Oak Tree Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2026

Registered Social Landlord No. HCB137

FCA Reference No.2232RS

Scottish Charity No. SC045300

OAK TREE HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

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OAK TREE HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS

FOR THE YEAR ENDED 31 MARCH 2026

Management Committee

Sandra McMenamin	Chair
Veronica Rasmussen	Vice Chair
June Glancy	Secretary
Ronny Lee	
Olive Yiga	
Nance Smith	
Willie Wilson	
Jim McEleny	
Margaret McKay	
Kirsty Wilson	Co-opted 19/05/2025
David Robinson	Co-opted 25/08/2025
Ayodele Oni	Co-opted 25/08/2025
James Paton	Resigned at AGM 12/08/2025
Doreen Williams	Resigned at AGM 12/08/2025

Executive Officers

Sean Connor	Chief Executive Officer
Julie McEwan	Director of Housing
Suk Hopper	Director of Property Services
Kes Cameron	Director of Finance

Registered Office
40 West Stewart Street
Greenock
PA15 1SH

External Auditors
TC Group
Business Advisors and Accountants
180 St Vincent Street
Glasgow
G2 5SG

Internal Auditors
TIAA
Artillery House, Fort Fareham
Newgate Lane
Fareham
PO14 1AH

Bankers
Royal Bank of Scotland
Cathcart Street
Greenock
PA15 1BA

Solicitors
Patten & Prentice
1 Ardgowan Square
Greenock
PA16 8PP

Solicitors
BTO Solicitors LLP
48 St Vincent Street
Glasgow
G2 5HS

Solicitors
TC Young
7 West George Street
Glasgow
G2 1BA

MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS

FOR THE YEAR ENDED 31 MARCH 2026 (continued)

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

Legal Status

The Association is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No 2232RS), the Scottish Housing Regulator as a registered social landlord (No. HCB137) under the Housing (Scotland) Act 2010 and is a registered Scottish Charity with the charity number SC045300.

Principal Activities

The principal activities of the Association are the provision and management of affordable rented accommodation.

1. providing, constructing, improving and managing land, accommodation and associated facilities and providing care;
2. providing or arranging home maintenance, repair and improvement services and providing facilities and services for the benefit of such people either exclusively for them or together with other persons;
3. undertaking any activities which are charitable, allowed under section 24 of the Housing (Scotland) Act 2010, including any statutory amendment or re-enactment of the provisions of this section from time to time being in force and;
4. carrying on any other charitable activities permitted to registered social landlords from time to time.

Review of Business and Future Developments

Sector Context and Local Challenges

The 2025–26 financial year continued to present significant challenge and change across both the national social housing sector and within Inverclyde. Housing Associations across Scotland continued to operate within an increasingly complex environment shaped by sustained inflationary pressures, rising contractor and maintenance costs, increasing regulatory expectations and growing demands around compliance, tenant safety and decarbonisation.

Review of Business and Future Developments (Contd.)

Whilst inflationary pressures eased slightly during the year compared to previous periods, the sector continued to face substantial financial pressures associated with ageing housing stock, rising component replacement costs, increasing insurance costs and uncertainty surrounding future public funding for both existing homes and new build developments. Alongside this, the Scottish Housing Regulator's continued focus on governance, financial resilience, tenant safety and service delivery has placed increasing expectation on Registered Social Landlords to demonstrate strong leadership, effective governance and robust long-term business planning.

Across Scotland, the wider housing emergency continued to dominate discussion throughout the sector. Increasing homelessness presentations, pressure on temporary accommodation, limited housing supply and ongoing affordability challenges continue to place significant pressure on local authorities and housing providers alike. Housing Associations are increasingly being asked to balance investment in existing homes whilst also responding to growing demand for affordable housing and increasing expectations around sustainability and energy efficiency.

Within Inverclyde, many of these national challenges continue to be amplified by long-standing issues associated with deprivation, population change, economic inactivity and an ageing housing stock profile. Demand for affordable housing across Inverclyde remains high, with continued pressure on housing waiting lists and increasing complexity around tenancy sustainment and customer support requirements. Against this backdrop, Oak Tree Housing Association has continued to focus on maintaining strong financial management, delivering high quality services and supporting some of the most vulnerable members of our communities.

Despite these challenges, the Association has continued to perform strongly operationally throughout 2025–26 whilst also progressing a number of wider organisational improvement and transformation initiatives linked to our current Business Plan and future strategic direction.

A key focus throughout the year has been the continued development of our Customer First approach and the wider review of how services are delivered across the organisation. This has included ongoing work around a proposed Customer Hub model, digital transformation, service redesign and improving accessibility and customer experience across all service areas. These discussions form part of the Association's wider preparation towards the next Business Planning period and the need to ensure that Oak Tree remains resilient, modern and sustainable moving forward.

Operational Highlights

Finance

Oak Tree Housing Association ended the year in a strong financial position, with an operating surplus of £2.69 million and significant reinvestment of £2 million in the maintenance and improvement of our homes. Our turnover grew by 4% while operating costs consisted of a 7.7% increase as prices continued to rise as a result of the volatile economy we are operating in.

Review of Business and Future Developments (Contd.)

