NEW GORBALS HOUSING ASSOCIATION LTD

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Contents

Registration Particulars:

Financial Conduct Authority	Co-operative and Community Benefit Societies Act 2014 Registered Number 2309RS
Scottish Housing Regulator	Housing (Scotland) Act 2010 Registered Number HAL211
Charity Number	SC041164

New Gorbals Housing Association Ltd
Committee of Management, Executives and Advisors
For the year ended 31 March 2026

Management Committee

(Chairperson)	Jean Miller
(Vice Chair)	Aaron Reilly
(Secretary)	Kirsten Adams-MacKenzie
(Member)	Elizabeth Peden
(Member)	Shahila Mandaniya
(Member)	Raymond Shannon
(Member)	Linda Malone
(Member)	Pauline McKeever
(Member)	Mari Clark
(Member)	Carole Ann Duffy
(Member)	Andrew Donat
(Member)	Przemek Pikula
(Member)	Catherine Docherty (co-optee)
(Member)	Iain McCreaddie
(Member)	Robert McInally

Executive Officers
Fraser Stewart – Director
Mary Reilly – Head of Finance
Simon Metcalfe – Head of Development (Retired September 2025)
Lauchlan Mitchell – Head of Development (Appointed January 2026)
Tracey McCauley – Head of Maintenance
Gregor Colville – Head of Housing
Chris Rothnie – Head of Governance and Communications

Registered Office
200 Crown Street
Glasgow
G5 9AY

Auditor
RSM UK Audit LLP
4th Floor, G1
5 George Square
Glasgow
G2 1DY

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

Bankers
Bank of Scotland
167-201 Argyle Street
Glasgow
G2 8BU

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

The Committee of Management presents their report and audited financial statements for the year ended 31 March 2026.

Principal Activities

The principal activity of the Association is the provision of social housing:

- to improve the quality of the housing and management service for the people of the Gorbals area;
- to consolidate tenant control and involvement in the Association;
- to contribute to meeting the needs of people living in the Gorbals area;
- to provide housing at affordable and sustainable rent levels; and
- to develop through conversion and new buildings, other types of housing such as those for older and single people, and for those seeking low cost home ownership.

The Association has a wholly owned subsidiary, New Gorbals Property Management Ltd, the principal activities of which are management of mid-market rented properties that are owned by the Association.

Our Vision & Values

Our vision and values underpin our business, our organisational culture and how we operate. They reflect our strong commitment to community empowerment, high standards of service, and social responsibility; and they emphasise the importance of delivering exceptional housing and services whilst actively contributing to the regeneration and well-being of the Gorbals community.

Our Vision

- To provide the highest possible quality housing environment and services to all our customers whilst maximising our contribution to the overall regeneration of the Gorbals and addressing, wherever possible, the needs of those in the community who experience disadvantage.

Our Values

- To be representative of, and accountable to, the Gorbals community.
- To be accessible and equitable, treating every individual with courtesy and respect.
- To be innovative and creative, delivering the best possible outcomes for our community.
- To be focused on delivering customer-centric services which are collaboratively designed.

Our Achievements

Over the past year, the Association has been focusing heavily on planning for the future, launching a five-year Business Plan which sets out our vision and goals for the Association until 2030. The vision is simple; to offer the best possible housing and support, and to remain a driving force for the regeneration and well-being of the Gorbals.

A key part of this has been our involvement in the North Laurieston Masterplan, which sets out how this area can be developed and improved for the people who live and work there. Working alongside Glasgow City Council, last year the Association engaged with local tenants, residents and businesses in two stages to help shape the Masterplan.

Despite continuing external challenges like the Cost-of-Living Crisis and war in the Middle East affecting the Association's costs, NGHA continues to deliver housing at an affordable rate for tenants with a value for money service in return.

Supporting tenants to sustain their tenancies remains a core priority. Our Welfare Rights team achieved savings of over £3.4 million for tenants this year by ensuring they received their full benefit entitlements and accessed available support. We have also continued to deliver energy advice and support via the Energy Redress Scheme, referring over 150 tenants for support. I am pleased to share that a successful partnership funding bid means the Association will be able to continue providing energy support for the coming year.

We also thank our tenants and customers for their ongoing engagement and support, driving us to continue to better our services for the people of Gorbals.

Investment Activity

The Association will continue to invest in our stock while looking towards a sustainable future. Our ongoing commitment to detailed stock condition surveys within all of our properties will allow us to accurately identify and plan for component replacements and our fabric first approach will enable us to prioritise long-term improvements. Taking a fabric first approach will not only enhance energy efficiency but help to reduce future maintenance costs.

New Build

The Association's development programme made progress in the year to 31st March 2026, with 28 units in Pine Place, Hutchesontown, complete in July 2025, and site operations began in December 2025 for the 64 units at the Coliseum site in Laurieston (completion due in January 2028).

The contract for the explosive demolition of the two high rise blocks on Caledonia Road, comprising 276 flats, was let in December 2024. The clearance of the site finished in February 2026 with smaller ancillary related items remaining to complete the contract. The proposal to redevelop the cleared site with 152 units had secured planning approval in April 2026. An amendment to planning to secure an additional 2 units (154 in total) on the site was submitted in June 2026. Site start is expected to commence in February 2027.

Stock Investment

The Association will continue to invest in and upgrade our stock to ensure it retains asset value.

The Association's integrated Asset Management system is complete and providing maintenance with information that allows a more targeted approach to investment.

Housing Review

The reporting year of 2025/26 saw another eventful year for the Housing Services Team. Milestones included the demolition of the multi-storey flats at Caledonia Road following their clearance in 2024/25. As well as the allocation of a significant new development at Pine Place which included ten large family homes and eighteen flats.

While there were some changes in the personnel of the housing services team, Housing Officers continued to operate the generic delivery model on smaller patches and deliver outstanding core services to tenants including rent arrears, allocations and estate & neighbourhood management. We allocated over 230 properties in the year, a significant increase on the previous year. Arrears performance continued to trend downwards, and we finished the reporting year at 2.41% a decrease from 2024/25 year-end of 3.3%.

