-	-
Net assets before pension deficit		57,128	55,532
Pension deficit		(42)	-
Net Surplus after pension deficit		57,086	55,532
Capital and reserves			
Share capital	*21*	-	-
Revenue Reserves		57,086	55,532
Designated Reserve		-	-
Shareholders' funds		57,086	55,532

The notes on pages 29 to 54 form part of these financial statements.

These financial statements were approved by the Board of Management, authorised for issue and signed on their behalf by:

Chair of the Board of Management — Cathy Grant — CGrant

Board member — James Milne — James Milne

Secretary — Mark Irvine

3/9/2026

GROUP STATEMENT OF CHANGES IN EQUITY
As at 31st March 2026

	Called up share capital £000	Revenue reserve £000	Total equity £000
Balance at 31 March 2025	**-**	**55,643**	**55,643**
Changes in equity			
Total comprehensive income	**-**	1,900	1,900
Designated Reserve	**-**		
Balance at 31 March 2026	**-**	**57,543**	**57,543**

	Called up share capital £000	Revenue reserve £000	Total equity £000
Balance at 31 March 2024	**-**	**52,638**	**52,638**
Changes in equity			
Total comprehensive income	**-**	3,005	3,005
Designated Reserve	**-**	-	-
Balance at 31 March 2025	**-**	**55,643**	**55,643**

COMPANY STATEMENT OF CHANGES IN EQUITY
As at 31st March 2026

	Called up share capital £000	Revenue reserve £000	Total equity £000
Balance at 31 March 2025	**-**	**55,532**	**55,532**
Changes in equity			
Total comprehensive income	**-**	1,554	1,554
Designated Reserve	**-**	-	-
Balance at 31 March 2026	**-**	**57,086**	**57,086**

	Called up share capital £000	Revenue reserve £000	Total equity £000
Balance at 31 March 2024	**-**	**52,220**	**52,220**
Changes in equity			
Total comprehensive income	**-**	3,312	3,312
Designated Reserve	**-**	-	-
Balance at 31 March 2025	**-**	**55,532**	**55,532**

The notes on pages 29 to 54 form part of these financial statements.

ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31st March 2026

	Notes	2026		2025	
GROUP STATEMENT OF CASH FLOWS		**£000**	**£000**	**£000**	**£000**
Cash flows from operating activities					
Cash generated from operations	*23*	10,357		12,116	
Net cash from operating activities			**10,357**		**12,116**
Cash flow from investing activities					
Improvement of properties	*12*	(4,100)		(7,590)	
Construction of new properties net of disposals	*12*	(573)		(131)	
Acquisitions of Properties	*12*	(588)		(1,067)	
Purchase of other fixed assets	*13*	(130)		(282)	
Sale proceeds					
Government grants received	*20*	1,059		1,464	
Net cash flow from investing activities			**(4,332)**		**(7,606)**
Cash flow from financing activities					
Finance income	*9*	11		-	
Finance charges	*10*	(3,038)		(3,012)	
Bank loans drawn down		-		-	
Bank loans repaid	*25*	(110)		(179)	
Net cash flow from financing activities			**(3,137)**		**(3,191)**
(Decrease) / increase in cash and cash equivalents			**2,888**		**1,321**
Cash and cash equivalents at the start of the year			3,720		2,399
Cash and cash equivalents at the end of the year			6,608		3,720

The notes on pages 29 to 54 form part of these financial statements.

ARGYLL COMMUNITY HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31st March 2026

COMPANY STATEMENT OF CASH FLOWS	*Notes*	2026 £000	£000	2025 £000	£000
Cash flows from operating activities					
Cash generated from operations	*23*	10,887		11,813	
Net cash from operating activities			**10,887**		**11,813**
Cash flow from investing activities					
Improvement of properties	*12*	(4,271)		(7,590)	
Construction of new properties net of disposals	*12*	(573)		(131)	
Acquisitions of Properties	*12*	(588)		(1,067)	
Purchase of other fixed assets	*13*	(100)		(261)	
Sales proceeds		-		-	
Government grants received	*20*	1,059		1,464	
Net cash flow from investing activities			**(4,473)**		**(7,585)**
Cash flow from financing activities					
Finance income	*9*	11		-	
Finance charges	*10*	(3,037)		(3,012)	
Bank loans drawn down		-		-	
Bank loans repaid	*25*	(110)		(179)	
Net cash flow from financing activities			**(3,136)**		**(3,191)**
(Decrease) / increase in cash and cash equivalents			**3,278**		**1,038**
Cash and cash equivalents at the start of the year			3,309		2.,271
Cash and cash equivalents at the end of the year			6,587		3,309

The notes on pages 29 to 54 form part of these financial statements.

1. ACCOUNTING POLICIES

Going Concern

During the year ACHA (group) made an ordinary surplus of £2.28 million which when adjusted for disposals, interest receivable and payable resulted in an operating surplus of £5.42 million. At the financial year-end ACHA (group) had net assets of £57.54 million. The going concern basis of accounting is considered appropriate because ACHA has an agreed banking facility with Lloyds Banking Group of £59.0 million under the business plan to meet future requirements. Loan covenant compliance has also been confirmed.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and under the historical cost accounting rules. They comply with the Determination of Accounting Requirements 2024 and with the SORP 2018 - Statement of Recommended Practice for social housing providers.

Basis of consolidation

In accordance with FRS 102, the group financial statements consolidate the financial statements of the parent company and its one subsidiary, Argyll Homes For All Limited, for the year ended 31st March 2026. The subsidiary is accounted for using acquisition accounting.

Turnover

Turnover represents rental and service charge income receivable from tenants and owner occupiers, fees and revenue based grants receivable relating to housing and fees from the provision of management services. Tenant service charges are levied on a basis intended to cover appropriate service costs each year. Income is recognised only when it is earned.

Cash Flow Statement

The cash flow statement represents the cash transactions of the Association for the period from 1st April 2025 to 31st March 2026. Cash and cash equivalents comprise cash on hand and in deposit and are subject to an insignificant risk of change in value.