Property

Within Property Services, significant investment continued to be made in maintaining and improving our homes. Major component replacement programmes were delivered during the year including the installation of 77 new boilers, 150 kitchens, 9 sets of radiators and associated pipework, 40 external property doors and a number of close entrance door replacements. External decoration works were completed to over 100 properties with common close decoration undertaken across a number of tenement blocks.

Our approach to Damp, Mould and Condensation (DMC) also continued to develop during the year with all reported cases inspected within five working days alongside enhanced post-inspection follow-up arrangements and additional online customer guidance. The Association recognises the increasing importance being placed upon DMC nationally and remains committed to ensuring that reports are responded to quickly and effectively.

Reactive repairs performance remained strong throughout the year with 1,365 emergency repairs and 5,125 non-emergency repairs completed. Average completion times remained positive and our "right first time" performance increased to 99.67%, reflecting ongoing focus on quality assurance and contractor performance management.

Void management performance remained broadly stable during the year, although turnaround times increased slightly from the previous year. Work continues with contractors and internal teams to improve performance and minimise re-let times wherever possible. Demand for our homes remains strong and the Association continues to receive significant levels of housing applications through the Inverclyde Common Housing Register system.

The Association also continued to respond to a number of complex structural and environmental issues during the year. Significant professional input continued at Finnart Street and the Prospecthill View retaining wall following the identification of structural concerns requiring ongoing monitoring and development of longer-term solutions.

One of the most significant ongoing issues for the Association during 2025–26 continued to be the legacy position surrounding the Strone Farm development site. Following the decision in the previous financial year to formally abort the original development after contractor liquidation and escalating costs, substantial work has continued with legal, technical and sector partners to seek a longer-term resolution for the site. The complexity surrounding planning, remediation, abnormal costs and future liability considerations has continued to present challenge throughout the year.

Review of Business and Future Developments (Contd.)

Whilst progress has at times been slower than anticipated due to the complexity of the issues involved, discussions have continued with partner organisations regarding the potential future transfer of the site. It remains the Association's aspiration that the site can be transferred during 2026–27 to allow future development opportunities to progress under an alternative delivery model. Whilst the overall position has been difficult and financially challenging, the Management Committee and Executive Team remain clear that all decisions taken must continue to prioritise the long-term financial interests and sustainability of the Association.

Housing and Communities

Within Housing Services, performance remained strong throughout the year. Rent collection remained at 99.82% with overall arrears reducing further to 2.39%. The number of lets increased during the year and demand for our housing stock remains high across many areas.

The Association also continued to provide significant support to tenants experiencing financial hardship and wider social challenges. Through our Financial Fitness partnership, over £368,000 of additional benefits and financial gains were secured for tenants during the year, supporting hundreds of households across Inverclyde.

Community engagement and tenant participation activity continued to expand throughout 2025–26. The Association delivered a range of community initiatives and events including Winter Warmer Cafés, Conversation Café events, partnership activities with Ramblers Scotland and a range of seasonal community events and competitions aimed at promoting inclusion, wellbeing and community cohesion.

Landscaping

Our in-house landscaping service also completed its first full year as a permanent service following approval by Management Committee. Feedback from tenants has been positive and the move to an in-house model has improved responsiveness, visibility and day-to-day engagement with customers across our estates.

Human Resources

2025/26 saw HR playing a key role in balancing organisational performance and employee wellbeing with an increased focus on bringing in specialist staff, employment law compliance, and expectations around culture, flexibility, and inclusion.

Review of Business and Future Developments (Contd.)

We saw a moderate growth in our employee figures with the average number of employees on headcount increasing from 52 to 55 by the end of March 2026.

During 2026/27 HR will focus on long-term planning aligned to business objectives, investment in employee's development and strengthening management skills.

Governance and Organisational Development

A further significant organisational development during the year was the decision to bring the Association's IT service fully in-house from 1st April 2026. The move reflects the Association's increasing focus on digital transformation, organisational resilience, service modernisation and improved internal responsiveness. Bringing the service in-house is expected to provide greater strategic control over IT development, improved alignment between technology and service delivery priorities, and enhanced capacity to support future digital initiatives linked to customer experience, data management, cyber security and business continuity arrangements.

In March 2026, the Association also held a joint Strategy Session involving both staff and Management Committee members as part of the early development work for the Association's next Business Plan. The session provided an important opportunity to reflect on the current operating environment, future organisational challenges and emerging strategic priorities for Oak Tree moving forward. The outputs and discussions from the event will help establish the baseline for development of the Association's future Business Plan and wider strategic direction over the coming years.

The Association also continued to review and strengthen internal governance, strategic planning and organisational development arrangements throughout the year. Work has progressed around the development of a new Strategic & Operational Planning framework aligned to the Business Plan, together with ongoing work around digital transformation, customer experience and future organisational structure.

As Oak Tree moves towards the next Business Planning period, there is increasing recognition that the organisation must continue to evolve and modernise in response to the changing operating environment facing the sector. This includes ensuring that the Association remains financially resilient, strategically focused and capable of continuing to deliver high quality homes and services for our tenants and communities.

Review of Business and Future Developments (Contd.)

Looking ahead to 2026–27

Oak Tree will continue to focus on:

- strengthening customer experience and accessibility;
- progressing the Customer Hub model;
- modernising service delivery;
- strengthening governance and compliance assurance;
- improving digital systems and customer access;
- supporting sustainability and net zero ambitions;
- and ensuring long-term organisational resilience.