We continued to strengthen and grow our tenant and resident engagement culminating in our Tenant Conference in March 2026 which was attended by over 80 tenants. During the conference we heard from many of the empowered local groups about their contribution to the local community and the Association's continued and unwavering support. Our Wider Action Team have nurtured and supported numerous groups, too many to mention, however, highlights were the Gorbals Community Pantry which provides access to food at low cost to members of the local area, run by local volunteers and supported by our Participatory Budgeting Officer. The pantry is demonstrable evidence of local democracy in action and was one of the first projects supported by local people via a community vote. The Community Cinema continues to grow from strength to strength and has proven to be extremely popular with local people and is a regular highlight of the community calendar.

Following a period of increased personnel the previous year, our Factoring Team returned to a more business as usual year. There was some growth, following the addition of approximately 200 factored units in Laurieston, our efforts were primarily focussed on improving the process and procedure to continue to improve our offering to factored owners.

Performance

The table below summarises the Association's performance against key performance indicators for 2025 to 2026.

Indicator	Target 2025/26	Outturn Performance 2025/26
Void rent loss	0.4%	0.31%
Gross rent arrears	4%	2.3%
Average length of time to relet	20	13.7 days
Percentage of emergency repairs complete within target	98%	99%
Average timescale – non-emergency repairs	90%	96%
Total Electrical safety checks complete	198	563
Annual gas safety inspections	2,393	2,406

Financial Review

Turnover of £20,784,648 (2025: £18,598,461) relates to the income from the letting of properties at affordable rents and the provision of factoring services.

Operating surplus for the year was £4,142,376 (2025: £2,234,075). SPF pension asset was £3,215,000 with SHAPS pension liability being (£673,000) resulting in a pension asset of £2,542,000. Note 21 in these accounts gives further details of the breakdown of these figures and also see impact of accounting changes section below.

Financing and Liquidity

No further loans were drawn during 2025/2026 (2025: £nil). Under the terms of the financing agreement, there are a number of financial and operational covenants that limit the Association's operating and financial flexibility. A failure to comply with any of these covenants could result in default under the agreement and an acceleration of repayment of the debt outstanding.

All covenants are met and regularly reviewed by the Committee of Management.

Treasury Management

The Association has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Committee of Management. In this way the Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

The Association, as a matter of policy, does not enter into transactions of a speculative nature. At 31 March 2026 £46.3m (83%) (2025 £47.2m (82%)) of borrowings were subject to fixed rates of interest in excess of two years.

Strategic Risk Assessment

The Association holds a comprehensive Risk Register and the following listing is our top 10 risks as identified in the latest Risk Review.

Economic conditions and a renewed focus on tenant safety has led to all top 10 risks increasing in our priority rankings.

Description of risk	Potential Impact	Inherent risk score
1. Economic conditions remain poor or deteriorate (Brexit, Cost of Living and international conflicts / events)	• Increased inflation and interest rates • Increase in material and /or labour costs for repairs and maintenance Government NI policy led to permanent increase in costs • Increase in unemployment and hardship among tenants • Increased operating costs	
2. Costs increase in future due to energy efficiency/ net zero carbon housing requirements and changes to building standards.	• Significant increase in NGHA costs • Negative impact on Business Plan • Adoption of untested technologies • Diversion of resources from services to tenants to meet associated costs	
3. Repairs and replacement element costs increase above levels allowed for in Business Plan	• Increases in cost of parts and materials and/or • Reduced availability of parts and materials • Tenant dissatisfaction	
4. Major tenant health and safety, or housing stock disaster.	• Threats to safety and/or life • Requirement to evacuate residents • Post-incident works	
5. Failure to retain and attract committee members	• Committee numbers fall below 7 • Breach of Rules, regulatory standards and risk of regulatory engagement • Risk to NGHA independence and local control	
6. Employer pension contributions/past service deficits continue to increase and have negative impact on NGHA finances.	• Pension cost contributions rise faster than NGHA income. • Future liabilities cannot be managed in event of pension debt crystallising	
7. Major data protection breach (e.g. unauthorised disclosure, loss of sensitive data, fraud, cyber-attack)	• Complaints to ICO and possible fines • Negative publicity • Safety of individuals compromised	
8. Financial position does not adequately support future obligations and strategic aspirations.	• Reduced ability to provide services or invest in existing and new homes • Could require savings across NGHA's cost base	

Description of risk	Potential Impact	Inherent risk score
9. Development • **Contractor liquidation** • **Major Site Incident or Accident**	• Potential loss of grant funding where programme delays are due to NGHA • Negative impact on business plan • Disruption to contracts • Additional costs to complete works • Adverse impact upon Caledonia Rd clearance and re-provisioning	
10. Failure to comply with loan covenants	If covenants not met, potential for some funders to seek to renegotiate terms Risk of regulatory engagement/ intervention	

Future Developments

The Association commenced building work on Coliseum site in 2025 and work continues towards completion in 2028. Planning and design work has commenced on new build homes on site previously occupied by 305 and 341 Caledonia Road. The Current design would provide an additional 152 homes.

Credit Payment Policy

The Association's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The Association's standard payment terms are 30 days.

Maintenance Policies

The Association maintains its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs would be charged to the Statement of Comprehensive Income.

In addition, the Association has a long-term programme of major repairs to cover for works which have become necessary since the original development was completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. In line with the SORP, replacements to building components (as identified in Note 1) are capitalised in the accounts as they occur. All other major repairs are charged to the Statement of Comprehensive Income.

Employee Involvement and Health & Safety

The Association encourages employee involvement in all major initiatives.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Director.

Going Concern

The Committee of Management has reviewed the results for this year, the projections for the next five years and the effects of the current economic inflationary pressures on the financial statements. The Committee of Management have reviewed our short and longer term plans, including scenario planning. The Committee of Management have deemed that there will be no material impact on the Association's ability to continue as a going concern and for this reason, the going concern basis has been adopted in these financial statements.

The assets and liabilities contained in these financial statements are not deemed to be impaired as a result of financial projections.

Budgetary Process

Each year the Committee of Management approves the annual budget and rolling five year strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Rental income

The Association's Rent Policy is a points system based on the size, type and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Association's properties. The point's value is reviewed annually to ensure that the rents cover the required costs. This policy follows the generally accepted practice/principles of the Housing Movement.

Our equality policy statement

New Gorbals Housing Association is committed to promoting cultural values that promote social justice. We are committed to:

- eliminating unlawful and unfair forms of discrimination; and
- promoting equal opportunity objectives.

Disclosure of Information to the Auditor

The members of the Committee of Management at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the audit.