Housing properties

The Association operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock. Housing properties are stated at cost, with all properties acquired under the stock transfer agreement acquired at nil value. Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional advice, the association’s asset management strategy and the requirement of SHQS and EESSH. In determining the remaining useful lives for the housing stock, the Association has taken account of views provided by both internal and external professional sources, and these are reflected in the assumptions in the current approved Business Plan. Components with a de minimis value of £1,000 or less are classed as revenue expenditure and are written off in the year in which they are incurred.

Depreciation and Impairment

Depreciation is charged so as to write down the cost of the housing properties and major components on a straight line basis over their expected useful economic lives. Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following annual rates (land is not subject to depreciation):

Component Type	Economic Useful Life (Years)
Structure, Wall Finishes (including external insulation) and Roofs	50
Plumbing	40
Windows and Doors, Heating Systems (excluding boilers) and Electrics (including Warden Call Systems)	30
Kitchens, Bathrooms, and Solar PV Kit (excluding inverter)	25
Boilers, Solar Panel Inverters	15

During 2024/25 and 2025/26 the association had solar panels and air source heat pumps installed via indirect funding from the Scottish Governments Eco4 project. The inverters included in the solar panel kits have been valued and depreciated separately, since these are likely to need replaced once within the life of the solar panels.

A prior year adjustment has been made in respect of donated assets from the Eco4 project during 2024/25. Details can be found in note 12 – Social Housing Properties.

Depreciation will be charged for a full year in the year of acquisition and none in the year of disposal.
The SORP and FRS 102 outline a number of indicators for impairment which the Association must consider on an annual basis. Where an indicator for impairment is identified then the Association must carry out a full impairment review. Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any write down charged to the Statement of Comprehensive Income.

New Build and Acquisitions
Housing properties in the course of construction are held at cost and are not depreciated. They are transferred to completed properties when ready for letting or sale. The Association's policy is to capitalise the cost of acquiring land and buildings and all development expenditure including direct development staff costs. Expenditure on schemes which are subsequently aborted will be written off in the year in which it is recognised that the schemes will not be developed to completion. Expenditure on property acquisitions is capitalised based on the settlement date.

Non-Housing properties
ACHA owns a number of non-housing properties. ACHA applies the same capitalisation and component life approach as stated under housing properties unless otherwise stated. Garages are stated at cost, with all garages acquired under the stock transfer agreement acquired at nil cost. The economic useful life of garages or similar assets built post transfer will be 15 years. Gypsy traveller sites are also stated at cost, similarly all sites acquired under stock transfer were at nil value. The economic useful life of structures built post transfer will be 20 years.

Related Assets
Related assets, such as private water supplies, play parks, sewage systems and septic tanks, are stated at cost: all related assets acquired under the stock transfer agreement were acquired at nil value. The estimated useful economic life of related assets built after transfer will be 15 years.

Housing Association Grant
Housing Association Grant (HAG) is received from central government agencies and local authorities and is utilised to reduce the capital costs of housing properties. Grants received in respect of capital expenditure are credited to the comprehensive statement of income under the accruals method in line with the depreciation rates adopted for the underlying asset to which the expenditure relates. HAG due or received in advance is included as a current asset or liability. HAG received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates, in line with the performance model. Properties are disposed of under the appropriate legislation and guidance. All HAG relating to the share of property sold are removed from the financial statements at the date of sale. Any HAG received that cannot be repaid from the proceeds of sale is abated and the grant removed from the financial statements. Where a disposal is deemed to have taken place for accounting purposes, but the repayment conditions have not been met in relation to the grant funding, the potential future obligation to repay is disclosed as a contingent liability.

Business Plan Support Grant
Business Plan Support Grant (BPSG) relates to the £68 million grant provided by Scottish Government at stock transfer in respect of improvements required to the transferring properties to achieve the Scottish Housing Quality Standard. BPSG received in respect of capital expenditure was credited to the comprehensive statement of income under the accruals method in line with the depreciation rates adopted for the underlying asset to which the expenditure relates. Unamortised BPSG is held within creditors due after one year. Properties are disposed of under the appropriate legislation and guidance. All business plan support grants relating to the share of property sold are removed from the financial statements at the date of sale and written off. Any residual business plan support grant held at the point of component replacement is written off in the year of replacement.

Other Grants
These include grants from Scottish Government and/or local authorities and/or other organisations. Grants received in respect of capital expenditure are credited to the comprehensive statement of income under the accruals method in line with the depreciation rates adopted for the underlying asset to which the expenditure relates. Grants due or received in advance are included as a current asset or liability. Grants received in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which it relates, in line with the performance model.

Other Fixed Assets
Other fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write down the cost of other fixed assets on a straight line basis over their expected useful lives as follows:

Asset Type	Economic Useful Life (Years)
Information Technology (IT) hardware and software	3
Furniture and Equipment	10

A full year's depreciation is charged in the year of acquisition with none charged in the year of disposal.

Offices are stated at cost. Depreciation on offices is calculated on a component basis using the same components and economic useful lives as the housing properties. Bute store is depreciated over a 50-year economic useful life, consistent with the economic useful life for structure under housing assets.

Employee Benefits
Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred. The financial cost of annual leave and time off in lieu earned but not taken by employees at the year-end date is accrued as a liability.

Pensions
ACHA participates in one multi-employer pension scheme and accounts for this in accordance with the requirements of FRS 102. Strathclyde Pension Fund (SPF) is a defined benefit scheme as defined by the Local Government Pension Scheme (Scotland) regulations 1998. Contributions are charged to Statement of Comprehensive Income so as to spread the cost of pensions over the employees' working lives within ACHA. The SPF made an actuarial loss for the year ended 31st March 2026 of £0.382m (Group).

Taxation
The charge or credit for taxation is based on the surplus or deficit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102. As ACHA is a registered charity it has obtained consent to relief from Corporation Tax from HMRC on its charitable activities.

VAT
ACHA was registered for VAT on 24th March 2010. A large proportion of ACHA's income, namely rents, is exempt for VAT purposes and therefore gives rise to the partial exemption calculation. All expenditure is shown inclusive of VAT. ACHA created a VAT Group with its subsidiary for trading during 2013/14.