The Association will also continue to work with partners in relation to the future of the Strone Farm site and explore future opportunities which align with Oak Tree's strategic and financial objectives moving forward.

Management Committee and Executive Officers

The members of the Management Committee and the Executive officers are listed on page 1.

Each member of the Management Committee holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of directors, they act as executives within the authority delegated by the Management Committee.

The members of the Management Committee are also trustees of the charity. Members of the Management Committee are appointed by the members at the Association's Annual General Meeting.

Statement of Management Committee's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare financial statements for each financial year that 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 those financial statements the Management Committee is required to:

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

Statement of Management Committee's Responsibilities (Cont'd)

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to: ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024. It is also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

Going Concern

Based on its budgetary and forecasting processes the Management Committee has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement on Internal Financial Control

The Management Committee 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;
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Committee'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. 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 Association'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 Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;

OAK TREE HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE

FOR THE YEAR ENDED 31 MARCH 2026

Statement on Internal Financial Control (Cont'd)

- 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 Management Committee;
- the Management Committee 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 or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2026. No weaknesses were found in the 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.

Disclosure of Information to the Auditor

The members of the Management Committee 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 auditors.

Auditor

A resolution to reappoint the Auditors, TC Group, will be proposed at the Annual General Meeting.

By order of the Management Committee

[redacted]

June Glancy

Secretary

DATE: 03/08/2026

OAK TREE HOUSING ASSOCIATION LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF OAK TREE HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the financial statements, we have reviewed your statement on page 8 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement of Internal Financial Control on pages 8 and 9 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice 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 Association and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

TC Group

TC GROUP
Business Advisors and Accountants
Statutory Auditors
GLASGOW
DATE: 03/08/2026

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026

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

In our opinion the financial statements:

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

In our opinion the exemption granted by the Financial Conduct Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

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

Conclusions relating to going concern
In auditing the financial statements, we have concluded that the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Association's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.
Our responsibilities and the responsibilities of the Management Committee with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OAK TREE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026 (continued)

Other Information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Management Committee

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

In preparing the financial statements, the Management Committee 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 Management Committee either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we gained an understanding of the legal and regulatory framework applicable to the Association through discussions with management, and from our wider knowledge and experience of the RSL sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Association, including the Co-operative and Community Benefit Societies Act 2014 (and related regulations), the Housing (Scotland) Act 2010 and other laws and regulations applicable to a registered social housing provider in Scotland. We also considered the risks of non-compliance with the other requirements imposed by the Scottish Housing Regulator and we considered the extent to which non-compliance might have a material effect on the financial statements.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

INDEPENDENT AUDITORS’ REPORT TO THE MEMBERS OF OAK TREE HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2026 (continued)

The extent to which the audit was considered capable of detecting irregularities including fraud (Contd.)

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reviewing the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing the Association's Assurance Statement and associated supporting information; and
- reviewing correspondence with the Scottish Housing Regulator.

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

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

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

Use of our Report

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

TC Group

TC GROUP
Business Advisors and Accountants
Statutory Auditors
GLASGOW
DATE: 03/08/2026

OAK TREE HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes		2026		2025
		£	£	£	£
Revenue	2		13,706,380		*13,160,954*
Operating costs	2		11,012,609		*10,225,196*
OPERATING SURPLUS			2,693,771		*2,935,758*
Gain on sale of housing stock	7	42,366		*6,672*	
Exceptional Item	29	(274,503)		*(1,361,192)*	
Movement in fair value of investments	29	(4,500)		-	
Interest receivable and other income		84,192		*165,689*	
Interest payable and similar charges	8	(570,052)		*(781,633)*	
Other Finance income/(charges)	11	(113,139)		*(96,555)*	
			(835,636)		*(2,067,019)*
SURPLUS FOR THE YEAR			**1,858,135**		***868,739***
Other comprehensive income					
Actuarial gains/(losses) on defined benefit pension plan	23		267,000		*155,000*
TOTAL COMPREHENSIVE INCOME			**2,125,135**		***1,023,739***

The results relate wholly to continuing activities.

The notes on pages 19 to 38 form an integral part of these financial statements.

OAK TREE HOUSING ASSOCIATION LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes		2026		2025
		£	£	£	£
NON-CURRENT ASSETS					
Housing properties - depreciated cost	12		103,549,293		105,229,314
Other tangible assets	12		1,943,651		1,934,974
Investments	13		121,500		126,001
			105,614,444		107,290,289
CURRENT ASSETS					
Receivables	14	616,766		503,477	
Stock and work in progress	15	210,789		210,789	
Investments	16	1,711,386		1,409,716	
Cash and cash equivalents	17	1,263,025		2,662,048	
		3,801,966		4,786,030	
CREDITORS: Amounts falling due within one year	18	(3,252,801)		(3,308,118)	
NET CURRENT ASSETS			549,165		1,477,912
TOTAL ASSETS LESS CURRENT LIABILITIES			106,163,609		108,768,201
CREDITORS: Amounts falling due after more than one year	19		(10,222,797)		(12,359,833)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	23	(808,000)		(1,016,000)	
			(808,000)		(1,016,000)
DEFERRED INCOME					
Social housing grants	21	(57,781,973)		(60,157,923)	
Other grants	21	(235,684)		(244,413)	
			(58,017,657)		(60,402,336)
NET ASSETS			**37,115,155**		**34,990,032**
EQUITY					
Share capital	22		193		205
Revenue reserves			37,922,962		36,005,827
Pension reserves			(808,000)		(1,016,000)
			37,115,155		**34,990,032**

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 3 August 2026.