Auditor
A resolution for the reappointment of RSM UK Audit LLP as auditors of the Association will be proposed at the Annual General Meeting.

By Order of the Committee of Management

[redacted]

Secretary
Kirsten Adams-Mackenzie

Date: 09/09/26

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

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

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

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

The Committee of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Association and enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Housing Associations Determination of Accounting Requirements 2019.

The Committee of Management is responsible for the maintenance and integrity of the corporate and financial information included in the New Gorbals website.

New Gorbals Housing Association Ltd
Committee of Management's Statement of Responsibilities and Internal Financial Controls
For the year ended 31 March 2026

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

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

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

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority which allow the monitoring of controls and restrict the unauthorised use of the Association's assets;
- experienced and suitably qualified staff take responsibility for the important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Management Team and Committee of Management to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;
- monthly/quarterly management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through the Committee of Management;
- Committee of Management receives reports from management and from the external and internal auditors, to provide reasonable assurance that control procedures are in place and are being followed, and that a general review of the major risks facing the Association is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal and external audit reports; and
- an internal auditor has been appointed in accordance with the requirements of Guidance Note 97/06. An audit plan was set and completed for the year. The results of the work confirm that the Association has satisfactory procedures for managing its finances.

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

By Order of the Committee of Management

[redacted]

Secretary
Date: 09/09/26

In addition to our audit of the Financial Statements, we have reviewed your statement on page 10-11 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 10 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

RSM UK Audit LLP

RSM UK AUDIT LLP
Statutory Auditor
Chartered Accountants
4th Floor, G1
5 George Square
Glasgow
G2 1DY

Date: 09/09/26

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

Basis for opinion

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

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Committee 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 about the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Committee of Management is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

Opinion on other matters under the Co-operative and Community Benefit Societies Act 2014

In our opinion, the following continued to apply throughout the year of account:

- the reason given by Committee of Management in respect of a previous year of account for all subsidiaries to not be dealt with in the financial statements (having been approved by the FCA under section 99, subsection (3)); and

- The grounds given by the Committee of Management for that reason.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

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

Responsibilities of the Committee of Management
As explained more fully in the Statement of Committee of Management's responsibilities set out on page 10-11, the Committee of Management is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Committee of Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Scottish Housing Acts, the Housing SORP, the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019 and tax compliance legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures. We performed audit procedures to detect non-compliance which may have a material impact on the financial statements which included, reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from internal/external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are the Housing (Scotland) Acts 2006, 2010, 2014, the Co-operative and Community Benefit Societies Act 2014, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Scottish Housing Regulator's regulatory framework and the Data Protection Act. We performed audit procedures to inquire of management and those charged with governance whether the Association is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and the existence, completeness and valuation of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, in relation to management override of internal controls. Audit procedures in relation to assertion of risk for income included but were not limited to substantive analytical review to test the grant and rental income that was recognized, selecting a sample of rental income to assess whether it was recognized in accordance with rent review letters or signed tenancy agreements which agree to the housing management system and corroborating a sample of other income to supporting documentation.

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

Use of our report

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

RSM UK Audit LLP

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
4th Floor, G1
5 George Square
Glasgow
G2 1DY

Date: 09/09/26

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

New Gorbals Housing Association Limited
Statement of Comprehensive Income
For the year ended 31 March 2026

	Notes	2026 £	2025 £
Turnover	2	20,784,648	18,598,461
Operating expenditure	2	(16,642,375)	(16,264,386)
Operating Surplus		4,142,273	2,334,075
Gain on disposal of property, plant and equipment	9	30,406	(8,074)
Interest receivable	6	287,387	640,785
Interest and financing costs	7	(2,145,474)	(2,024,260)
Pension Interest Income	21	431,000	165,000
Surplus Before Tax		2,745,592	1,107,527
Taxation	24	-	-
Surplus for the Year		2,745,592	1,107,527
Actuarial gain/(loss) in respect of pension schemes	21	237,000	641,000
Total Comprehensive Income for the Year		2,982,592	1,748,527

The accompanying notes form part of these financial statements.

New Gorbals Housing Association Limited
Statement of Financial Position
As at the 31 March 2026

	Notes	2026 £	2025 £
Fixed Assets			
Intangible Fixed Assets	11.C	107,681	307,400
Housing properties	11.A	187,162,400	174,674,741
Other fixed assets	11.B	4,391,251	4,444,379
Investment in subsidiary	11.D	1	1
		191,661,333	179,426,521
Current Assets			
Trade and other debtors	12	2,777,667	3,547,909
Cash and cash equivalents		6,831,740	12,572,747
		9,609,407	16,120,656
Current Liabilities			
Creditors: amounts falling due within one year	13	(9,260,187)	(9,059,575)
Net Current Assets		349,220	7,061,081
Total Assets Less Current Liabilities		192,010,553	186,487,602
Creditors: Amounts falling due after more than one year	14	(150,319,241)	(147,139,743)
Provisions for liabilities:			
Pension provision:	21		
SHAPS – Defined Benefit Funding Liability		(633,000)	(849,000)
SPF – Defined Benefit Funding Asset		3,215,000	2,801,000
Other provisions	17	(36,259)	(45,401)
		(147,773,500)	(145,233,144)
Total Net Assets		44,237,053	41,254,458
Reserves			
Income and expenditure reserve	18	44,236,913	41,254,321
Share Capital	18	140	137
Total Reserves		44,237,053	41,254,458

The financial statements on pages 16 to 45 were approved by the Committee of Management and authorised for issue on ..09/09/26................ and are signed on its behalf by:

Committee member [redacted]

Committee member [redacted]

Secretary [redacted]

New Gorbals Housing Association Limited
Statement of Changes in Equity
For the year ended 31 March 2026

	Share Capital	Income and expenditure reserve	Total
	£	£	£
Balance as at 1 April 2024	115	39,505,794	39,505,909
Issue of shares	28	-	28
Cancellation of shares	(6)	-	(6)
Surplus for the year	-	1,107,527	1,107,527
Actuarial gain	-	641,000	641,000
Balance as at 31 March 2025	137	41,254,321	41,254,458
Balance as at 1 April 2025	137	41,254,321	41,254,458
Issue of shares	8	-	8
Cancellation of shares	(5)	-	(5)
Surplus for the year	-	2,982,592	2,982,592
Actuarial gain	-	-	-
Balance as at 31 March 2026	140	44,236,913	44,237,053