Loans and Grants
Loans are advanced by private or public lenders under the terms of individual mortgage deeds in respect of each development or under a global facility secured on existing developments. Grants from the Scottish Government's Housing Directorate (in the form of Housing Association Grant funding) or local authorities are payable to subsidise the capital cost of housing developments. Advances are generally available only in respect of those developments which have been given approval by the Scottish Government's Housing Directorate. Under certain circumstances HAG is repayable. Business Plan Support Grant and Related Assets or EAF grant is not normally repayable under the terms of the stock transfer agreement. Grants in respect of revenue expenditure are credited to the Statement of Comprehensive Income in the same period as the expenditure to which they relate.

Financial Instruments
ACHA has given consideration under FRS 102 in relation to accounting for Financial Instruments. Having reviewed all relevant financial assets and liabilities ACHA have agreed with our external auditors that all financial instruments and transactions are defined as 'basic'. Loans provided to ACHA are classed as basic under FRS 102 and are measured at amortised cost.

Payables and receivables due within one year are measured at transaction price less settlements. Where receivables are deemed to be longer term and constitute a financing transaction they are measured at the present value of future payments discounted at a market rate of interest applicable to similar debt instruments.

Operating Leases
Operating lease rentals are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

Inventories
Inventories and work in progress is stated at the lower of cost and net realisable value.

Bad and Doubtful Debts
Provision is made against rent arrears for current tenants and former tenants as well as other sundry debts to the extent that they are classed as potentially irrecoverable. The current policy for rent arrears is to provide for all former tenant debt and also for current tenant debt where this is in excess of £1,000. For sundry debt, all debt over 3 months old is fully provided for as well as any debt between 0-3 months which is greater than £1,000. Debt is passed for approval to write off where a debtor is deceased with no estate, has been sequestrated or where the debt is prescribed. Former tenant debt is also passed for write off quarterly in accordance with the write off policy where all necessary attempts to recover have proven unsuccessful.

Estimation and Uncertainty
The preparation of financial statements requires the use of certain accounting estimates. It also requires the Board to exercise judgement in applying the Group's Accounting Policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, are disclosed below:

Rent Arrears - Bad Debt Provision
The Group assesses the recoverability of rent arrears through a detailed assessment process which considers: tenant payment history, payment arrangements in place, and court action.

Life Cycle of Components
The Group estimates the useful lives of major components of its housing property with reference to surveys carried out by qualified surveyors and specialist advice.

Useful life of properties, plant and equipment
The Group assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this.

Key Judgements made in the application of Accounting Policies

The Categorisation of Housing Properties
In the judgement of the Board the entirety of the Group's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

Identification of cash generating units
The Group considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

Financial Instruments
Following guidance from the Financial Reporting Council, the Group and its Board of Management are of the view that the clauses held within the loan agreements do not require these financial instruments, other than the 'non-cancellable call option', to be classified as 'non-basic' financial instruments.

Pensions
Determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds. For further information on the pension estimates please see Note 27 of the accounts.

Particulars of turnover, operating costs and operating deficit

GROUP

	Turnover	Operating Costs	Other income and gains	Operating Surplus / (Deficit) to 31st March 2026	Operating Surplus / (Deficit) to 31st March 2025 As Restated
	£000	£000	£000	£000	£000
Social Lettings *(Note 3)*	33,194	(29,464)	-	3,730	6,799
Other Activities *(Note 4)*	3,159	(1,470)	-	1,689	466
	36,353	(30,934)	-	5,419	
Total for year to 31st March 2025	33,722	(26,457)	-	7,265	

COMPANY

	Turnover	Operating Costs	Other income and gains	Operating Surplus / (Deficit) to 31st March 2026	Operating Surplus / (Deficit) to 31st March 2025 As Restated
	£000	£000	£000	£000	£000
Social Lettings *(Note 3)*	33,194	(29,464)	-	3,730	6,789
Other Activities *(Note 4)*	3,344	(1,985)	-	1,359	466
	36,538	(31,449)	-	5,089	
Total for year to 31st March 2025	33,858	(26,603)	-	7,255	

3. Particulars of turnover, operating costs and operating surplus or deficit from social letting activities – Group and Company

	General Needs Housing £000	Supported Housing £000	Total £000	Total For Previous Period of Account As Restated £000
Rents receivable net of service charges	28,743	989	29,732	28,460
Rent from garages	15		15	13
Rent from travelling people sites	39		39	43
Service charges	80	312	392	421
Gross income from rents and service charges	**28,877**	**1,301**	**30,178**	**28,937**
Less voids	(654)	(2)	(656)	(687)
Net income from rents and service charges	**28,223**	**1,299**	**29,522**	**28,250**
Grants from the Scottish Ministers	-	-	-	-
Other revenue grants	20	-	20	39
Deferred grant amortisation	3,652	-	3,652	3,328
Total turnover from social letting activities	**31,895**	**1,299**	**33,194**	**31,617**
Management and maintenance administration costs	7,851	418	8,269	7,823
Planned and cyclical maintenance including major repairs costs	4,614	-	4,614	3,542
Reactive maintenance costs	7,242	-	7,242	5,620
Bad debts – rents and service charges	91	-	91	53
Depreciation of social housing	9,234	-	9,234	7,780
Impairment on social housing	14	-	14	-
Operating costs for social letting activities	29,046	418	29,464	24,818
Other income and gains	**-**	**-**	**-**	**-**
Operating surplus for social lettings	**2,849**	**881**	**3,730**	**6,799**
Operating surplus for social lettings for previous period of account	**5,900**	**899**	**6,799**	

As a result of component accounting being applied all major repairs expenditure relating to identified components has been capitalised during the period.

