Company Registered No. SC115066
Scottish Charity No. SC026231
R.S.L No. 327

WAVERLEY HOUSING
(A Company Limited by Guarantee)

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2026

Final Audited 31 July 2026

WAVERLEY HOUSING
(A Company Limited by Guarantee)

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For the year ended 31 March 2026

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COMPANY INFORMATION

For the year ended 31 March 2026

COMPANY REGISTERED NUMBER:	SC115066
SCOTTISH CHARITY NUMBER:	SC026231
R.S.L. NUMBER:	327
PROPERTY FACTORS NUMBER:	PF00271
REGISTERED OFFICE:	51 North Bridge Street Hawick TD9 9PX
CHAIR:	Ronnie Dumma
DIRECTORS	Ian Davidson (Vice Chair) David Gordon (Resigned 30 September 2025) Christina Stewart Kate Christie Julie Watson (Resigned 30 September 2025) Alan Brown Wendy Davidson Laura Ryan (Dr) Johnny Pietraneck Simon Lynch (Appointed 30 September 2025) Sara Wilson (Co-Opted 27 January 2026)
CHIEF EXECUTIVE:	Paul Scott
COMPANY SECRETARY:	Lorna Notman (Resigned 30 September 2025) Paul Scott (Appointed 30 September 2025)
BANKERS:	The Royal Bank of Scotland 35 Bank Street Galashiels TD1 1EP Unity Trust Bank plc PO Box 7193 Planetary Road Willenhall WV1 9DG Barclays Commercial Bank Barclays Glasgow Campus 1-4 Clyde Place Lane Glasgow G5 8D
SOLICITORS:	TC Young 7 West George Street Glasgow G2 1BA
EXTERNAL AUDITOR:	CT Audit Limited Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
INTERNAL AUDITORS:	Wbg 168 Bath Street Glasgow G2 4TP

REPORT of the DIRECTORS (INCLUDING STRATEGIC REPORT)

The Directors of Waverley Housing present their report, including the Strategic Report, and the audited financial statements for the year ended 31 March 2026.

Principal Activities

Waverley Housing is a company limited by guarantee and is governed by its Memorandum and Articles of Association. Accordingly, the company does not have share capital. It is a registered Scottish charity; a registered social landlord and its principal activity is the provision of affordable social rented housing.

Political and Charitable Donations

There were no political or charitable donations made by Waverley Housing within the year.

Going Concern

After reviewing detailed Income and Expenditure, Business Plan projections and taking account of existing and future loan facilities along with making such further enquiries as they consider appropriate, the Board of Directors are satisfied that the Company has adequate resources to continue to operate for the foreseeable future. Accordingly, it continues to adopt the going concern basis in preparing the Company's financial statements.

REPORT of the DIRECTORS (INCLUDING STRATEGIC REPORT) continued

STRATEGIC REPORT

Review of Business and Future Developments
The Company has the following corporate objectives for 2026/27.

- **Great Customer Service**
  - Our vision and values, and why we exist, is all about delivering quality homes and services for our tenants and residents. We will strive to deliver services that continuously improve, represent value for money and are of a high standard.
- **Great Place to Work, and**
  - With exceptional, motivated and committed people we can deliver services to a high standard. Our staff are a significant asset and a vital part of enabling us to deliver this Plan and therefore our Vision.
- **Great and Sustainable Community Contribution**
  - Beyond our core functions we have a responsibility to the wider community and beyond. We are committed to taking a holistic view as to how we ensure a sustainable community that will be a positive place for future generations.

During the year the Company had 25 rented properties under construction at Upper Langlee, Galashiels. These properties are due for a phased handover during 2026/2027. The Company also has longer-term development plans for Upper Langlee and beyond with the ambition to deliver a sustainable development programme into the long-term. In order to develop our business and improve our services we will continue to focus on:

- Continuing a sustainable development programme
- Keeping our rents affordable
- Supporting and developing our staff
- Providing great services to our tenants and residents.

Key Performance Indicators
The Company sets Key Performance Indicators for its key activities on an annual basis and monitors performance achieved on a quarterly basis through the Board of Directors. The targets set are informed by reviewing the previous year's outcomes together with the information obtained from benchmarking. The KPIs used include, but are not limited to, Staff Absence, Complaint Response Time, Rent Arrears, ASB Cases Resolved, Bank Covenants, Repairs Time and Satisfaction, Compliance and Gas Servicing; this ensures all key areas of the company are actively monitored and their performance managed

Health and Safety
The Board of Directors is aware of its responsibilities on all matters relating to health and safety. The Company has an internal Health and Safety Framework in place and benefits from external guidance and updates which ensures the ongoing relevance and strength of our framework.

Governance and the Governing Body
Our Board of Directors, Chief Executive and Company Secretary are listed on page 2. It is the responsibility of the Board of Directors to undertake the strategy, setting of policy and overall direction for the Company.