New Gorbals Housing Association Limited
Statement of Cashflows
For the year ended 31 March 2026

	Notes	2026 £	2025 £
Net cash generated from operating activities	19	7,033,744	4,398,433
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of intangible fixed assets		(30,112)	(115,668)
Purchase of tangible fixed assets		(17,151,883)	(16,307,018)
Proceeds from sale of tangible fixed assets		30,406	-
Grants received		7,677,923	11,426,772
Purchase of Investments		-	-
Interest received		287,387	640,785
Net Cash used in Investing Activities		(9,186,279)	(4,355,129)
Cash Flow from Financing Activities			
Issue of share capital		8	28
Interest paid		(2,145,474)	(2,024,260)
New secured loans		-	-
Repayments of borrowings		(1,443,006)	(1,371,844)
Net Cash Used in Financing Activities		(3,588,472)	(3,396,076)
Increase/(Decrease) in Cash and Cash Equivalents		(5,741,007)	(3,352,772)
Cash and Cash Equivalents at Beginning of Year		12,572,747	15,925,519
Cash and Cash Equivalents at End of Year	19	6,831,740	12,572,747

1. ACCOUNTING POLICIES

Legal Status

The Association is registered under the Co-operative and Community Benefit Societies Act 2014 and is registered with the Scottish Housing Regulator under the Housing (Scotland) Act 2010.

The address of the Association's registered office, and principal place of business, is 200 Crown Street, Glasgow G5 9AY.

New Gorbals Housing Association Limited meets the definition of a Public Benefit Entity.

Basis of Accounting

These financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Housing SORP 2018 "Statement of Recommended Practice for Registered Housing Providers" and comply with the Determination of Accounting Requirements 2019.

The financial statements are prepared in Sterling (£).

Basis of consolidation

The Association and its subsidiary undertaking comprise a group. The Financial Conduct Authority has granted exemption from preparing group financial statements. The accounts therefore represent the results of the Association and not the group.

Critical Accounting Estimates and Areas of Judgement

Preparation of the financial statements requires management to make critical judgements and estimates concerning the future. Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included below.

Critical accounting estimates
Useful lives of housing property - management reviews its estimate of the useful lives of depreciable assets at each reporting date based on industry averages and our review of our stock. Uncertainties in these estimates relate to the length of time certain components in our homes will last, with varying levels of use potentially lengthening or shortening the lives of these components.

Recoverable amount of rent arrears and debtors – management considers the reasonable likelihood of rent arrears and debtors being recoverable based on past experience. While every effort is made not to over-estimate the amounts which will be recovered by the Association in the future, the actual amounts which might be received are often out of the Association's control.

Obligations under a defined benefit pension scheme
Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 21). The net defined benefit pension asset at 31 March 2026 was £2,582,000.

Going Concern

The current cost of living crisis has seen increases in energy, interest rates and materials costs.

The Association has agreed a rent increase of 4.8% for 2025 to 2026. This increase will ensure we can keep to our plans in relation to repairs, stock investment and New Build.

Committee reviewed the Business Plan, which included these increased costs and contingencies, and there are reasonable expectations that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparation of the annual financial statements.

The Association's independent review of our Business Plan cashflow (including the demolition) has proven that the Association is a going concern for the next 30 years.

On that basis the Committee of Management has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover and Revenue Recognition

Turnover relates to the income from the letting of properties at affordable rents, together with revenue grants receivable in the period. Rental income is recognised from the point when there is an enforceable right to receive rent from a tenant. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

Government Grants

Government grants include grants receivable from the Scottish Government, local authorities and other government bodies. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received. Reasonable assurance is normally obtained when the grant has been awarded in writing.

Government grants received for housing properties are recognised in income over the useful economic life of the structure of the asset and, where applicable, the individual components of the structure (excluding land) under the accruals model.

On disposal of an asset for which government grant was received, if there is no obligation to repay the grant, then any unamortised grant remaining is derecognised as a liability and recognised as income. Where there is a requirement to repay a grant a liability is included in the Statement of Financial Position to recognise this obligation

Other Grants

Grants received from non-government sources are recognised using the performance model. Grants are recognised as income when the associated performance conditions are met.

Intangible Fixed Assets

Intangible fixed assets are initially measured at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible fixed assets are amortised to profit or loss on a straight-line basis over their useful lives as follows:

Computer software - 4 years.

Tangible Fixed Assets – Housing Properties

Housing properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent and shared ownership.

Completed housing and shared ownership properties are stated at cost less accumulated depreciation and impairment losses.

Cost includes the cost of acquiring land and buildings, and expenditure incurred during the development period.

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

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

Depreciation of Housing Properties

Freehold land and assets under construction are not depreciated.

The Association separately identifies the major components of its housing properties and charges depreciation so as to write-down the cost of each component to its estimated residual value, on a straight line basis over the following years:

Land	Nil
Assets under construction	Nil
Structure	50 years
Windows	45 years
Central Heating pipework	45 years
Roofs	40 years
Lifts	30 years
Bathrooms	25 years
District Boilers	15 years
Electric Heating	15 years
Boilers	15 years
Kitchens	15 years
Over bath Showers	7 years

Impairment of Fixed Assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the RSL estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Statement of Comprehensive Income.

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

Sales of Housing Accommodation

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale, except for first tranche sales. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements.

First tranche Share Ownership disposals are credited to turnover on completion, the cost of construction of these sales is taken to operating costs. Disposals of subsequent tranches are treated as fixed asset disposals with the gain or loss on disposal taken to the Statement of Comprehensive Income, in accordance with the Statement of Recommended Practice.

Other Tangible Fixed Assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold Property	over 50 years
Computers and office equipment	over 4 years
Furniture, fixtures and fittings	over 4 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition and construction of qualifying properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

All other borrowing costs are expensed as incurred on an effective interest rate basis.

Taxation

The Association has charitable status and is registered with the Office of Scottish Charities Regulator and is therefore exempt from paying Corporation Tax on charitable activities.

Value Added Tax (VAT)

The Association is VAT registered, however a large proportion of income, namely rents, is exempt for VAT purposes therefore giving rise to a Partial Exemption calculation. Expenditure is shown inclusive of VAT.