[redacted] [redacted] [redacted]

Chairperson **Secretary** **Committee Member**

The notes on pages 19 to 38 form an integral part of these financial statements.

OAK TREE HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Notes		2026		2025
		£	£	£	£
Surplus for the Year			1,858,135		*868,739*
Adjustments for non-cash items:					
Depreciation of tangible fixed assets		3,847,606		*3,600,877*	
Amortisation of capital grants	21	(2,348,849)		*(2,362,367)*	
Gain on disposal of tangible fixed assets		(42,366)		*(6,672)*	
Exceptional Item	12(a)	-		*1,049,331*	
Non-cash adjustments to pension provisions		59,000		*54,000*	
Change in market value of investments		4,500		*-*	
Share capital written off	22	(16)		*(6)*	
			1,519,875		*2,335,163*
Interest receivable			(84,192)		*(165,689)*
Interest payable	8		570,052		*781,633*
Operating cash flows before movements in working capital			3,863,870		*3,819,846*
Change in debtors		(113,289)		*(12,689)*	
Change in creditors		(97,162)		*876,010*	
			(210,451)		*863,321*
Net cash inflow from operating activities			3,653,419		*4,683,167*
Investing Activities					
Acquisition and construction of properties		(2,092,999)		*(1,531,099)*	
Purchase of other fixed assets		(115,163)		*(31,984)*	
Social housing grant received		-		*50,000*	
Social housing grant repaid		(554,166)		*(897,372)*	
Changes on short term deposits with banks		(301,670)		*1,148,014*	
Proceeds on disposal of housing properties		74,267		*252,722*	
Net cash outflow from investing activities			(2,989,731)		*(1,009,719)*
Financing Activities					
Interest received on cash and cash equivalents		84,192		*171,052*	
Interest paid on loans		(568,597)		*(776,411)*	
Loan principal repayments		(1,578,310)		*(3,119,706)*	
Share capital issued	22	4		*10*	
Net cash outflow from financing activities			(2,062,711)		*(3,725,055)*
Decrease in cash	24		(1,399,023)		*(51,607)*
Opening cash & cash equivalents			2,662,048		*2,713,655*
Closing cash & cash equivalents			**1,263,025**		***2,662,048***
Cash and cash equivalents as at 31 March					
Cash	24		1,263,025		*2,662,048*
			1,263,025		***2,662,048***

The notes on pages 19 to 38 form an integral part of these financial statements.

OAK TREE HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2026

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2024	*201*	*(1,117,000)*	*35,083,088*	*33,966,289*
Issue of Shares	*10*	*-*	*-*	*10*
Cancellation of Shares	*(6)*	*-*	*-*	*(6)*
Other comprehensive income	-	*155,000*	-	*155,000*
Other movements	-	*(54,000)*	*54,000*	-
Surplus for the year	-	-	*868,739*	*868,739*
Balance as at 31 March 2025	***205***	***(1,016,000)***	***36,005,827***	***34,990,032***
Balance as at 1 April 2025	205	(1,016,000)	36,005,827	34,990,032
Issue of Shares	4	-	-	4
Cancellation of Shares	(16)	-	-	(16)
Other comprehensive income	-	267,000	-	267,000
Other movements	-	(59,000)	59,000	-
Surplus for the year	-	-	1,858,135	1,858,135
Balance as at 31 March 2026	**193**	**(808,000)**	**37,922,962**	**37,115,155**

The notes on pages 19 to 38 form an integral part of these financial statements.

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

These financial statements were prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice for social housing providers 2018. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods beginning on or after 1 January 2019. They comply with the Determination of Accounting Requirements 2024. A summary of the principal accounting policies is set out below:

Basis of Consolidation

The financial statements for Oak Tree Housing Association present information about it as an individual undertaking and not about the group.

Revenue

The Association recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government grants are released to income over the expected useful life of the asset to which they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

The Association participates in the Scottish Housing Association Pension Scheme (SHAPS) a multi-employer defined benefit scheme. Retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating organisations taken as a whole. The Association accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Association also participates in the SHAPS defined contribution scheme. Contributions to defined contribution plans are recognised as an employee benefit expense when they are due.

Going Concern

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

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Association depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

Component	*Useful Economic Life*
Structure	Over 50 years
Windows	Over 30 years
External Render	Over 40 years
Internal Doors	Over 40 years
Roofs	Over 60 years
Radiators & Pipes	Over 30 years
Rewire	Over 30 years
Parking Areas	Over 30 years
Bathrooms	Over 30 years
External Doors	Over 20 years
Lifts	Over 20 years
Boiler & Flush	Over 15 years
Door Entry System	Over 10 years
Kitchens	Over 15 years
Play Areas	Over 5 years

Depreciation and Impairment of Other Tangible Assets

Non-current assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected economic useful lives of the assets at the following annual rates:

Asset Category	*Depreciation Rate*
Office Premises	2.5% Straight Line
Furniture and Fittings	20% Reducing Balance
Motor Vehicles	20% Reducing Balance
Landscaping Equipment	33% Straight Line
Computer Equipment	25% Straight Line
Office Equipment	20% Reducing Balance

The carrying values of non-current assets are reviewed for impairment at the end of each reporting period.