The Chief Executive and wider Leadership Team are responsible for achieving the strategy set and undertaking the operational activities in line with the policies set.

The Board is committed to maintaining high standards of governance and regularly reviews its effectiveness, skills mix, succession planning and compliance with the Scottish Housing Regulator's Regulatory Framework

Directors' Indemnity Provisions
Waverley Housing maintains Board members liability insurance through AXA Insurance UK

REPORT of the DIRECTORS (INCLUDING STRATEGIC REPORT) continued

Financial Review

Statement of Comprehensive Income (including Income and Expenditure Account)
Waverley Housing's main source of income was rental income. Turnover increased marginally due primarily to rental income growth arising from annual rent increases, offset by a reduction in commercial revenue from other RSLs. Operating costs remained broadly in line with the previous year despite continuing inflationary pressures.

Statement of Financial Position
Waverley Housing's Statement of Financial Position as at 31 March 2026 is shown on page 14.

Statement of Cash Flows
Waverley Housing's cash flows are shown on page 17 The main sources of cash inflows were rental income and grant support, with net cash inflow from operating activities of £2,525,632 (2024/25: £3,897,954).

Current Liquidity
At 31 March 2026 Waverley Housing had cash and short-term deposits of £4,931,509. Our future investment programme in Waverley Housing properties will see this cash balance reduce over the forthcoming years.

Capital Structure and Treasury Policy
Long-term funding comprises a 30-year loan facility arranged with Barclays Bank plc in 2009 and a 25-year facility with Unity Trust Bank in 2023. Our financial plan is reviewed and updated on an annual basis, ensuring continuing compliance with our covenants.

Waverley Housing has managed its interest rate risk by entering into a bank loan agreement which fixes its interest rates on 70% of total outstanding debt. The interest rate on the remainder of the debt varies in accordance with market interest rates.

The Board receives regular reports which detail the debt, cash and interest received and paid. All proposed changes to banking arrangements and bank signatories are approved by the Board.

Reserves
Waverley needs to have reserves to ensure the organisation can function into the future and meet its future liabilities. This includes keeping up with the rising cost of major repairs, cyclical maintenance, maintaining properties to Scottish Housing Quality Standard (SHQS) which now fully incorporates the Energy Efficiency Standard for Social Housing (EESSH) and the cost of developing new properties to achieve Scottish Government standards. At the year end Waverley Housing had reserves of £29.2m.

Statement on Internal Financial Control

The Board of Directors acknowledges its ultimate responsibility for ensuring that Waverley Housing 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 Waverley Housing, or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

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

REPORT of the DIRECTORS (INCLUDING STRATEGIC REPORT) continued

- formal policies and procedures are in place, including the ongoing documentation of key system and rules in relation to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the organisation's assets;

- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;

- forecasts and budgets are prepared which allow the management team and the Board of Directors to monitor the key business risks, financial objectives and progress being made towards achieving the financial plans set for the year and for the medium term;

- quarterly financial management reports are prepared promptly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;

- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Directors;

- the Audit & Internal Control Committee and Board receive reports from management and from external and internal auditors, to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the organisation is undertaken;

- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

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

REPORT of the DIRECTORS (INCLUDING STRATEGIC REPORT) continued

Risk and Compliance

The Company re-visits its Business Continuity Plan annually and makes amendments based on any lessons learned during the course of the year. The Board of Directors continues to operate a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risk the Company faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Board have reviewed the adequacy of the Company's current internal controls, and this continues to be kept under review.

Business Area	Summarised Risk	Summarised Action to Mitigate Risk
New Build Development	Our development programme becomes undeliverable due to finance, staff resources or contractor constraints	• Robust Project Management Processes are in place • Successful funding from Scottish Government and Scottish Borders Council • Staff training & learning
Net Zero/EESH	Continued changes to standards and requirements for both new housing and retrofit becomes too onerous and undermines our ability to contribute sustainably to our community	• Engage with local and national partners • Assist tenants and owners to make sustainable choices. • New Build stock will comply with Net Zero/EESH requirements. • Feedback from stakeholders to understand the needs of the community
Financial Plan	The annual plan lacks resilience to deal with adverse economic changes due to inflations, interest rates and macro-economic environment	• Robust budgeting system • Monitor national trends • Scan the economic climate to mitigate risks. • Effective engagement and communication with stakeholders including lenders.
Cyber Security	We fail to safeguard the Company from a highly disruptive cyber-attack, data breach and/or system failure and to recover thereafter	• Invest in awareness training, keep procedures up-to-date and ensure robust back-up of systems and recovery procedures exist and are tested periodically • Continue to invest in Cyber Essentials accreditation • Review and update our business continuity plans.
Tenant Safety	We fail to have adequate policies and processes in place to ensure that our duty of care complies with legislation and regulatory requirements.	• Staff training, and suitable policies and frameworks to carry out works timely & efficiently. • Ensure IT systems provide accurate data to monitor compliance. • Clear and effective communication with tenants in relation to tenant safety • Publish & distribute Tenants Safety Manual

Budgetary Process
Each year the Board of Directors approves the annual budget and long-term viability plan. Key risks areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Board of Directors 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.