Deposits and Liquid Resources

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

Employee Benefits

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

Employees are entitled to carry forward up to 5 days of any unused holiday entitlement. The Association has suspended its flexi system during the period when staff are working from home. The cost of any unused entitlement is recognised in the period in which the employee's services are received.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the RSL is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement Benefits

Defined benefit plans
The Association participates in two funded multi-employer defined benefit schemes, the Scottish Housing Association Pension Scheme (SHAPS) and the Strathclyde Pension Fund (SPF).

The current service cost and costs from settlements and curtailments are charged against operating surplus. Past service costs are recognised in the current reporting period within the income and expenditure account. Interest is calculated on the net defined benefit liability. Remeasurements are reported in other comprehensive income. Refer to Note 21 for more details.

For defined benefit schemes the amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs.

Defined benefit schemes are funded, with the assets held separately from the Association in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency.

A pension scheme asset is recognised in the Statement of Financial Position only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

Financial Instruments

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

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

Lease Policy

All leases are operating leases and the annual rents are charged to the Statement of Comprehensive Income on a straight line basis. Operating leases are in operation for the leasing of 63 Mid Market Rented Units to New Gorbals Property Management Ltd.

Financial assets

Debtors

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

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

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

Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income and expenditure.

Financial liabilities

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

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

Borrowings

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

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

Derecognition of financial assets and liabilities

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

Provisions

Provisions are recognised when the RSL has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Notes	Turnover £	Operating costs £	2026 Operating Surplus £	2025 Operating Surplus £
Affordable letting activities	3	17,958,854	13,542,282	4,416,572	2,443,967
Other activities	4	2,825,794	3,100,093	(274,299)	(109,892)
Total		**20,784,648**	**16,642,375**	**4,142,273**	**2,334,075**
Total for previous reporting period		**18,598,461**	**16,264,386**	**2,334,075**	

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Social Housing	Supported Social Housing Accommodation	Shared Ownership Housing	Total 2026	Total 2025
	£	£	£	£	£
Rent receivable net of service charges	12,820,798	231,792	41,133	13,093,723	12,504,372
Service charges	693,314	12,636	20,727	726,677	694,891
Gross income from rents and service charges	13,514,112	244,428	61,680	13,820,400	13,199,263
Less voids	(41,395)	-	-	(41,395)	(38,941)
Net income from rents and service charges	**13,472,717**	**244,428**	**61,860**	**13,779,005**	**13,160,322**
Grants released from deferred income	2,537,294	134,562	19,385	2,691,241	2,396,472
Revenue grants received from Scottish Ministers	1,488,608	-	-	1,488,608	614,602
Total turnover from affordable letting activities	**17,498,619**	**378,990**	**81,245**	**17,958,854**	**16,171,396**
Management and maintenance administration costs	2,159,511	114,308	12,350	2,286,169	2,711,452
Service costs	2,038,789	108,124	15,576	2,162,489	2,717,820
Planned and cyclical maintenance including major repairs costs	1,335,103	24,027	9,861	1,368,991	1,109,466
Reactive maintenance costs	3,094,788	13,928	22,554	3,131,270	2,732,167
Bad debts - rents and service charges	14,400	-	-	14,400	110,302
Depreciation of affordable let properties	4,537,410	13,928	27,625	4,578,963	4,346,222
Impairment of affordable let properties	-	-	-	-	-
Operating Costs for affordable letting activities	**13,180,001**	**274,315**	**87,966**	**13,542,282**	**13,727,429**
Operating surplus or deficit for affordable letting activities	**4,318,618**	**104,675**	**(6,721)**	**4,416,572**	**2,443,967**
Operating surplus or deficit or affordable letting activities for previous reporting period	**2,384,156**	**53,717**	**6,094**	**2,443,967**	

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants From Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total turnover	Operating costs bad debts	Other operating costs	Operating surplus or deficit	Operating surplus or deficit for previous reporting period
	£	£	£	£	£	£	£	£	£
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing		377,662			377,662		636,660	(258,998)	(208,886)
Care and repair									-
Factoring				1,935,322	1,935,322		2,033,778	(98,456)	(43,441)
Gift aid distribution from subsidiary				128,082	128,082		-	128,082	124,384
Rental from mid-market properties and management charges income				337,869	337,869		335,009	2,860	11,426
Other activities				46,859	46,859		94,646	(47,788)	6,625
Total from other activities		**377,662**		**2,448,132**	**2,825,794**		**3,100,094**	**(274,299)**	**(109,892)**
Total from other activities for the previous reporting period	**-**	**302,355**	**-**	**2,124,710**	**2,427,065**	**15,138**	**2,521,819**		

5. ACCOMMODATION IN MANAGEMENT

	2026 Units	2025 Units
General needs housing	2,481	2,744
Shared ownership	18	19
TOTAL UNITS IN MANAGEMENT	2,499	2,763

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2026 £	2025 £
Interest on bank deposits	287,387	592,889
Interest on Pensions	431,000	165,000

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2026 £	2025 £
Interest arising on:		
Bank loans and overdrafts	2,145,474	2,358,207
Defined benefit pension charges		
Less: Interest capitalised on housing properties under construction	-	(333,947)
	2,145,474	2,024,260

8. OPERATING SURPLUS

	2026 £	2025 £
Operating surplus is stated after charging:		
Depreciation of housing properties (note 11.A)	4,751,442	4,346,222
Depreciation of other tangible fixed assets (note 11.B)		
- owned	168,873	96,431
Depreciation of intangible fixed assets (note 11.C)	229,832	297,340
Surplus/(Deficit) on disposal of tangible fixed assets (note 9)	30,407	(8,074)

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2026 £	2025 £
Audit services - statutory audit of the Association	23,310	25,798

9. SURPLUS OR DEFICIT ON SALE OF FIXED ASSETS – HOUSING PROPERTIES

	2026 £	2025 £
Disposal proceeds	90,150	-
Loss on replacement of components	(59,742)	(8,074)
	30,408	(8,074)

10. EMPLOYEES

	2026 No.	2025 No.
The average monthly number of full time equivalent persons (including key management personnel) employed by the Association during the year was:		
Office and management/Administration	14	17
Housing support and care	45	46
In-house Services Team	50	47
Development	3	3
	112	113

	2026 £'000	2025 £'000
Staff costs for the above persons:		
Wages and salaries	4,818	4,428
Social security costs	586	437
Other pension costs and current service cost (note 21)	552	383
	5,956	5,248

The key management personnel are defined as the members of the Management Committee, the Director and any other person reporting directly to the Directors or the Management Committee.