4. Particulars of turnover, operating costs and operating surplus/(deficit) from other activities - Group

	Grants from Scottish Ministers	Other Revenue Grants	Other Income	Total Turnover	Operating Costs Bad Debts	Other Operating Costs	Operating Surplus / (Deficit)	Operating Surplus / (Deficit) for previous period of account
	£000	£000	£000	£000	£000	£000	£000	£000
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	-	-	-	**-**	-	(221)	**(221)**	**(71)**
Related Assets	-	-	-	**-**	-	-	**-**	**-**
Aids and Adaptations	867	-	-	**867**	-	(776)	**91**	**(14)**
Tenant and Owner Recharges	-	8	257	**265**	(190)	(91)	**(16)**	**(177)**
Insurance	-	-	381	**381**	-	(524)	**(143)**	**(146)**
Renewable Heating Incentive	-	-	784	**784**	-	-	**784**	**813**
Other activities	-		862	**862**	-	332	**1,194**	**61**
Total from other activities	867	8	2,284	**3,159**	(190)	(1,280)	**1,689**	**466**
Total from other activities for previous period of account	283	402	1,498	**2,183**	(114)	(1,603)	**466**	

4. Particulars of turnover, operating costs and operating surplus/(deficit) from other activities - Company

	Grants from Scottish Ministers	Other Revenue Grants	Other Income	Total Turnover	Operating Costs Bad Debts	Other Operating Costs	Operating Surplus / (Deficit)	Operating Surplus / (Deficit) for previous period of account
	£000	£000	£000	£000	£000	£000	£000	£000
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	-	-	-	**-**	-	(221)	**(221)**	**(71)**
Related Assets	-	-	-	**-**	-	-	**-**	**-**
Aids and Adaptations	867	-	-	**867**	-	(776)	**91**	**(14)**
Tenant and Owner Recharges	-	8	257	**265**	(190)	(91)	**(16)**	**(177)**
AHFA support service income	-	-	136	**136**	-	(136)	**-**	**-**
Donation from Subsidiary	-	-	784	**784**	-	-	**784**	**813**
Renewable Heating Incentive	-	-	750	**750**	-	-	**750**	**-**
Insurance	-	-	381	**381**	-	(524)	**(143)**	**(146)**
Other activities	-	-	161	**161**	-	(47)	**114**	**61**
Total from other activities	867	8	2,469	**3,344**	(190)	(1.795)	**1,359**	**466**
Total from other activities for previous period of account	283	402	1,634	**2,319**	(114)	(1,739)	**466**	

5. Housing stock

	Units under development		Units under management	
	2026	2025	2026	2025
Housing accommodation for letting:				
General Needs	0	0	5,096	5,019
Sheltered Housing	-	-	97	176
	0	0	5,193	5,195

During the year 79 former sheltered housing properties were reclassified to retirement and amenity housing and are presented within the general needs figure in the note above.

6. Remuneration of members of Board of Management and Key Management Personnel

No members of the Board of Management received any remuneration from ACHA or AHFA.

Key management personnel are defined to include the Chief Executive, Strategic Directors and any other officer whose total annual emoluments, excluding pension contributions, exceed £60k during the reporting year.

	2026 £000	2025 £000
Total emoluments payable to directors / key management personnel and benefits in kind	818	862
Pension contributions	55	57
	873	919
Emoluments payable to the highest paid director (excluding pension contributions)	114	106
Pension contributions	8	7
	122	113

The Chief Executive is a member of the Strathclyde Pension Fund defined benefit pension scheme as disclosed in note 27. No enhanced or special terms apply to memberships. ACHA's contributions to the Chief Executive's pension in the year amounted to £8k (2025: £7k).

ACHA's key management emoluments (excluding pension contributions) fell within the following band distributions:

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

7. Staff numbers and costs

The weighted full time equivalent number of persons employed and seconded to ACHA (excluding board members) in the year, analysed by category, was as follows:

	Number of employees	
	2026	**2025**
Housing & Neighbourhood Services	73	77
Property Services	32	33
Group Services	32	30
Argyll Homes For All	114	119
	251	**259**

The aggregate payroll costs of these persons were as follows:

	Group		Company	
	2026	**2025**	**2026**	**2025**
	£000	**£000**	**£000**	**£000**
Wages and salaries	8,686	8,227	4,463	4,205
Social security costs	1,092	809	575	413
Employer pension costs	671	439	490	287
Current service cost adjustment (defined benefit pension scheme)	(332)	27	(352)	-
	10,117	**9,502**	**5,176**	**4,905**

Current service costs for the Group, relating to the Strathclyde Pension Fund defined benefit scheme, amount to -£0.332m (2025 £0.027m). These costs are included within Note 3 – Management and Maintenance Administration costs.

During the year the value of Property Services staff costs that were capitalised amounted to £0.606m (2025 - £0.824m).

8. Operating surplus on ordinary activities - Group

	2026	**2025**
	£000	**£000**
Operating surplus on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Audit (including expenses and excluding VAT for the year)	53	25
Other services from bodies related to external audit	-	1
Operating lease rentals:		
Buildings	163	171
Other	516	519
Depreciation	9,446	7,930

Operating surplus on ordinary activities - Company

	2026 £000	2025 £000
Operating surplus on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Audit (including expenses and excluding VAT for the year)	43	22
Other services from bodies related to external audit	-	-
Operating lease rentals:		
Buildings	163	172
Other	-	-
Depreciation	9,424	7,917

9. Finance income - Group

	2026 £000	2025 £000
Bank interest receivable	11	-
Interest on pension fund *(Note 27)*	9	15
	20	**15**

Finance income - Company

	2026 £000	2025 £000
Bank interest receivable	11	-
Interest on pension fund *(Note 27)*	9	-
	20	**-**

10. Finance charges - Group

	2026 £000	2025 £000
On bank loans	3,037	3,011
Interest on pension fund *(Note 27)*	1	11
	3,038	**3,022**

Finance charges - Company

	2026 £000	2025 £000
On bank loans	3,037	3,011
Interest on pension fund *(Note 27)*	-	11
	3,037	**3,022**

11. Taxation

Due to ACHA's charitable status, no tax liability arose in the year to 31st March 2026 (2025: £ Nil).

AHFA is liable for UK Corporation Tax on its trading profits, which amounted to £0.003m in the year (2025: £ Nil).