REPORT of the DIRECTORS (INCLUDING STRATEGIC REPORT) continued

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

Borrowings at 31 March 2026 were £16.9million. This debt is borrowed from a UK banks. 70% of the debt is fixed at 4.96% (before margins) for the life of the facility. The remaining 30% is variable interest based on Sterling Overnight Index Average (SONIA). The board have approved a separate £10m facility which is expected to be used in future years.

Financial covenants are kept under close scrutiny with regular reporting on actual and forecast levels considered by the Board of Directors

Waverley Housing borrows only in sterling and therefore does not have any currency risk. Any surplus cash is invested with approved UK institutions meeting approved credit rating criteria.

Internal Audit
The Internal Auditor reports to the Chief Executive with direct access to the Chair of the Audit and Internal Control Committee. The internal audit function is outsourced, and field work is normally carried out by two auditors. The internal audit work programme is determined by applying a risk-based methodology.

Investment Appraisal
Capital expenditure is regulated by a budgetary process and scheme of financial delegation. For expenditure beyond specified levels or out with budget and plans, approval is required by the Board.

Quality and Integrity of Employees
The integrity and competence of personnel is ensured and maintained through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the conduct and ethical standards expected are communicated through the Chief Executive.

Sustainability
We remain committed to improving the environmental sustainability of our homes and services. During the coming year we will continue to develop our sustainability strategy, focusing on energy efficiency, carbon reduction, responsible procurement and supporting customers to reduce fuel poverty.

REPORT OF THE DIRECTORS (INCLUDING THE STRATEGIC REPORT) (continued)

Statement

The Board has reviewed the effectiveness of the systems of internal financial controls that have been in operation during the year and until the date upon which this report is signed. Improvements in the financial controls and project management are continuously being put in place. These improvements will continue as Waverley Housing progresses. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Directors' Responsibilities Statement

The directors, who are also trustees of Waverley Housing for the purposes of charity law, are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the surplus or deficit for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- ensure the financial statements comply with the Statement of Recommended Practice for Regulated Social Landlords; and
- prepare a Statement on Internal Financial Control

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time, the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Determination of Accounting Requirements - February 2024. The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Insofar as the Directors are aware:

- there is no relevant audit information (information needed by the company's auditor in connection with preparing their report) of which the company's auditor is unaware, and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of the relevant audit information and to establish that the company's auditor is aware of that information.

In approving the Report of the Directors, the directors also approve the Strategic Report included therein.

By order of the Board

Paul Scott
Company Secretary

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WAVERLEY HOUSING

Opinion

We have audited the financial statements of Waverley Housing (the 'company') for the year ended 31 March 2026, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and the 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 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 company's affairs as at 31 March 2026, and and of its surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 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 company 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 accounts, we have concluded that the directors' 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 company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained in the annual report. 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.

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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WAVERLEY HOUSING

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- we have not identified material misstatements in the other information;
- the information given in the Report of the Directors and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors (who are also the trustees for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company 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, including fraud, 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 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WAVERLEY HOUSING (continued)

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 Company operates in and how the Company 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; and
- 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.
- agreement of the financial statement disclosures to underlying supporting documentation;
- review of manual adjustments made in coming to the financial statements to identify any unusual adjustments.

As a result of these procedures, we consider that the most significant laws and regulations that have a direct impact on the financial statements were but not limited to FRS 102, Housing SORP 2018, the Scottish Housing Regulator's Determination of Accounting Requirements 2024, the Companies Act 2006 and the Housing (Scotland Act) 2010. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures against the requirements of the relevant financial reporting standards.

We also performed audit procedures to inquire of management, and those charged with governance whether the Company is in compliance with these laws and regulations, inspected correspondence with regulatory authorities including mandatory submissions to the Regulator, reviewed minutes of meetings of the Directors and relevant sub-committees, and reviewed available online information.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and section 69 of the Housing (Scotland) Act 2010. Our audit work has been undertaken so that we might state to the company'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 company, and the company's members as a body and its trustees, for our audit work, for this report, or for the opinions we have formed.

Anthony Gillham CA, Senior Statutory Auditor
For and on behalf of CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Date:

REPORT BY THE AUDITORS TO THE MEMBERS OF WAVERLEY HOUSING ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed the Board's statement on pages 11 to 12 concerning the company'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. The Bulletin does not require us to review the effectiveness of the company'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 pages 5 to 6 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial 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 Management Committee and Officers of the Company and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the company's compliance with the information required by the relevant Regulatory Standards 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.