Social Housing Grants and Other Capital Grants

Social housing grants and other capital grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which they relate.

Social housing grant attributed to individual components is written off to the statement of comprehensive income when these components are replaced.

Although social housing grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Sales Of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

Taxation

The Association is a Scottish Charity and is not liable to taxation on its charitable activities.

Leases

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives or the term of the lease whichever is shorter.

Works to Existing Properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property, a material reduction in future maintenance costs, or a significant extension of the life of the property.

VAT

The Association is VAT registered but the substantial proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the the Association to exercise judgement in applying the it's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most signficant to the financial statements are disclosed below.

Key Judgements

a) Categorisation of Housing Properties

In the judgement of the Management Committee the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

b) Identification of cash generating units

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

c) Pension Liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method. In May 2022 the Association was made aware of a potential increase in liabilities. No additional liability has been recognised. More information on this is contained in Note 31.

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

The Association assesses the recoverability of rent arrears through a detailed assessment process which considers tenant payment history, arrangements in place and court action.

b) Life Cycle of Components

The Association estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

c) Useful life of properties, plant and equipment

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

d) Costs of shared ownership

The Association allocates costs to shared ownership properties on an percentage basis split across the number of properties the Association owns.

e) Defined pension liability

In determining the value of the Association's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

f) Allocation of share of assets and liabilities for multi-employer scheme

Judgements in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi employer pension scheme and estimations performed by the Pensions Trust.

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

	Notes	2026 Turnover £	2026 Operating costs £	2026 Operating surplus / (deficit) £	2025 Turnover £	2025 Operating costs £	2025 Operating surplus / (deficit) £
Affordable letting activities	3	13,363,682	10,657,051	2,706,631	*12,810,486*	*9,903,433*	*2,907,053*
Other Activities	4	342,698	355,558	(12,860)	*350,468*	*321,763*	*28,705*
Total		**13,706,380**	**11,012,609**	**2,693,771**	***13,160,954***	***10,225,196***	***2,935,758***

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

	General Needs Housing £	Supported Housing £	Shared Ownership £	2026 Total £	2025 Total £
Revenue from Lettings					
Rent receivable net of service charges	10,113,241	300,022	290,605	10,703,868	*10,317,699*
Service charges receivable	208,881	22,557	18,346	249,784	*173,342*
Gross income from rent and service charges	10,322,122	322,579	308,951	10,953,652	*10,491,041*
Less: Rent losses from voids	95,060	13,734	-	108,794	*104,392*
Income from rents and service charges	10,227,062	308,845	308,951	10,844,858	*10,386,649*
Grants released from deferred income	2,198,163	69,950	80,736	2,348,849	*2,362,368*
Revenue grants from Scottish Ministers	169,975	-	-	169,975	*61,469*
Total turnover from affordable letting activities	12,595,200	378,795	389,687	13,363,682	*12,810,486*
Expenditure on affordable letting activities					
Management and maintenance administration costs	3,216,601	95,425	92,429	3,404,455	*3,100,657*
Service costs	330,084	35,646	28,991	394,721	*486,766*
Planned and cyclical maintenance, including major	825,051	19,492	-	844,543	*1,072,092*
Reactive maintenance costs	2,176,982	63,291	-	2,240,273	*1,717,075*
Bad Debts - rents and service charges	13,343	788	32	14,163	*14,252*
Depreciation of affordable let properties	3,544,548	107,533	106,815	3,758,896	*3,512,591*
Operating costs of affordable letting activities	10,106,609	322,175	228,267	10,657,051	*9,903,433*
Operating surplus on affordable letting activities	**2,488,591**	**56,620**	**161,420**	**2,706,631**	***2,907,053***
2025	*2,692,042*	*60,239*	*154,772*		

4. PARTICULARS OF REVENUE, 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	Other operating costs	Operating surplus / (deficit) 2026	Operating surplus / (deficit) 2025
	£	£	£	£	£	£	£	£
Factoring	-	-	282,575	282,575	5,266	282,575	(5,266)	*(10,227)*
Wider role activities	-	-	15,287	15,287	-	62,121	(46,834)	*(4,429)*
Common Housing Register	-	-	2,782	2,782	-	4,972	(2,190)	*(2,593)*
Investment property activities	-	-	42,054	42,054	-	624	41,430	*45,954*
Total From Other Activities	**-**	**-**	**342,698**	**342,698**	**5,266**	**350,292**	**(12,860)**	***28,705***
2025	-	-	*350,468*	*350,468*	*10,227*	*311,536*	*28,705*	

5. OFFICERS' EMOLUMENTS

	2026 £	2025 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	340,283	*232,514*
Pension contributions made on behalf on Officers with emoluments greater than £60,000	43,623	*30,319*
Emoluments payable to Chief Executive Officer (excluding pension contributions)	95,119	*93,460*
Pension contributions paid on behalf of the Chief Executive Officer	11,414	*16,797*
Total emoluments payable to the Chief Executive Officer	106,533	*110,257*
Total emoluments paid to key management personnel	384,185	*373,315*

The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	-	1
£70,001 to £80,000	-	-
£80,001 to £90,000	1	2
£90,001 to £100,000	2	1
£100,001 to £110,000	1	-

6. EMPLOYEE INFORMATION

	2026 No.	2025 No.
Average monthly number of full time equivalent persons employed during the year	47	*45*
Average total number of employees employed during the year	55	*52*
Staff costs were:	£	£
Wages and salaries	1,950,077	*1,780,040*
National insurance costs	237,153	*169,536*
Pension costs	254,831	*242,868*
Temporary, agency and seconded staff	31,610	*9,765*
	2,473,671	*2,202,209*

Included within Pension Costs above, is an amount of £15,222 paid towards the past service deficit within the year and £239,609 for annual pension contributions.