12. Property, plant & equipment – Group – Social Housing Properties

	Housing properties held for letting	Housing properties in course of construction	Total 2026	As Restated Total 2025
	£000	£000	£000	£000
Cost				
At start of year as previously stated	267,392	1,874	**269,266**	**262,054**
Prior year adjustment	1,799	15	**1,814**	
As restated	269,191	1,889	**271,080**	
Additions during year new build	-	573	**573**	**147**
Additions during year acquisitions	588	-	**588**	**1,067**
Additions during year existing	5,985	-	**5,985**	**9,389**
Transfers	-	-	**-**	**-**
Disposals	(525)	-	**(525)**	**(1,576)**
Impairment	(85)	-	**(85)**	**-**
At end of year	275,154	2,462	**277,616**	**271,080**
Depreciation				
At start of year as previously stated	(75,662)	-	**(75,662)**	**(68,685)**
Prior year adjustment	(78)	-	**(78)**	
As restated	(75,740)		**(75,740)**	
Charge during year	(9,063)	-	**(9,063)**	**(7,780)**
Disposals	273	-	**273**	**725**
Impairment	38	**-**	**38**	**-**
At end of year	(84,492)	**-**	**(84,492)**	**(75,740)**
Net book value				
At 31 March 2026	190,662	2,462	**193,124**	**195,341**
At 31 March 2025	193,451	1,889	**195,340**	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2026

Property, plant & equipment – Company – Social Housing Properties

	Housing properties held for letting	Housing properties in course of construction	Total 2026	As Restated Total 2025
	£000	£000	£000	£000
Cost				
At start of year as previously stated	267,392	1,874	**269,266**	**262,054**
Prior year adjustment	1,799	15	**1,814**	
As restated	269,191	1,889	**271,080**	
Additions during year new build	-	573	**573**	**147**
Additions during year acquisitions	588	-	**588**	**1,067**
Additions during year existing	6,156	-	**6,156**	**9,389**
Transfers	-	-	**-**	**-**
Disposals	(525)	-	**(525)**	**(1,576)**
Impairment	(85)	-	**(85)**	**-**
At end of year	275,325	2,462	**277,787**	**271,080**
Depreciation				
At start of year as previously stated	(75,662)	-	**(75,662)**	**(68,685)**
Prior year adjustment	(78)	-	**(78)**	
	(75,740)		**(75,740)**	
Charge during year	(9,063)	-	**(9,063)**	**(7,780)**
Disposals	273	-	**273**	**725**
Impairment	38	**-**	**38**	**-**
At end of year	(84,492)	**-**	**(84,492)**	**(75,740)**
Net book value				
At 31 March 2026	190,833	2,462	**193,295**	**195,340**
At 31 March 2025	193,451	1,889	**195,340**	

All properties transferred to ACHA at 21st November 2006 were transferred at nil value as part of the Large Scale Voluntary Stock Transfer.

A prior year adjustment has been made in respect of solar panels and air source heat pumps installed during 2024/25 for free. The value of assets introduced for 2024/25 is £1.8million, with depreciation of £0.078million. A further £1.9million is included, with depreciation of £0.169million. Note 30 – Prior Year Adjustment. A further £1.9million of 'donated assets' and depreciation charge of £0.170million have been introduced for the 2025/26 year.

Additions to housing properties include capitalised development administration costs of £0.75 million, (2025 – £0.82 million), and capitalised major repair costs to existing properties of £5.99 million (2025 - £7.84 million). All land and properties are heritable. Total expenditure on existing properties in the year amounted to £18.01 million (2025 – £17.97 million). The amount capitalised is £5.99 million (2025 - £8.66 million) with the balance being charged to the statement of comprehensive income.

During the year a number of components were replaced, resulting in a loss £0.116 million (2025 – loss of £0.85 million). Security has been granted to lenders in respect of housing properties at stock transfer and specific loans granted for new build development. As at the end of the financial year there were also 377 properties which were unencumbered.

13. Property, plant & equipment (other) - Group

	IT	Offices / Store	Furniture / Equipment	Total Other non housing
	£000	£000	£000	£000
Cost				
At start of year	3,168	1,906	159	**5,233**
Additions during year	103	-	27	**130**
Disposals	-	-	-	
At end of year	3,271	1,906	186	**5,363**
Depreciation				
At start of year	(3,038)	(542)	(81)	**(3,661)**
Provided during year	(124)	(45)	(27)	**(196)**
Disposals		-	-	
At end of year	(3,162)	(587)	(108)	**(3,857)**
Net book value				
At 31 March 2026	109	1,319	78	**1,506**
At 31 March 2025	130	1,364	78	**1,572**

Property, plant & equipment (other) - Company

	IT	Offices	Furniture / Equipment	Total Other non housing
	£000	£000	£000	£000
Cost				
At start of year	2,886	1,906	98	**4,890**
Additions during year	100	-	-	**100**
Disposals	-	-	-	**-**
At end of year	2,986	1,906	98	**4,990**
Depreciation				
At start of year	(2,759)	(543)	(39)	**(3,341)**
Provided during year	(120)	(43)	(7)	**(170)**
Disposals	-	-	-	**-**
At end of year	(2,879)	(586)	(46)	**(3,511)**
Net book value				
At 31 March 2026	107	1,320	52	**1,479**
At 31 March 2025	127	1,363	59	**1,549**

14. Investments

	Group		Company	
	2026	**2025**	**2026**	**2025**
	£000	**£000**	**£000**	**£000**
Investment in Subsidiary Companies	-	-	-	-
	-	-	-	-

ACHA owns one share in Argyll Homes For All Limited (AHFA), which is a wholly owned subsidiary company. The principal activity of AHFA, registered company number SC415603, for the year ended 31st March 2026 was that of property maintenance. As at 31st March 2026 the capital and reserves of AHFA were £0.629million (2025: £0.286 million) with a profit for the year of £1.072 million (2025: £0.074 million profit).