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

Date:

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2026

	Note	2026 £	2025 £
Turnover	2	**8,189,549**	8,164,710
Operating expenditure	3/4	**(6,442,552)**	(5,915,588)
Operating surplus	6	**1,746,997**	2,249,122
Gain on disposal of tangible fixed assets		**-**	-
Interest receivable and similar income	7	**131,055**	183,573
Interest payable and similar charges	8	**(1,035,810)**	(1,121,310)
Surplus on ordinary activities before taxation		**842,242**	1,311,385
Tax on surplus on ordinary activities	13	**-**	-
Surplus on ordinary activities after taxation		**842,242**	1,311,385
Total comprehensive income for the year		**842,242**	1,311,385

In each of the years ended 31 March 2026 and 31 March 2025, the surplus for the year is in respect of continuing activities of the company.

Approved and authorised for issue by the Board of Directors on 25 August 2026 and signed on their behalf by:

Company Registration Number: SC115066

WAVERLEY HOUSING
(A Company Limited by Guarantee)

STATEMENT of FINANCIAL POSITION

As at 31 March 2026

	Note	2026	2025
		£	£
Fixed Assets			
Tangible Fixed Assets			
Housing Properties	14(a)	**46,874,141**	43,499,342
Other Fixed Assets	14 (b)	**439,598**	470,036
		47,313,739	43,969,378
Current assets			
Debtors	15	**486,343**	532,411
Cash in hand and at bank		**4,931,509**	8,409,845
		5,417,852	8,942,256
Creditors: amounts falling due within one year	16	**(1,892,045)**	(2,053,944)
Net current assets		**3,525,807**	6,888,312
Total assets less current liabilities		**50,839,546**	50,857,689
Creditors: amounts falling due after more than one year	17	**(21,682,842)**	(22,543,227)
		29,156,704	28,314,462
Reserves			
Revaluation reserve		**13,940,289**	14,075,260
Income and expenditure reserve		**15,216,415**	14,239,202
Total reserves		**29,156,704**	28,314,462

Approved and authorised for issue by the Board of Directors on 25 August 2026 and signed on their behalf by:

Company Registration Number: SC115066

The notes on pages 18 to 32 form part of these financial statements.

STATEMENT of CHANGES in RESERVES

For the year ended 31 March 2026

	Income and Expenditure Reserve	Revaluation Reserve	Total Unrestricted Funds
	£	£	£
At 1 April 2025	14,239,202	14,075,260	28,314,462
Surplus from statement of comprehensive income	842,242	-	842,242
Transfer from revaluation reserve to income and expenditure reserve	134,971	(134,971)	-
Other movements	-	-	-
Balance at 31 March 2026	**15,216,415**	**13,940,289**	**29,156,704**

For the year ended 31 March 2025

	Income and Expenditure Reserve	Revaluation Reserve	Total Unrestricted Funds
	£	£	£
At 1 April 2024	12,792,849	14,210,228	27,003,077
Surplus from statement of comprehensive income	1,311,385	-	1,311,385
Transfer from revaluation reserve to income and expenditure reserve	134,968	(134,968)	-
Other movements	-	-	-
Balance at 31 March 2025	**14,239,202**	**14,075,260**	**28,314,462**

STATEMENT of CASH FLOWS

for the year ended 31 March 2026

	Note	2026 £	2025 £
Cashflow from operating activities	19	2,525,632	3,897,953
Cash flow from investing activities			
Purchase of tangible fixed assets		(4,450,767)	(3,957,315)
Proceeds from the sale of tangible fixed assets		-	-
Grants received		51,554	3,005,824
Interest received		131,055	183,573
Net cash flow used in investing activities		(4,268,158)	(767,918)
Cash flow from financing activities			
Interest paid		(1,035,810)	(1,121,310)
Repayment of borrowings		(700,000)	(500,000)
Net cash flow used in financing activities		(1,735,810)	(1,621,310)
Net change in cash and cash equivalents		(3,478,336)	1,508,725
Cash and cash equivalents at beginning of the year		8,409,845	6,901,120
Cash and cash equivalents at end of the year		4,931,509	8,409,845

Analysis of changes in net debt

	As at 1 April 2025 £	Cash-flows £	Other Non-cash changes £	As at 31 March 2026 £
Cash and cash equivalents	8,409,844	(3,478,336)		4,931,509
Loans falling due within one year	(700,000)	700,000	(700,000)	(700,000)
Loans falling due after more than one year	(16,900,000)		700,000	(16,200,000)
Total	(9,190,156)	2,778,336	-	(11,968,491)

The notes on pages 18 to 32 form part of these financial statements.