7. GAIN ON SALE OF HOUSING STOCK

	2026	2025
	£	£
Sales proceeds	75,000	*255,000*
Cost of sales	(32,634)	*(248,328)*
Gain on sale of housing stock	42,366	*6,672*

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2026	2025
	£	£
On bank loans and overdrafts	570,052	*781,633*

9. SURPLUS FOR THE YEAR

	2026	2025
Surplus For The Year is stated after charging/(crediting):	£	£
Depreciation - non-current assets	3,714,487	*3,579,747*
Auditors' remuneration - audit services	17,100	*15,900*
Operating lease rentals - other	16,079	*24,590*

10. CORPORATION TAX

The Association is a Registered Scottish Charity and is not liable to United Kingdom Corporation Tax on its charitable activities.

11. OTHER FINANCE INCOME / (CHARGES)

	2026	2025
	£	£
Non Utilisation and Loan Set-Up Fees	(54,139)	*(42,555)*
Net interest on pension obligations	(59,000)	*(54,000)*
	(113,139)	*(96,555)*

12. NON-CURRENT ASSETS

(a) **Housing Properties**	**Housing Properties Held for Letting £**	**Housing Properties In course of Construction £**	**Shared Ownership Completed £**		**Total £**
COST					
At 1 April 2025	160,194,202	-	4,852,214		165,046,416
Additions	2,092,999	-	-		2,092,999
Disposals	(1,984,360)	-	(42,375)		(2,026,735)
At 31 March 2026	160,302,841	-	4,809,839		165,112,680
DEPRECIATION					
At 1 April 2025	57,578,759	-	2,238,343		59,817,102
Charge for Year	3,501,186	-	106,815		3,608,001
Disposals	(1,833,466)	-	(28,250)		(1,861,716)
At 31 March 2026	59,246,479	-	2,316,908		61,563,387
NET BOOK VALUE					
At 31 March 2026	101,056,362	-	2,492,931		103,549,293
At 31 March 2025	*102,615,443*	-	*2,613,871*		*105,229,314*

Expenditure on Existing Properties	**2026** *Component replacement* £	*Improvement / Repairs* £	**2025** *Component replacement* £	*Improvement / Repairs* £
Amounts capitalised	2,092,999	-	*1,453,369*	-
Amounts charged to the statement of comprehensive income	-	3,084,816	-	*2,789,167*

All land and housing properties are heritable.

The Association's lenders have standard securities over housing property with a carry value of £64,982,347 (2025 - £64,634,881).

12. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Fittings £	Motor Vehicles £	Landscaping Equipment £	Office Equipment £	Computer Equipment £	Total £
COST							
At 1 April 2025	2,329,062	58,027	-	-	39,134	164,209	2,590,432
Additions	3,186	5,412	66,154	12,281	4,255	23,875	115,163
Disposals	-	(4,596)	-	-	(555)	(34,509)	(39,660)
At 31 March 2026	2,332,248	58,843	66,154	12,281	42,834	153,575	2,665,935
DEPRECIATION							
At 1 April 2025	468,176	37,708	-	-	22,362	127,212	655,458
Charge for year	54,156	5,756	13,231	4,094	4,272	24,977	106,486
Eliminated on disposals		(4,596)	-	-	(555)	(34,509)	(39,660)
At 31 March 2026	522,332	38,868	13,231	4,094	26,079	117,680	722,284
NET BOOK VALUE							
At 31 March 2026	1,809,916	19,975	52,923	8,187	16,755	35,895	1,943,651
At 31 March 2025	*1,860,886*	*20,319*	-	-	*16,772*	*36,997*	*1,934,974*

13. FIXED ASSET INVESTMENTS

	2026 £	2025 £
Subsidiary undertakings	-	*1*
Investment properties	121,500	*126,000*
	121,500	*126,001*

Subsidiary Undertakings

Oak Tree Housing Association Limited has the following wholly owned subsidiary undertakings. The registered office of the subsidiary is 40 West Stewart Street, Greenock, PA15 1SH.

	2026		2025	
	Reserves £	*Profit / (Loss)* £	*Reserves* £	*Profit / (Loss)* £
Oak Tree Housing Initiatives Ltd	-	-	*1*	*(412)*

The subsidiary listed above was dissolved on the 13/05/2025.

Investment Properties

	2026 £	2025 £
	126,000	*126,000*
	-	-
At 1 April 2025	-	-
Investment Property - Transfer from Fixed Assets	(4,500)	-
Investment Property - Revaluations	121,500	*126,000*
At 31 March 2026		

Investment properties were valued by independent qualified surveyors on 28 January 2026.