The number of key management personnel who received emoluments (excluding employer pension contributions) in excess of £60,000 during the reporting period fell within the following bands:

	2026 No.	2025 No.
£60,000 - £70,000	-	-
£70,001 - £80,000	-	-
£80,001 - £90,000	3	3
£90,001 - £100,000	-	-
>£100,000	1	1

10. EMPLOYEES (Continued)

	2026 £	2025 £
Aggregate emoluments for the above key management personnel (excluding pension contributions)	363,125	343,364
The emoluments of the Chief Executive (excluding pension contributions)	111,977	107,670
Aggregate pension contributions in relation to the above key management personnel	46,858	43,066
Total emoluments for the above key management personnel (including salary, pension and benefits)	521,960	494,100

No payment or fees or other remuneration was made to the Board members during the year.

11.A TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Social housing properties held for letting £	Housing properties for letting under construction £	Completed shared ownership housing properties £	Total housing properties £
Cost				
1 April 2025	199,770,081	22,890,005	1,445,448	224,105,534
Additions	-	12,419,090	-	12,419,090
Works to existing properties	4,805,249	-	-	4,805,249
Schemes completed	12,114,969	(12,114,969)	-	-
Disposals	(8,255)	-	(64,201)	(72,456)
31 March 2026	216,682,044	23,194,126	1,381,247	241,257,417
Depreciation and impairment				
1 April 2025	48,645,259	-	785,534	49,430,793
Depreciation charged in year	4,723,817	-	27,625	4,751,442
Disposals	(54,483)	-	(32,772)	(87,255)
31 March 2026	53,314,593	-	780,387	54,094,980
Net book value				
31 March 2026	163,367,451	23,194,126	600,860	187,162,437
31 March 2025	151,124,822	22,890,005	659,914	174,674,741

EXPENDITURE ON WORKS TO EXISTING PROPERTIES

	2026 £	2025 £
Replacement component spend capitalised	3,560,819	1,352,545
in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014 and the Charities and Trustee Investment (Scotland) Act 2005.	3,560,819	1,352,545

FINANCE COSTS

	2026 £	2025 £
Aggregate amount of finance costs included in the cost of housing properties	1,790,459	1,790,459

11.B TANGIBLE FIXED ASSETS – OTHER

	Freehold property £	Computers and Office Equipment £	Furniture, fixtures and fittings £	Total £
Cost				
1 April 2025	5,269,012	770,131	748,673	6,787,816
Additions	25,628	75,343	14,776	115,747
Disposed	-	-	-	-
31 March 2026	5,294,640	845,474	763,449	6,903,563
Depreciation				
1 April 2025	912,294	721,865	709,278	2,343,437
Depreciation charged in year	120,931	18,911	29,031	168,873
Disposed	-	-	-	-
31 March 2026	1,033,225	740,776	738,309	2,512,310
Net book value				
31 March 2026	4,261,415	104,698	25,140	4,391,253
31 March 2025	4,356,718	48,266	39,395	4,444,379

11.C INTANGIBLE FIXED ASSETS

	Computer Software £
Cost	
1 April 2024	1,494,213
Additions	30,113
31 March 2025	1,524,326
Depreciation	
1 April 2025	1,186,813
Depreciation charged in year	229,832
31 March 2026	1,416,645
Net book value	
31 March 2026	107,681
31 March 2025	307,400

11.D INVESTMENTS

	2026 £	2025 £
Investment in subsidiary undertakings	1	1

New Gorbals Housing Association Limited owns 1 ordinary £1 share in New Gorbals Property Management Limited. This represents a 100% shareholding in New Gorbals Property Management Limited, a company registered in Scotland, whose principal activity is that of provision of management of mid-market rented properties. As at 31 March 2026, the capital and reserves of New Gorbals Property Management Limited were £152,052 with a taxable profit for the year of £152,052.

12. DEBTORS

	2026 £	2025 £
Amounts falling due within one year:		
Rent and service charges receivable	427,945	531,630
Less: net present value adjustment	(79,079)	(81,503)
Less: provision for bad and doubtful debts	(101,016)	(152,367)
	247,850	297,760
Other debtors	2,339,955	3,114,177
Prepayments and accrued income	105,395	54,123
Amounts due from group undertakings	84,467	81,849
	2,777,667	3,547,909

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026 £	2025 £
Debt (note 16)	1,371,218	1,327,674
Rent and service charges received in advance	582,200	590,013
Deferred capital grants (note 15)	2,691,240	2,396,472
Trade creditors	1.969,051	2,714,547
Other creditors	2,261,414	1,972,864
Taxation and Social Security	138,309	-
Accruals and deferred income	246,755	58,003
	9,260,187	9,059,573

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2026 £	2025 £
Debt (note 16)	54,545,659	56,032,203
Deferred capital grant (note 15)	95,773,582	91,107,540
	150,319,241	147,139,743

	2026 £	2025 £
Included in creditors are:		
Amounts repayable by instalments falling due after more than five years	46,041,399	47,360,188

15. DEFERRED CAPITAL GRANT

	2026 £	2025 £
As at 1 April	93,504,012	84,473,705
Grant received in the year	7,677,922	11,426,779
Capital grant released	(2,691,240)	(2,396,472)
Disposal	(25,872)	-
As at 31 March	98,464,822	93,504,012
Amounts to be released within one year	2,691,240	2,396,472
Amounts to be released in more than one year	95,773,582	91,107,540
	98,464,822	93,504,012

16. DEBT ANALYSIS – BORROWINGS

	2026 £	2025 £
Creditors: amounts falling due within one year:		
Bank loans	1,371,218	1,327,674
	1,371,218	1,327,674
Creditors: amounts falling due after more than one year:		
Bank loans	54,545,662	56,032,203
	54,545,662	56,032,203
Total	55,916,880	57,359,877

Borrowings are denominated and repaid in pounds sterling, have contractual interest rates that are either fixed rates or variable rates linked to Bank Base Rate that are not leveraged, and do not contain conditional returns or repayment provisions other than to protect the lender against credit deterioration or changes in relevant legislation or taxation.

Bank borrowings mature annually at £1,371,218 per annum from 31 March 2026, until 31 March 2027, £46,343,376 (2025: £47,197,943) bears average fixed-rate coupons of 3.84% per annum (2024: 3.84% per annum) and £9,573,504 (2025: £10,190,245) bears average variable-rate coupons of 1.11% above Bank Base Rate (2025: 1.11% above Bank Base Rate). The Association makes quarterly repayments of the bank borrowings.