Subsidiary: Argyll Homes For All Limited
Nature of business: Property maintenance and repairs

Class of shares:	% holding		**2026 £000**	**2025 £000**
Ordinary	100.00			
		Aggregate Capital and Reserves	629	286
		Profit / (loss) for the year	1,072	74

15. Stocks and work in progress

	Group		Company	
	2026	**2025**	**2026**	**2025**
	£000	**£000**	**£000**	**£000**
Stock	123	190	-	-
	123	190	-	-

16. Debtors

	Group		Company	
	2026	**2025**	**2026**	**2025**
	£000	**£000**	**£000**	**£000**
Rental debtors	1,158	1,287	1,158	1,287
Less bad debt provision	(549)	(464)	(549)	(464)
	609	823	609	823
Prepayments and accrued income	2,006	764	2,448	1,919
Other debtors	1,216	1,068	1,203	1,108
Less bad debt provision	(1,043)	(1,034)	(1,043)	(1,034)
	2,788	1,621	3,217	2,816

The above figure for rental debtors is made up as follows:

	Debtor £000	Provided £000	2026 Net Debtor £000
Due from current tenants	751	(142)	609
Due from former tenants	407	(407)	-
	1,158	(549)	609

Rental Bad debts of £0.005 million were written off during the period (2025 £0.124 million). The provision for Rental Bad debts increased by £0.085 million during the year (2025 £0.071 million reduction).

Sundry debts of £0.181 million were written off during the period (2025 £0.564 million). The provision for sundry debtors increased by £0.009 million during the year (2025 £0.450 million reduction).

AHFA had no debts written off during the year.

17. Cash at bank and in hand

	Group		Company	
	2026 £000	2025 £000	2026 £000	2025 £000
Bank	6,606	3,718	6,585	3,307
Cash	2	2	2	2
	6,608	3,720	6,587	3,309

18. Creditors: amounts falling due within one year

	Group		Company	
	2026 £000	2025 As Restated £000	2026 £000	2025 As Restated £000
Loans (secured)	10,114	10,110	10,114	10,110
Trade creditors	1,111	956	1,759	825
Other creditors	1,049	815	1,010	807
Accruals and deferred income	1,196	834	1,472	1,655
Deferred grant income	3,651	3,328	3,651	3,328
	17,121	16,043	18,006	16,725

19. Creditors: amounts falling due after one year

	Group		Company	
	2026 £000	2025 As restated £000	2026 £000	2025 As Restated £000
Loan (secured)	50,886	51,000	50,886	51,000
Deferred Grant (Note 20)	78,557	79,757	78,557	79,757
	129,443	130,757	129,443	130,757

A loan with Argyll and Bute Council through the Strategic Housing Fund for £3.0 million was agreed and drawn down during 2013/14 and 2014/15. This is a capital and interest repayment loan and is repayable by 2040. The repayment profile is shown below:

	Glenshellach £000	Bonawe £000	Helensburgh £000	Total £000
Due within one year	88	5	22	115
Due between 1 and 2 years	92	5	23	120
Due between 2 and 5 years	301	16	76	393
Over 5 years	1,026	57	289	1,372
	1,507	83	410	2,000
Rate %	4.45%	4.43%	4.43%	

The remainder of loans drawn, amounting to £59.0 million with Lloyds Banking Group, are repayable by bullet repayment. A summary of fixed rate loans with Lloyds Banking Group as at 31st March 2026 is as follows:

Fixed Rate Hedging	Value (£000's)	End date	Rate %
Tranche B	10,000	30/03/2029	5.430
Total	**10,000**		

Rates quoted are all inclusive of the rate, margin and capitalisation charges. The remainder of the Lloyds Banking Group loans (£49.0 million) are currently on rolling variable rate, consistent with our approved Treasury Management Strategy in relation to our approved refinancing which is due for completion during the autumn of 2026. At the 31st March 2026, ACHA had a £10.0 million Revolving Credit Facility loan with Lloyds Banking Group that is repayable by 30th September 2026, with a further extension in the process of being agreed to align to the revised full refinancing timeline of autumn 2026 completion. As such, this is reported within Note 18 as a loan repayable within one year.

Loans are secured by a specific charge against ACHA's properties. At the year-end there were 4,762 housing properties secured to Lloyds Banking Group in addition to 54 housing properties secured to Argyll and Bute Council.

On completion of the refinancing, the £59.0 million of current borrowing with Lloyds Banking Group will be refinanced in full by a new funder, with additional new borrowing also then in place to draw down through a new Revolving Credit Facility.

20. Deferred Grant Income – Group and Company

Housing Association Grant (HAG)	2026 £000	2025 £000
At 1st April	31,670	31,436
Received during year	821	1,200
Released to income during year	(1,203)	(966)
At 31st March	31,288	31,670

Other grants	2026 £000	2025 As Restated £000
At 1st April – as previously stated	49,679	51,699
Prior year adjustment - net	1,735	
Received during year	2,122	2,078
Released to income during year	(2,448)	(2,362)
Released to income during year - disposals	(136)	-
Released to income during year - Impairment	(32)	-
At 31st March	50,920	51,415

	2026 £000	2025 As Restated £000
Amount to be released within one year	3,651	3,328
Amount to be released in more than one year	78,557	79,757
	82,208	83,085

21. Share capital

Shares of £1 each fully paid	2026 £	2025 £
At 1st April	182	182
Issued in year	1	3
Cancelled in year	(8)	(3)
At 31st March	175	182

Shares issued were in respect of new members of ACHA, who each hold one share of £1. These shares carry no rights to dividend or distributions on winding up. When a shareholder ceases to be a member the person's share is cancelled and the amount thereon becomes the property of ACHA. Each member has a right to vote in accordance with ACHA's Rules at Members meetings.

ACHA holds one share in its subsidiary company Argyll Homes For All Limited (SC415603) which is a wholly owned subsidiary trading company.

22. Commitments – Group and Company

(a) Capital commitments authorised and contracted for at 31st March 2026 amounted to:

Within one year	**2026 £000**	**2025 As Restated £000**
Major Repairs	122	214
New Build	-	-
IT	-	-
	122	214

Within two to five years	**£000**	**£000**
Major Repairs	-	-
New Build	-	-
IT	-	-
	-	-

The investment programme is financed by a combination of operating cash flow and private finance. Values included above are gross expenditure and include elements that could be grant funded.