14. RECEIVABLES

	2026 £	2025 £
Gross arrears of rent & service charges	297,812	*330,542*
Less: Provision for doubtful debts	(173,229)	*(209,623)*
Net arrears of rent and service charges	124,583	*120,919*
Other receivables	492,183	*382,558*
	616,766	*503,477*

15. STOCK AND WORK IN PROGRESS

	2026 £	2025 £
Land held for transfer	210,789	*210,789*
	210,789	*210,789*

16. CURRENT ASSET INVESTMENTS

	2026 £	2025 £
Short term deposits	1,711,386	*1,409,716*

17. CASH AND CASH EQUIVALENTS

	2026 £	2025 £
Cash at bank and in hand	1,263,025	*2,662,048*

18. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026 £	2025 £
Bank loans	991,990	*951,600*
Trade payables	480,870	*761,330*
Rent received in advance	498,541	*423,911*
Other taxation and social security	54,729	*47,453*
Other payables	777,794	*771,258*
Accruals and deferred income	448,877	*352,566*
	3,252,801	*3,308,118*

19. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2026 £	2025 £
Bank loans	10,222,797	*11,841,497*
Social housing grant payable	-	*518,336*
	10,222,797	*12,359,833*

20. DEBT ANALYSIS - BORROWINGS

	2026 £	2025 £
Bank Loans		
Amounts due within one year	991,990	*951,600*
Amounts due in one year or more but less than two years	2,535,199	*998,500*
Amounts due in two years or more but less than five years	3,389,499	*5,280,800*
Amounts due in more than five years	4,298,099	*5,562,197*
	11,214,787	*12,793,097*

The Association has a number of bank loans the principal terms of which are as follows:

Lender	*Number of Properties Secured*	*Effective Interest Rate*	*Maturity (Year)*	*Variable or Fixed*
Nationwide	159	4.4%	2036	Variable
Nationwide	326	4.6%	2038	Fixed
Nationwide	234	4.4%	2033	Variable
Nationwide	507	4.6%	2033	Fixed
Royal Bank of Scotland	234	5.9%	2028	Variable

All the Association's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans.

21. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants received			
At 1 April 2025	107,198,634	392,800	107,591,434
Additions in the year	-	-	-
Eliminated on disposal	(57,488)	-	(57,488)
At 31 March 2026	107,141,146	392,800	107,533,946
Amortisation			
At 1 April 2025	47,040,711	148,387	47,189,098
Amortisation in year	2,340,120	8,729	2,348,849
Eliminated on disposal	(21,658)	-	(21,658)
At 31 March 2026	49,359,173	157,116	49,516,289
Net book value			
At 31 March 2026	57,781,973	235,684	58,017,657
At 31 March 2025	*60,157,923*	*244,413*	*60,402,336*

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2026 £	2025 £
Amounts due within one year	2,348,849	*2,362,366*
Amounts due in more than one year	55,668,808	*58,039,970*
	58,017,657	*60,402,336*

22. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2026 £	2025 £
At 1 April	205	*201*
Issued in year	4	*10*
Cancelled in year	(16)	*(6)*
At 31 March	193	*205*

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

23. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Oak Tree Housing Association Limited participates in the Scottish Housing Association Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the Scheme was performed as at 30 September 2024. This valuation revealed a deficit of £79.5m. A Recovery Plan was put in place to eliminate the deficit which runs to March 2030.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2025. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2026 to 28 February 2027 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company net deficit or surplus.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is reapportioned amongst the remaining employers. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

Present values of defined benefit obligation, fair value of assets and defined benefit asset / (liability)

	2026	2025	2024
	£	£	£
Fair value of plan assets	7,122,000	*7,034,000*	*7,793,000*
Present value of defined benefit obligation	7,930,000	*8,050,000*	*8,910,000*
Surplus / (deficit) in plan	(808,000)	*(1,016,000)*	*(1,117,000)*
Unrecognised surplus	-	-	-
Defined benefit asset / (liability) to be recognised	(808,000)	*(1,016,000)*	*(1,117,000)*

23. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2026 £	2025 £
Defined benefit obligation at the start of period	8,050,000	*8,910,000*
Expenses	15,000	*16,000*
Interest expense	461,000	*429,000*
Actuarial losses (gains) due to scheme experience	(159,000)	*144,000*
Actuarial losses (gains) due to changes in demographic assumptions	75,000	-
Actuarial losses (gains) due to changes in financial assumptions	(171,000)	*(1,115,000)*
Benefits paid and expenses	(341,000)	*(334,000)*
Defined benefit obligation at the end of period	7,930,000	*8,050,000*

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

	2026 £	2025 £
Fair value of plan assets at start of period	7,034,000	*7,793,000*
Interest income	402,000	*375,000*
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	12,000	*(816,000)*
Contributions by the employer	15,000	*16,000*
Benefits paid and expenses	(341,000)	*(334,000)*
Fair value of plan assets at the end of period	7,122,000	*7,034,000*

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2026 was £414,000.