Bank borrowings of £55,916,880 (2025: £57,388,169) are secured against the Association's housing properties.

Based on the lender's earliest repayment date, borrowing is repayable as follows:

	2026	2025
	£	£
Due within one year	1,371,218	1,327,674
Due in one year or more but less than two years	2,789,932	2,858,495
Due between two and five years	5,714,331	5,813,520
Due more than five years	46,041,399	47,360,188
	55,916,880	57,359,877

17. PROVISIONS

	Holiday pay
	£
1 April 2025	45,401
Utilised in the year	(45,401)
Additional provision in year	36,259
31 March 2026	36,259

Holiday Pay
This represents holiday accrued because of services rendered in the current period and which employees are entitled to carry forward. The provision is measured as the statutory cost payable for the period of absence.

18. SHARE CAPITAL & RESERVES

The Association is limited by guarantee and consequently has no share capital. Each of the Association's members agrees to contribute £1 in the event of the Association winding up.

	2026 Number	2025 Number
Number of members		
1 April	137	115
Joined during the year	8	28
Left during year	(5)	(6)
31 March	140	137

RESERVES

Reserves of the Association represent the following:

	2026	2025
	£	£
Income and Expenditure Account		
1 April	41,254,321	39,505,794
Surplus for the year	2,745,591	1,107,527
Actuarial gain/(loss) for year	237,000	641,000
31 March	44,236,912	41,254,321

19. RECONCILIATION OF SURPLUS TO NET CASH GENERATED FROM OPERATIONS

	2026	2025
	£	£
Surplus for the year	2,982,591	1,700,630
Adjustments for non-cash items:		
Depreciation of intangible fixed assets	229,832	297,340
Depreciation of tangible fixed assets	4,747,834	4,505,209
Amortisation of capital grants	(2,691,240)	(2,396,472)
(Decrease)/Increase in provisions	(630,000)	(762,289)
(Gain)/Loss on disposal of tangible fixed assets	(30,407)	8,074
Interest receivable	(287,387)	(592,887)
Interest payable	2,145,474	2,024,260
Shares cancelled	(5)	(7)
Impairment		
Operating cash flows before movements in working capital	6,466,692	4,783,858
Increase in investments		
Decrease/(Increase) in trade and other debtors	770,242	(1,310,538)
(Decrease)/Increase in trade and other creditors	(203,192)	925,113
Cash generated from operations	7,033,744	4,398,433

CASH AND CASH EQUIVALENTS

	2026	2025
Cash and cash equivalents represent: -	£	£
Cash at bank	200,604	1,188,620
Short-term deposits	6,631,136	11,336,229
	6,831,740	12,524,849

Reconciliation of net cash flow to movement in net debt		
(Decrease)/Increase in cash for the year	(5,741,007)	(3,400,672)
Loan repayments	1,443,007	1,371,845
Change in net debt	(4,298,000)	(2,028,827)
Net debt as at 1 April 2025	(44,787,130)	(42,758,303)
Net debt as at 31 March 2026	(49,085,130)	(44,787,140)

Analysis of Changes in net debt

	As at 31 March 2025	Cash Flow	Other Changes	As at 31 March 2026
	£	£	£	£
Cash at bank and in hand	12,572,747	(5,741,007)	-	6,831,740
Debt due within one year	(1,327,674)	(43,547)	-	(1,371,221)
Debt due after one year	(56,032,203)	1,443,007	-	(54,545,659)
	(44,834,393)	(4,341,547)	-	(48,085,140)

20. CAPITAL COMMITMENTS AND OTHER CONTRACTUAL OBLIGATIONS

	2026 £	2025 £
Capital expenditure contracted for but not provided in the financial statements	59,005,000	13,511,000

The above commitments will be funded through existing finance and grant.

21. RETIREMENT BENEFITS

Scottish Housing Association Pension Scheme (SHAPS)

Certain employees of the Association are members of an industry-wide retirement benefit scheme the Scottish Housing Association Pension Scheme ("SHAPS").

The Association participates in the scheme, a multi-employer scheme which provides benefits to over 150 non-associated employers. The scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2024. This valuation revealed a deficit of £79.5m. A recovery Plan will be put in place to eliminate the deficit which will run from 1 April 2026 to 31 March 2030.

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

The Association's estimated debt on withdrawal as at 30 September 2026 was £1,644,834 (30 September 2025 £2,291,292). The estimated debt is calculated on the solvency – or 'buy-out' – basis. This is the Scheme Actuary's estimate of the pricing basis used to secure pension liabilities in full with an insurance company on 30 September 2025

Under the defined benefit pension accounting approach, the SHAPS net deficit as at 1 April 2025 (£849,000) and (£633,000) as at 31 March 2026.

21. RETIREMENT BENEFITS (Continued)

FAIR VALUE OF PLAN ASSETS, PRESENT VALUE OF DEFINED BENEFIT OBLIGATION, AND DEFINED BENEFIT ASSET (LIABILITY)

	31 March 2026 (£000s)	31 March 2025 (£000s)
Fair value of plan assets	5,924	6,061
Present value of defined benefit obligation	6,597	6,910
Surplus (deficit) in plan	(673)	(849)
Defined benefit asset (liability) to be recognised	(673)	(849)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	31 March 2025 to 31 March 2026 (£000s)
Defined benefit obligation at start of period	6,950
Current service cost	69
Expenses	11
Interest expense	398
Member contributions	32
Actuarial losses (gains) due to scheme experience	(390)
Actuarial losses (gains) due to changes in demographic assumptions	54
Actuarial losses (gains) due to changes in financial assumptions	(152)
Benefits paid and expenses	(385)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	-

21. RETIREMENT BENEFITS (Continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period from 31 March 2025 to 31 March 2026 (£000s)
Fair value of plan assets at start of period	6,061
Interest income	350
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(338)
Employer contributions	204
Member contributions	
Benefits paid and expenses	32
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	5,924

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was (£673,000)

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCI)

	Period from 31 March 2025 to 31 March 2026 (£000s)
Current service cost	69
Expenses	11
Net interest expense	48
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	128