(b) At the 31st March 2026, the total future minimum lease payments under non-cancellable operating leases were as follows:

	Company		**Group**	
Land and Buildings	**2026 £000**	**2025 £000**	**2026 £000**	**2025 £000**
Due within 1 year	20	24	20	24
Due between 1 and 5 years	-	-	-	-
Over 5 years	-	-	-	-
	20	24	20	24
Other	**£000**	**£000**	**£000**	**£000**
Due within 1 year	-	-	635	526
Due between 1 and 5 years	-	-	1,304	1,171
Over 5 years	-	-	-	-
	-	-	1,939	1,697

23. Reconciliation of operating surplus to net cash inflow from operating activities - Group

	2026 £000	**2025 £000**
Operating surplus/deficit	**5,419**	**7,265**
Adjustments:		
Depreciation on non-housing fixed assets	193	230
Depreciation on housing fixed assets	9,063	7,702
Impairment on housing fixed assets	14	-
Deferred Grant Amortisation	(3,652)	(3,250)

Movement in working capital:		
Non cash adjustment in pension fund	(322)	-
(Increase)/Decrease in stock	67	(35)
(Increase)/Decrease in debtors	(1,169)	1,291
Increase/(Decrease) in creditors	744	(1,087)
Cash inflow from operating activities	**10,357**	**12,116**

Reconciliation of operating surplus to net cash inflow from operating activities - Company

	2026 £000	2025 £000
Operating surplus/deficit	**5,089**	**7,255**
Adjustments:		
Depreciation on non-housing fixed assets	171	215
Depreciation on housing fixed assets	9,063	7,702
Impairment on housing fixed assets	14	-
Deferred Grant Amortisation	(3,652)	(3,250)
Movement in working capital:		
Non cash adjustment in pension fund	(348)	-
(Increase)/Decrease in stock	-	-
(Increase)/Decrease in debtors	(401)	25
Increase/(Decrease) in creditors	951	(134)
Cash inflow from operating activities	**10,887**	**11,813**

24. Analysis of changes in net debt - Group

	At 31st March 2025 £000	Cash flows £000	At 31st March 2026 £000
Cash in hand, at bank	3,721	2,887	6,608
Debt due within one year	(10,109)	(5)	(10,114)
Debt due in more than one year	(51,000)	115	(50,885)
Total	(57,388)	2,997	(54,391)

25. Reconciliation of net cash flow to movement in net debt - Group

	2026 £000	2025 £000
Increase in cash in the period	2,887	1,321
Cash (inflow) from debt financing	-	-
Cash outflow from debt financing	110	179
Change in debt resulting from cash flows	2,997	1,500
Net debt at beginning of period	(57,388)	(58,888)
Net debt at end of period	(54,391)	(57,388)

26. Group structure

ACHA is a registered social landlord, incorporated in Scotland. ACHA owns one share in Argyll Homes for All Limited (AHFA) which is a wholly owned subsidiary company. The principal activity of AHFA, registered company number SC415603, in the year ended 31st March 2026 was that of property maintenance.

27. Strathclyde Pension Scheme

The majority of ACHA group employees belong to the Strathclyde Pension Fund which is part of the Local Government Pension Scheme (LGPS). The total pensionable payroll at the balance sheet date was £4.828 million. This is a defined benefit scheme which provides benefits based on the final pensionable salary, the assets of which are held in a separate trustee administered fund. The best estimate of total employer contributions for 2025/26 is £0.492 million.

As noted in note 1, Argyll and Bute Council have guaranteed to accept liability for any unfunded costs which may arise with regard to ACHA relating to its membership of the Local Government Pension Scheme (LGPS) administered by Glasgow City Council should it cease to exist, withdraw from the LGPS or otherwise become unable to continue covering any unfunded liabilities with regard to the Local Government Pension Scheme (Scotland) Regulations 1998, as amended, or the Local Government (Discretionary Payments and Injury Benefits) (Scotland) Regulations 1998. If applicable, the assumptions and other data that have the most significant effect on the determination of the contribution levels of the scheme are as follows:

Assumptions as at	**31st March 2026**	**31st March 2025**
	% p.a.	% p.a.
Pension Increase Rate	3.00%	2.75%
Salary Increase Rate	3.70%	3.45%
Discount Rate	6.30%	5.80%

As at the date of the most recent valuation, the duration of the Employer’s funded obligations is 19 years.

Demographic Assumptions
Life expectancy is based on the Fund's VitaCurves with improvements in line with the CMI 2025 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 65 for the employer are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	20.7	23.7
Future Pensioners	21.6	24.7

* Figures assume members aged 45 as at the last formal valuation date.

Life expectancies for the prior period end are based on the Fund's VitaCurves. The allowance for future improvements are shown below:

Current Pensioners: CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term

Future Pensioners: CMI 2023 model, with a 15% weighting of 2023 (and 2022) data, a 0% weighting of 2021 (and 2020) data, standard smoothing (Sk7), initial adjustment of 0.25% and a long term rate of improvement of 1.5% p.a. for both males and females rate of improvement of 1.5% p.a. for both males and females Please note that the mortality assumptions used to value the Obligations in the Employer's Closing Position are different to those used to value the Obligations in the Employer's Opening Position. A commutation allowance is included for future retirements to elect to take 75% of the maximum additional tax-free cash up to HMRC limits. Al other demographic assumptions are as per the latest funding valuation of the Employer

Under the requirements of FRS 102, ACHA is required to disclose further information on its share of assets and liabilities of the LGPS on a market value basis at the end of the financial year.