1. Summary of significant accounting policies

(a) General information and basis of preparation

Waverley Housing is a company limited by guarantee, registered under the Companies Act 2006 (No. SC115066) and is a registered Scottish charity (No. SC026231). Waverley Housing is registered as a Social Landlord with the Scottish Housing Regulator under the Housing (Scotland) Act 2010. The address of the registered office is 51 North Bridge, Hawick, TD9 9PX. The principal activity is the provision of affordable social rented housing.

Waverley Housing is a public benefit entity as defined by Financial Reporting Standard 102.

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland* (FRS 102), the Statement of Recommended Practice for Social Housing Providers 2018 and the Determination of Accounting Requirements – February 2024. The financial statements have been prepared under the historic cost convention, modified to include certain items at fair value.

The financial statements have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company 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 these financial statements.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

(b) Housing Property

Housing properties are stated at cost (or deemed cost for housing properties held at valuation at the date of transition to FRS 102 which is 1 April 2014) less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

The difference between depreciation based on the deemed cost charged in the Statement of Comprehensive Income and the assets original cost is transferred from the revaluation reserve to the income and expenditure reserve.

NOTES to the FINANCIAL STATEMENTS
For the year ended 31 March 2026

1. **Summary of significant accounting policies (continued)**

Depreciation
Depreciation is provided on all housing properties at rates calculated to write off the cost (or deemed cost) less estimated residual value by equal annual instalments over expected useful economic lives. Housing properties comprise several components with substantially different useful lives and, under the component accounting principle, each major component is accounted for separately and depreciated over its individual useful economic life, with the exception of land which is not depreciated.

Useful economic lives for identified components are as follows:

Component	UEL
Structure	80 years
Windows	30 years
Doors	30 years
Boilers	15-18 years
Radiators	30 years
Bathroom	30 years
Kitchen	20 years

The residual values and useful economic lives of all tangible fixed assets are reviewed, and adjusted, if appropriate at the end of each reporting period. The effect of any change is accounted for prospectively.

A full year's depreciation is charged in the year in which the property is purchased.

Works to existing housing properties
Where work is carried out to existing properties and results in an enhancement of the economic benefits of the property, they will be accounted for as an improvement and capitalised in note 14. Such circumstances are as follows:-

(i) Where a component of the tangible fixed asset that has been treated separately for depreciation purposes and depreciated over its individual useful economic life, is replaced or restored.
(ii) Where subsequent expenditure provides and enhancement of the economic benefits of the tangible fixed asset in excess of the previously assessed standard of performance.
(iii) Where the subsequent expenditure relates to a major inspection or overhaul of a tangible fixed asset that restores the economic benefits of the asset that have been consumed by the entity and have already been reflected in depreciation.

(c) Other tangible fixed assets
All other tangible fixed assets are stated at cost less accumulated depreciation and impairment losses. Small items of expenditure with values less than £2,000 are not capitalised and written off in year of purchase.
Depreciation is provided on all housing properties at rates calculated to write off the cost less estimated residual value by equal annual instalments over expected useful economic lives which are noted below:

Component	UEL
Heritable property	50 years
Equipment	3 – 15 years
Computer systems	3 – 5 years
Motor Vehicles	3 – 5 years

NOTES to the FINANCIAL STATEMENTS
For the year ended 31 March 2026

1. **Summary of significant accounting policies (continued)**

(d) Impairment
Assets are reviewed for any indication of impairment at each balance sheet date. If an indication exists, the recoverable amount is estimated and compared to the carrying amount. Where the carrying amount exceeds the recoverable amount, an impairment loss is recognised in expenditure through the statement of comprehensive income.

(e) Turnover
Turnover represents rental income and fees from tenants and revenue-based grants received from The Scottish Government. Grant income received is matched with the expenditure to which it relates. Where grant is paid as a contribution towards revenue expenditure, it is included in turnover.

(f) Debtors and creditors receivable/ payable within one year
Short term debtors are measured at transaction price, less any impairment. Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(g) Loans and borrowings
Loans and borrowings provided by funders are classed as "basic" under FRS 102 and are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate.

(h) Employee benefits
When employees have rendered services to Waverley Housing, short term benefits to which the employees are entitled are recognised at the amount expected to be paid in exchange for that service.

(i) Defined contribution scheme (refer note 12)
The pension costs charged against profits represent the amount of contributions payable to the scheme in respect of the accounting period.

(j) Leased assets
Rentals payable under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

(k) Sale of housing properties
Properties are disposed of under the appropriate legislation and guidance. Properties are disclosed using the cost or deemed cost basis. The directors have a reasonable basis to estimate the cost and deemed cost of individual properties sold each year and accordingly, the directors consider it is reasonable to account for property sales using the cost basis.

(l) Issue costs
In accordance with the Statement of Recommended Accounting Practice and Financial Reporting Standard 102 such costs have been deferred on the balance sheet and shown as a deduction from the loan balances (see notes 17 and 18). The costs are released to the Income and Expenditure Account over the life of the debt.