23. RETIREMENT BENEFIT OBLIGATIONS (coninued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2026	2025
	£	£
Expenses	15,000	*16,000*
Net interest expense	59,000	*54,000*
Defined benefit costs recognised in statement of comprehensive income	74,000	*70,000*

Defined benefit costs recognised in the other comprehensive income

	2026	2025
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	12,000	*(816,000)*
Experience gains and losses arising on plan liabilities - gain /(loss)	159,000	*(144,000)*
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	(75,000)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	171,000	*1,115,000*
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	267,000	*155,000*
Total amount recognised in other comprehensive income - gain (loss)	267,000	*155,000*

23. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2026 £	2025 £	2024 £
Absolute Return	-	-	*350,000*
Alternative Risk Premia	-	-	*281,000*
Liquid Alternatives	1,362,000	*1,295,000*	-
Credit	325,000	*299,000*	-
Credit Relative Value	-	-	*274,000*
Distressed Opportunities	-	-	*287,000*
Emerging Markets Debt	-	-	*137,000*
Global Equity	940,000	*815,000*	*896,000*
High Yield	-	-	*1,000*
Cash	3,000	*38,000*	*202,000*
Infrastructure	-	*2,000*	*746,000*
Insurance-Linked Securities	14,000	*27,000*	*48,000*
Investment Grade Credit	299,000	*322,000*	-
Liability Driven Investment	1,966,000	*1,980,000*	*2,818,000*
Long Lease Property	-	*2,000*	*58,000*
Net Current Assets	106,000	*9,000*	*10,000*
Private Debt	-	-	*314,000*
Property	371,000	*348,000*	*330,000*
Risk Sharing	-	-	*468,000*
Secured Income	96,000	*163,000*	*260,000*
Opportunistic Illiquid Credit	-	-	*310,000*
Private Credit	918,000	*877,000*	-
Private Equity	16,000	*6,000*	*6,000*
Real Assets	706,000	*839,000*	-
Currency Hedging	-	*12,000*	*(3,000)*
Total assets	7,122,000	*7,034,000*	*7,793,000*

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

Key Assumptions

	2026	2025	2024
Discount Rate	6.1%	*5.9%*	*4.9%*
Inflation (RPI)	3.3%	*3.1%*	*3.1%*
Inflation (CPI)	3.0%	*2.8%*	*2.8%*
Salary Growth	4.0%	*3.8%*	*3.8%*
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	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

OAK TREE HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026
NOTES TO THE FINANCIAL STATEMENTS (continued)

24. CASH FLOWS

Reconciliation of net cash flow to movement in net debt		**2026**		**2025**
	£	**£**	**£**	**£**
Decrease in cash	(1,399,023)		*(51,607)*	
Change in liquid resources	301,670		*(1,148,014)*	
Cashflow from change in net debt	1,578,310		*3,119,706*	
Movement in net debt during the year		480,957		*1,920,085*
Net debt at 1 April		(8,721,333)		*(10,641,418)*
Net debt at 31 March		(8,240,376)		*(8,721,333)*

Analysis of changes in net debt	***At 01 April 2025***	***Cashflows***	***Other Changes***	***At 31 March 2026***
	£	**£**	**£**	**£**
Cash and cash equivalents	*2,662,048*	(1,399,023)	-	1,263,025
	2,662,048	(1,399,023)	-	1,263,025
Liquid resources	*1,409,716*	301,670	-	1,711,386
Debt: Due within one year	*(951,600)*	1,578,310	(1,618,700)	(991,990)
Due after more than one year	*(11,841,497)*	-	1,618,700	(10,222,797)
Net debt	*(8,721,333)*	480,957	-	(8,240,376)

25. CAPITAL COMMITMENTS

	2026	**2025**
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	6,121,880	*1,768,657*

The above commitments will be financed by a mixture of private finance, public grant and the Association's own resources.

26. COMMITMENTS UNDER OPERATING LEASES

	2026	**2025**
	£	**£**
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	4,751	*16,320*
Expiring later than one year and not later than five years	1,560	*6,312*

27. DETAILS OF ASSOCIATION

The Association is a Registered Society registered with the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is 40 West Stewart Street, Greenock, PA15 1SH.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Inverclyde.

28. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £565 (2025 - £227) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Association.

29. EXCEPTIONAL ITEM

	2026	2025
	£	£
Aborted development	(274,503)	*(1,361,192)*
Revaluation of Investment Properties	(4,500)	-

The new build development at Strone Farm had to be aborted. Despite the Association's best efforts the significant cost increases since the contractor went into liquidation during 2022 have meant the build is no longer financially viable. The spend on the development to date have been written off as abortive costs. Demolition of the units is expected to take place in late 2026. Investment Properties were revalued in the year and decreased in value by £4,500.

30. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2026 No.	2025 No.
General needs	1,823	*1,823*
Supported housing	53	*54*
Shared ownership	83	*84*
	1,959	*1,961*

31. CONTINGENT LIABILITY

Scottish Housing Association Pension Scheme
We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the Court's determination is expected no earlier than Q2 of 2026. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.

Strone Farm Development
Following the Strone Farm development being aborted the Association is due to demolish the part built units on site. This will take place during 2026 following the results of scheduled ecology surveys. The management committee anticipate the cost to be [redacted] but are awaiting confirmed costs.

32. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102.

Those members who are tenants of the Association have tenancies that are on the Association's normal tenancy terms and they cannot use their positions to their advantage.

Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm’s length and is under normal commercial terms.

Transactions with Management Committee members (and their close family) were as follows:

	2026	2025
	£	£
Rent received from tenants on the Management Committee and their close family members.	18,750	*22,372*

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £0 (2025 - £0).

Members of the Management Committee who were tenants during the year.	1	*4*