ACHA's share of assets in the scheme and expected rate of return were:

	% Split of Assets 31st March 2026	**Assets at 31st March 2026 £000**	**% Split of Assets 31st March 2025**	**Assets at 31st March 2025 £000**
Equities	58%	27,978	60%	26,050
Bonds	22%	10,612	23%	9,985
Property	10%	4,824	9%	3,907
Cash	10%	4,824	8%	3,473
Total		**48,238**		**43,415**

Analysis of the amount charged in arriving at the operating surplus

	Period to 31st March 2026 £000	**Period to 31st March 2025 £000**
Service cost	905	957
Past service costs	-	-
Amounts charged to operating surplus	905	957

	Period to 31st March 2026 £000	**Period to 31st March 2025 £000**
Net interest	(8)	(4)
Amounts charged to finance charge	(8)	(4)

Analysis of the amount recognised in the statement of comprehensive income

	Period to 31st March 2026 £000	Period to 31st March 2025 £000
Actual return	1,474	(774)
Changes in financial assumptions	1,168	5,040
Other experience gains and losses	(229)	240
Changes in demographic assumptions	(159)	49
Unrecognised pension asset	(2,594)	(17,288)
Prior year unrecognised asset adjustment	-	12,330
Amendment for unfunded liability	(42)	-
Amounts charged to statement of comprehensive income	(382)	(403)

Reconciliation of opening and closing balances of the present value of scheme liabilities

	2026 £000
Opening scheme liabilities	(26,126)
Current service cost	(724)
Past service cost	(181)
Interest cost	(1,529)
Re-measurements	780
Benefits paid	729
Unfunded benefits paid	3
Contributions	(303)
Closing scheme liabilities	(27,351)

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

	2026 £000
Opening fair value of plan assets	43,415
Interest income	2,541
Return on plan assets (in excess of interest income)	1,474
Contributions by employer	1,234
Plan participants contributions	303
Benefits paid	(732)
Contributions in respect of unfunded benefits paid	3
Other experience	-
Closing scheme assets	48,238

	2026 £000	2025 £000
Net asset / (liability) at end of year	20,887	17,289
Unrecognised Surplus	(20,929)	(17,289)
Pension asset / (liability)	(42)	-

28. Related party disclosures

During the year there were a number of payments made and received between ACHA and its wholly owned subsidiary Argyll Homes for All Limited (AHFA). At the year end the total intercompany balance due to AHFA from ACAHA was £0.817million. This was made up as follows: the inter-company debtor due to ACHA was a debit of £0.138 million (2024/25 £0.049 million) which related to a balance of support service charges and assigned staff costs due to ACHA. At the year-end, income accrued by AHFA but not yet paid by ACHA amounted to £1.705 million (2024/25 £0.795 million). In addition AHFA donated £0.750million to ACHA.

Five members of the Board of Management were also tenants during the year (2024/25: five). Two members of the Board of Management were Argyll and Bute Council Councillors during the year (2024/25: two). Members rent arrears were treated in a similar manner to that of other tenants in arrears with ACHA. The total value of rent received from tenants who were board members at the year-end was £0.027 million (2024/25 £0.031 million) with total non-technical rent arrears at the year-end of £311 (2024/25: nil). The tenancy agreements and rents charged for those members of the Board of Management were on standard terms applicable to any other tenant of ACHA.

Payments made to members of the Board of Management during 2025/26 amounted to £0.002m (2024/25: £0.002m). This relates to reimbursement of travel expenses and subsistence.

All transactions with local authorities were made at arm's length, on normal commercial terms and no Board members used their position to their advantage. ACHA has entered premise leases with Argyll and Bute Council and has contractual arrangements for the provision of environmental / cleaning services. ACHA also had a number of transactions during the year in relation to building warrants, paid Council Tax for void properties and made Strategic Housing Fund loan repayments. During the year ACHA paid £0.531 million (2024/25: £0.314 million) to the Council for these services, inclusive of the three Strategic Housing Fund loans (£0.110 million - 2024/25: £0.105 million).

During the period ACHA received from the Council £5.6 million in housing benefit payments (2024/25: £7.4 million), rental income for homeless and additional support needs tenancies of £0.08 million (2024/25: £0.08 million). ACHA received £0.237 million Strategic Housing Fund grant income during the period (2024/25: £0.264 million).

At the period end there was a £0.003m creditor value outstanding to the Council (2024/25: £0.001m).

29. Financial Instruments

The carrying amounts of the Group's financial instruments are as follows:

	2026	2025 As re-stated
	£000	£000
Financial assets		
Debt instruments measured at amortised cost:		
- Trade debtors (note 16)	609	824
- Accrued income (note 16)	2,011	705
- Other debtors (note 16)	173	90
- Cash and cash equivalents (note 17)	6,608	3,720
	9,401	**5,339**
Financial liabilities		
Measured at amortised cost:		
- Bank loans and overdraft (notes 18-19)	61,000	61,109
- Trade creditors (note 18)	1,111	955
- Accrued expenses (note 18)	1,189	834
- Other creditors (note 18)	1,049	815
	64,349	**63,713**

The income, expenses, net gains and net losses attributable the Group's financial instruments are summarised as follows:

	2026 £000	2025 £000
Income and expense		
Financial assets measured at amortised cost	11	-
Financial liabilities measured at amortised cost	(3,037)	(3,012)

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £0.011m (2024/25: £nil) and £3.04 million (2024/25 - £3.01 million) respectively.

30. Prior Year Adjustment

In the prior year the Association received solar panels and air source heat pumps with a value of £1.8million at nil cost. These were funded indirectly by the Scottish Government's Eco4 project. These were not capitalised in the previous financial statements. Following review of these components, the Association has decided that the appropriate treatment is to capitalise the value of the components received at market value and include a deferred grant for the same value. This has led to an increase in Housing Properties of £1.736 million and increase in Deferred Grants of the same amount as at 31st March 2025. There has been no impact on the surplus or reserves of the Association as at 31st March 2025.

31. Contingent Liabilities

The Virgin Media vs NTL Pension Trustees ruling has raised questions over the validity of past pension amendments. This may impact the level of pension obligations in defined benefit pension schemes. At present, the potential impact is unknown as the ruling is subject to appeal, it is unknown what s37 certificates are in place and there is due to be new legislation covering this topic. As a result, the actuary's report does not take into account the impact of this ruling.