NOTES to the FINANCIAL STATEMENTS
For the year ended 31 March 2026

1. **Summary of significant accounting policies (continued)**

(m) Judgements in applying policies and key sources of estimation uncertainty

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

The following judgements have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

1. Useful lives of property, plant and equipment - The useful lives of property, plant and equipment are based on the knowledge of senior management, with reference to expected asset life cycles.

2. Main components of housing properties and their useful lives - The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.

3. Recoverable amount of rental and other trade receivables - Rental arrears and other trade receivables are reviewed by appropriately experienced senior members of staff on a case-by-case basis with the balance outstanding together with the payment history of the individual tenant being taken into account.

(n) Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, such as the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

(o) Cash and cash equivalents

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

NOTES to the FINANCIAL STATEMENTS
For the year ended 31 March 2026

2. Particulars of turnover, cost of sales, operating costs and operating surplus

	Turnover £	Operating Costs £	2026 Operating Surplus £	2025 Operating Surplus £
Affordable letting activities	7,993,277	6,304,668	1,688,609	2,215,687
Other activities	196,272	137,884	58,388	33,435
Total 2026	**8,189,549**	**6,442,552**	**1,746,997**	
Total 2025	**8,164,710**	**5,915,588**		**2,249,122**

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

	General Needs Social Housing 2026 £	2025 £
Rent receivable net of service charges	7,918,051	7,767,108
Service Charges	19,029	20,959
Gross income from rents and service charges	**7,937,080**	7,788,067
Less: Voids	(41,115)	(38,805)
Net Income from rents and services charges	**7,895,965**	7,749,262
Grants released from deferred income	22,879	22,879
Revenue grants from Scottish Ministers	49,813	11,142
Other Revenue Grants	24,620	112,852
Total turnover from affordable letting activities	**7,993,277**	7,896,135
Management and Maintenance administration	3,406,923	2,597,975
Service Cost	6,649	6,544
Planned and cyclical maintenance including major repairs	393,969	704,820
Reactive maintenance costs	1,429,312	1,308,128
Bad debts - rents and services charges	(8,153)	(24,421)
Depreciation of affordable let properties	1,075,968	1,087,402
Operating costs for affordable letting activities	**6,304,668**	5,680,448
Operating surplus for affordable letting activities 2026	**1,688,609**	
Operating surplus for affordable letting activities 2025		2,215,687

4. Particulars of turnover, operating costs and operating surplus or deficit from other activities

	Grants from Scottish Ministers	Other Revenue Grants	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Total Operating Costs	2026 Operating surplus/ (deficit)	2025 Operating surplus/ (deficit)
	£	£	£	£	£	£	£	£	£
Wider role activities to support the community	-	-	-	-	-	1,608	1,608	**(1,608)**	**(2,016)**
Care and repair of property	-	-	49,657	49,657	18,390	-	18,390	**31,267**	**10,022**
Factoring	-	-	15,464	15,464	-	15,378	15,378	**86**	**(825)**
Contracted out services undertaken for registered social landlords	-	-	126,758	126,758	-	97,279	97,279	**29,479**	**11,261**
Other activities (Recovery of Court Costs, Insurance Claims, Misc)	-	-	4,393	4,393	-	5,229	5,229	**(835)**	**14,993**
2026 Total from other activities	**-**	**-**	**196,272**	**196,272**	**18,390**	**119,494**	**137,884**	**58,388**	
2025 Total from other activities	8,715	-	260,400	268,575	9,795	225,345	235,140		33,435

NOTES to the FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

5. Turnover

Turnover represents the amounts derived from the provision of housing properties for rent, grant income, recharges, fees and other income.

6. Surplus before tax

	2026	2025
	£	£
Surplus is stated after charging:		
External auditor's remuneration – audit services	14,746	13,210
Depreciation – housing properties	1,075,968	1,087,402
Depreciation – other	30,438	40,246
Operating lease rentals	77,882	106,890

7. Finance income

	2026	2025
	£	£
Bank interest receivable on deposits in the year	131,055	183,573

8. Finance charges

	2026	2025
	£	£
Interest on bank loans, overdrafts and other loans:-		
Repayable wholly or partly in more than 5 years, by instalments	1,029,772	1,115,272
Release of deferred loan issue costs	6,038	6,038
	1,035,810	1,153,089

9. Employees

	2026	2025
	No.	No.
Number of employees:-		
The average monthly numbers of employees during the year were:		
Clerical	26	25
Maintenance	26	26
Cleaners	1	1
	53	52
The full-time equivalents of the figures amounted to:	48	54

The aggregate remuneration of employees was as follows:-

	2026 £	2025 £
Wages and salaries	1,880,053	1,826,776
Social security costs	242,983	190,181
Other pension costs	180,490	178,962
	2,303,526	2,195,919

During the year, settlement costs of £88,996 (2025: £nil) were incurred and paid, and are included in the wages and salaries total.