21. RETIREMENT BENEFITS (Continued)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI)

	Period from 31 March 2025 to 31 March 2026 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(338)
Experience gains and losses arising on the plan liabilities - gain (loss)	380
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(54)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	152
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	140
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	140

21. RETIREMENT BENEFITS (Continued)

ASSETS

	31 March 2026 (£000s)	31 March 2025 (£000s)
Global Equity	782	702
Liquid Alternatives	1,133	1,116
Insurance-Linked Securities	11	23
Property	309	300
Infrastructure	-	1
Private Equity	13	5
Real Assets	588	724
Private Credit	764	756
Credit	270	258
Investment Grade Credit	249	277
Cash	2	32
Long Lease Property	-	2
Secure Income	80	140
Liability Driven Investment	1,635	1,707
Currency Hedging	-	10
Net Current Assets	88	8
Total assets	5,924	6,061

21. RETIREMENT BENEFITS (Continued)

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

KEY ASSUMPTIONS

	31 March 2026	31 March 2025
	% per annum	% per annum
Discount Rate	6.14%	5.8%
Inflation (RPI)	3.29%	3.09%
Inflation (CPI)	3.03%	2.75%
Salary Growth	4.03%	3.45%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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

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

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

The Association has also been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability alongside the Court's judgement in respect of the Virgin Media case referred to above, following the hearing of the case in February 2025 (Verity Trustees vs. Wood).

The Pension Schemes Act 2026 was enacted into law on 29 April 2026 and provided that evidence can be provided of there being retrospective confirmation of historic amendments to scheme rules as being compliant with the statutory requirements, it is expected that these additional liabilities will not materialise. However, due to the ongoing considerations in respect of the Virgin Media case and the Verity Trustees Limited vs. Wood case, it is recognised that there could still potentially be an impact to the value of Scheme liabilities.

Until the outcome of the ongoing Court process is known (which is currently expected to be autumn 2026), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2026 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

21. RETIREMENT BENEFITS

Strathclyde Pension Fund

Some employees of New Gorbals Housing Association Limited participate in the Strathclyde Pension Fund (SPF), a defined benefit scheme administered by Glasgow City Council. The scheme is a multi-employer scheme. Annual contributions to the scheme are based on the recommendation of the scheme actuary. Current and past service costs and are charged to the Statement of Comprehensive Income so as to spread the expected cost of providing pensions over the employees' period of service with NGHA. Employees contribute between 5.5% and 6.9% of their salary. Employers contributions were 4% for 2025-26 (2024-25: 3.37%).

Unfunded early retirement pension enhancements for which NGHA is liable are provided for in full when employees retire and are charged against the provision when paid.

Employer contributions for the year to 31 March 2026 will be approximately £14,600.

A formal valuation of the SPF was carried out as at 31 March 2023 by a qualified independent actuary, Hymans Robertson LLP. In order to assess the actuarial value of the SPF's liabilities as at 31 March 2026, the Scheme's actuaries have rolled forward the actuarial value of the liabilities allowing for changes in financial assumptions as prescribed under FRS 102, the Financial Reporting Standard applicable in the UK and Ireland.

The pension liability included in these financial statements includes the effect of the McCloud judgement and GMP equalisation.

The principal assumptions used as at 31 March 2026 were as follows:

	2026	2025
Discount rate	6.3%	5.8%
Future salary increases	3.7%	3.45%
Future pension increases	3.00%	2.75%
Proportion of employees opting for early retirement		
Post-retirement mortality	1.5%	1.5%

The average life expectancy for current pensioner retiring at 65 on the reporting date is:

	2026 Years	2025 Years
Male	20.2	19.8
Female	22.2	22.1

The average life expectancy for future pensioner retiring at 65 on the reporting date is:

	2026 Years	2025 Years
Male	19.0	18.7
Female	25.0	24.8

Amounts recognised in income and expenditure in respect of the defined benefit schemes are as follows:

	2026 £'000	2025 £'000
Current service cost	51	71
Net interest on the net defined benefit pension liability	(161)	(106)
Benefit changes,gain/(loss) on curtailment and gain/(loss) on settlement.		
	(110)	(35)

21. RETIREMENT BENEFITS (Continued)

Changes in the present value of the defined benefit obligation:	**£'000**
Defined benefit obligation at 1 April 2025	2,878
Current service cost	51
Past Service costs	-
Interest cost	167
Contributions by scheme participants	25
Plan introductions, changes, curtailments and settlements	(97)
Benefits paid	(71)
Defined benefit obligation at 31 March 2026	2,953

Changes in the fair value of plan assets:	**£'000**
Plan assets at 1 April 2025	5,679
Interest income	328
Actuarial (losses)/gains	-
Return on plan assets (excluding net interest on the defined benefit liability)	194
Contributions by employer	13
Contributions by scheme participants	25
Benefits paid	(71)
Plan assets at 31 March 2026	6,168
Net Asset at 31 March 2026	3,215

The analysis of the scheme assets at the reporting date were as follows:

	Fair value of assets	
	2026	**2025**
Equity instruments	58%	60%
Debt instruments	22%	23%
Property	10%	9%
Other assets	10%	8%
	100%	100%

22. RELATED PARTY TRANSACTIONS

Committee of Management members are also tenants of the Association. Their tenancies are on normal commercial terms. During the year £60,160 (2025; £55,518) of rent was receivable from these tenant members. At the year-end there were £0 (2025: £192) of rent arrears due from these tenant members

During the year we charged £337,869 in rent and management charges (2025: £327,392) to our subsidiary New Gorbals Property Management. NGPM was incorporated in January 2016 primarily for the letting of mid-market rented properties. At 31st March 2026 £84,467 (2025: £81,848) was due from the subsidiary in group debtors.

23. COMMITMENTS UNDER OPERATING LEASE

At 31 March 2026 total future minimum lease payments under non-cancellable operating leases are set out below.

	2026 Other Items £	2025 Other Items £
Amounts due:		
Within 1 year	162,750	155,000
Within 2 to 5 years	325,500	310,000
	488,250	465,000

24. TAXATION

The Association gained charitable status in the year ending on 6th January 2010 and is no longer liable for tax on its ordinary activities.

25. NATIONAL LOTTERY COMMUNITY FUND

The Association received £50,000 in 2026 (2025 £nil) in National Lottery funding in relation to Community Budgeting. Spend in year is £46,729 (2025 £42,293). Income and Expenditure is recognised in Wider Action, Note 4.