10. Board members emoluments

Board members received £1,720 (2025 - £4,276) by way of reimbursement of expenses. No remuneration is paid to board members in respect of their duties in Waverley Housing.

11. Key management personnel

Previously Key Management personnel comprised the Chief Executive, Operations Director & Corporate Service Director

Key management personnel now comprise the Chief Executive, Depute Chief Executive, Assistant Director of Housing, Assistant Director of Property & Asset Management, Assistant Director of Governance & Assistant Director of Finance & IT as well as members of the board of directors. Their aggregate remuneration was as follows:

	2026 £	2025 £
Wages and salaries (including employers NI contributions)	549,236	285,203
Staff pension costs	37,658	23,406
	586,894	308,609

The Determination of Accounting Requirements - Statutory Guidance February 2024 requires disclosure of details of the emoluments of the Chief Executive and key management personnel whose total emoluments exceed £60,000 excluding employer's pension contributions. No member of the Board of Directors received emoluments and no officer other than the Chief Executive and Operations Director received more than £60,000.

NOTES to the FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

Key management personnel (continued)

	2026	2025
	£	£
Aggregate emoluments payable to key management personnel with emoluments greater than £60,000 (excluding employers pension contributions)	496,428	253,977
The number of key management personnel who received emoluments (Excluding pension contributions) over £60,000 was in the following ranges:		
More than £60,000 but not more than £70,000	2	-
More than £70,000 but not more than £80,000	1	-
More than £80,000 but not more than £90,000	-	1
More than £90,000 but not more than £100,000	-	-
More than £100,000 but not more than £110,000	-	2
More than £120,000 but not more than £130,000	1	-
More than £170,000 but not more than £180,000	1	-
Emoluments of the Chief Executive:		
Excluding employer's pension contributions	120,855	90,279
Employer's pension contributions	10,574	7,072
	131,429	97,351

NOTES to the FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

12. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £180,490 (2025: £178,962). There are no outstanding or prepaid contributions at the year end.

The total pension contributions made by the company for officers whose emoluments exceeded £60,000 were £33,757 (2025: £23,406).

13. Taxation

The company was granted charitable status for taxation purposes with effect from 1 April 1996 and as a consequence no liability to taxation arises on charitable activities.

14(a). Tangible fixed assets - housing properties

	Held For let	Under Construction	*Total*
	£	£	£
Cost/Valuation			
At 1 April 2025	45,880,398	4,918,611	50,799,009
Additions – replacement components	1,152,132	-	1,152,132
Additions – WIP new properties	-	3,298,635	3,298,635
Disposals – replaced components	(257,428)	-	(257,428)
At 31 March 2026	46,775,102	8,217,246	54,992,349
Depreciation			
At 1 April 2025	7,299,667	-	7,299,667
Charge for the year	859,233	-	859,233
Disposals – replaced components	(40,693)	-	(40,693)
At 31 March 2026	8,118,207	-	8,118,207
Net book value			
At 31 March 2026	**38,656,895**	**8,217,246**	**46,874,141**
At 31 March 2025	38,580,731	4,918,611	43,499,342

The net book value of components which have been replaced in the year of £216,735 (2025: £136,769) is included in the depreciation charge of £1,075,968 (2025: £1,087,402) in note 6.

NOTES to the FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

14.(a) **Tangible fixed assets - housing properties (continued)**

	2026	2025
	£	£
Works to existing housing properties comprise:		
Capital Works	1,152,132	1,338,679
Non-Capital Works	651,552	685,589
	1,803,684	2,024,268

Total works carried out on the housing properties for the year end 31 March 2026 was £1,803,684. Of this total £1,152,132 was capitalised above and £651,552 was expensed in the income and expenditure statement in line with recommended accounting practice.

The housing properties were valued in March 2025 as part of the loan security with Barclays and Unity Trust Bank, using the Existing Use Value for Social Housing basis. The properties, excluding those which are scheduled for demolition in connection with the Upper Langlee development, were valued at an average £37k per property
The valuation was undertaken in accordance with the Appraisal and Valuation Standards published by the Royal Institute of Chartered Surveyors using a discounted cashflow method.

On the historical cost basis, housing property would have been included as follows:

Cost	**£**
On 1 April 2025	39,955,592
Additions – replacement components	1,152,132
Additions & open market purchases	3,298,635
Disposals – replaced components	(257,427)
At 31 March 2026	44,148,932
Depreciation	
At 1 April 2025	10,801,206
Charge for the year	859,233
Disposals – replaced components	(40,693)
At 31 March 2026	11,619,745
Net book value	
At 31 March 2026	32,529,187
At 31 March 2025	29,154,386

NOTES to the FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

14(b) Other fixed assets

b) Tangible fixed assets - other	Computer Systems £	Equipment Plant & Tools £	Heritable Land & Buildings £	Motor Vehicles £	Total £
Cost					
At 31 March 2025	412,627	32,581	839,962	9,750	1,294,920
Additions	-	-	-		-
Disposals	-	-	-	-	-
At 31 March 2026	412,627	32,581	839,962	9,750	1,294,920
Depreciation					
At 31 March 2025	392,610	28,985	396,247	7,042	824,884
Charge for the year	16,009	464	11,257	2,708	30,438
Disposals	-	-	-	-	-
At 31 March 2026	408,619	29,449	407,504	9,750	855,322
Net book value					
At 31 March 2026	**4,008**	**3,132**	**432,458**	**-**	**439,598**
At 31 March 2025	20,017	3,596	443,715	2,708	470,036

15. Debtors

	2026 £	2025 £
Rental arrears	205,680	292,904
Less: provision for doubtful debts	(63,978)	(76,006)
	141,702	216,897
Trade debtors	12,920	9,356
Other debtors	331,721	306,158
	486,343	532,411

NOTES to the FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

16. Creditors: amounts falling due within one year

	2026	2025
	£	£
Bank loan (secured - see note 18)	700,000	700,000
Loan issue costs deferred	(6,038)	(6,038)
Prepaid rent	96,247	81,573
Trade creditors	360,420	786,892
Taxation and social security costs	62,818	66,317
Accruals and deferred income	641,385	391,701
Other creditors	37,213	33,499
	1,892,045	2,053,944

17. Creditors: amounts falling due after more than one year

	2026	2025
	£	£
Bank loans (secured - see note 18)	16,200,000	16,900,000
Deferred income – Grants	5,575,348	5,741,771
Loan issue costs deferred	(92,506)	(98,544)
	21,682,842	22,543,227

The movement on deferred grants in the year can be analysed as follows:

	2026	2025
	£	£
Brought forward	5,764,650	2,905,699
Received in the year	-	2,881,830
Released in the year	(22,879)	(22,879)
Carried forward	5,741,771	5,764,650
Due within one year	166,423	22,880
Due after more than one year	5,575,348	5,741,771
	5,741,771	5,764,650

NOTES to the FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

18. Bank loans and overdraft	2026	2025
	£	£
Bank loans and overdraft comprise:-		
Amounts repayable:		
Within one year	700,000	700,000
Between one and two years	1,400,000	1,400,000
Between two and five years	3,700,000	2,900,000
Due after five years	11,100,000	12,600,000
	16,900,000	17,600,000

The above loan was drawn down on 27 July 2009. The loan is made up of a £12,320,000 fixed rate facility and a £5,280,000 variable rate facility. Loans are secured by specific charges on the company's properties and a floating charge over the assets of the company. The amounts secured are £16,900,000 (2025: £17,600,000).

The repayment of the loan is by way of annual lump sum amounts paid to Barclays Bank PLC. The sizes of these amounts have been agreed with Barclays Bank PLC and are as follows:-

2026 – 2029	£ 700,000 p.a.
2030 – 2035	£ 1,500,000 p.a.
2036 – 2038	£ 1,700,000 p.a.

19. Notes to the cash flow statement	2026	2025
	£	£
a. Cash flow from operating activities		
Operating surplus for the year	1,746,997	2,249,122
Adjustments for non-cash items:		
Depreciation	1,106,406	1,127,648
Decrease/(increase) in debtors	46,068	(304,914)
(Decrease)/increase in creditors	(293,368)	346,301
Adjustments for investing or financing activities:		
Movement in deferred loan issue costs	(6,038)	(6,038)
Government grant utilised in the year	(74,433)	(123,994)
Net cash inflow from operating activities	2,525,632	3,897,954

NOTES to the FINANCIAL STATEMENTS (continued)
For the year ended 31 March 2026

20. Reserves

Revaluation reserve
The revaluation reserve represents the cumulative effect of revaluations of tangible fixed assets.

Income and expenditure
The income and expenditure reserve represents the cumulative surplus and deficits net of other adjustments.

21. Capital commitments

At 31 March 2026 the company had unspent capital expenditure authorised by the Board of £782,204 (2025: £3,825,136).

22. Related party transactions

Tenant Board Member
There was one tenant Board member during the year. Income received during the year amounted to £6,024 (2025: £6,109). There was £134 outstanding at 31 March 2026 (2025: £5).

23. Other commitments

At 31 March 2026 the company had future minimum payments under non-cancellable operating leases as set out below:-

	2026 £	2025 £
Operating leases that expire:		
Within one year	59,308	101,276
Within two to five years inclusive	81,623	69,087
	140,931	170,363

24. Housing units in management

	2026 £	2025 £
General needs	1,406	1,412
	1,406	1,412

At the 31 March 2026 the company owned 1,406 housing units (2025: 1,412). Units which have been earmarked for demolition as part of the redevelopment of Upper Langlee are being taken out of management as and when they become vacant.