

Drumchapel Housing Co-operative Limited

Report and Financial Statements

For the year ended 31 March 2026

Registered Social Landlord No. 185

FCA Reference No. 2222R(S)

Scottish Charity No. SC046239

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

MANAGEMENT BOARD, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2026

MANAGEMENT BOARD

Josephine Barnshaw	Chair
David O'Hara	Vice Chair
Joan McFarlane	Secretary
Helen Eakin	
David Riddell	
Elsbeth Kerr	
Vincent Ogar	
Alexander Kerr	
Graeme MacIntosh	(elected 24/08/23)
Karen McKenna	(elected 24/08/23)
Pauline McNaught	(elected 24/08/23)
Jean Forbes	(elected 24/08/23)
Frances McLean	(elected 24/08/23)
Tannith Diggory	(elected 28/08/25)
Thandiwe Malikha	(elected 28/08/25)

EXECUTIVE OFFICERS

Pauline Burke	Director
Jacqueline McGoran	Finance & Corporate Services Manager

REGISTERED OFFICE

4 Kinclaven Avenue
Drumchapel
Glasgow
G15 7SP

EXTERNAL AUDITORS

Findlays Audit Limited
Chartered Accountants
11 Dudhope Terrace
Dundee
DD3 8TS

INTERNAL AUDITORS

Cameron Audit Ltd
Ground Floor
4 Grosvenor Gardens
Edinburgh
EH12 5JU

FINANCE AGENTS

FMD Financial Services Ltd
3 Clairmont Gardens
Glasgow
G3 7LW

BANKERS

Bank of Scotland
Anniesland Branch
836 Crow Road
Glasgow
G1 2RQ

SOLICITORS

Morton Fraser MacRoberts LLP
60 York Street
Glasgow
G2 8JX

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT BOARD FOR THE YEAR ENDED 31 MARCH 2026

The Management Board presents its report and the Financial Statements for the year ended 31 March 2026.

Legal Status

Drumchapel Housing Co-operative (the Co-operative) is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2222R(S). The Co-operative is governed under its Rule Book. The Co-operative is a registered Scottish Charity with the charity number SC046239.

Principal Activities

The Co-operative aims to provide housing solutions to meet the needs of local communities and to serve the interests of our current and future tenants.

Review of Business and Future Developments

In the financial year 25/26 the Co-operative has made a surplus of £689,999 (2025 - £736,997). The Co-operative's revenue reserves now sit at a balance of £8,736,551 (2025 - £8,046,552) being carried forward into 2026/27.

Finances are managed through the yearly budget process and ongoing development of key targets.

The Co-operative continues to invest in the existing stock and the five-year financial projections detail how resources are deployed to meet business needs, including key assumptions and trends. All financial plans are subject to scenario planning, sensitivity and stress testing to ensure robustness.

A full risk appraisal is undertaken on all large scale capital projects, which gives a detailed record of all identified risks; this review is presented to the Management Board for a full discussion before formal approval is given.

Treasury Management includes the managing of all short and medium term cash flow requirements, withdrawing funds and managing asset security. In protecting financial resources, it is ensured that investment decisions are properly assessed and that appropriate financial returns are delivered.

Despite the ongoing current economic circumstances, the Co-operative is well placed to meet the challenges ahead. The cost of living crisis has been considered and has been monitored in the very short to medium term. Specifically, there is a robust long term financial model in place, based on prudent assumptions, that indicates viability throughout the thirty years covered by the model as well as allowing us to achieve all financial covenants set by lenders with sufficient head room built in as a contingency.

A key aim for the Co-operative is to ensure that properties meet or exceed national standards. The 30 year planned maintenance programme and cash projections take account of investment in modernising and repairing houses, and in improving the social and physical nature of the community to protect and enhance the assets which underpin the Co-operative's funding.

The long term financial model allows for all reactive and planned maintenance programmes to be carried out whilst maintaining financial viability.

The Co-operative currently has 480 properties within a distinct neighbourhood in the Drumchapel area of Glasgow.

We have no current plans to acquire additional stock, either via transfer or new build development. Any change to this will be made by the Board following consideration of a full business case.

The Management Board continues to concentrate the Co-operative's effort on maintaining current properties and continually developing customer services for tenants and other customers.

The Co-operative's staff structure has 10 staff members. Currently, the Co-operative employs 9 members of staff on a full-time basis with one vacant post. During the year we bought finance services from FMD Financial Services Limited.

The impact of the current cost-of-living-crisis has been considered in the short to medium term by the Co-operative in relation to arrears, voids, bad debt, Bank of England Base interest rate and housing property maintenance. The situation is being monitored closely regarding the on-going conflict in Ukraine, conflict in Iran/Persian Gulf, inflation, the cost-of-living-crisis and the wider economic concerns. The Co-operative completed a comprehensive re-working of financial projections and have built in headroom in the underlying assumptions in the short to medium term. There will be an update of the 30-year projections for presentation to the Management Board in early 2027. We can certainly capture any material changes which may impact the Co-operative in the medium-term.

Along with ensuring effective management of the Co-operative's finances, the Management Board are committed to ensuring that value for money remains a top priority for the Co-operative. We look to achieve this as an independent Registered Social Landlord (RSL) and with our local partners. Where it can add value, we work with other local RSLs to procure, purchase and provide services to tenants. We work closely with the other local RSLs especially in terms of staff and board training, welfare benefits advice services and some maintenance procurement. We also work with other RSLs across Glasgow on common projects, such as the Scottish Housing Connections website consortium.

The collection of rental income remains a priority for the Co-operative. While working to keep rents affordable we need to ensure that we maximise our collection of rental charges due. This has been a challenge with the introduction of UK Government Welfare Reforms and the on going cost-of-living-crisis but the Co-operative's staff continue to work with our tenants to assist and help resolve any debt issues. During the annual budget setting process a sustainment fund budget is set that provides financial support to tenants for basic essentials of food and utility vouchers.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT BOARD FOR THE YEAR ENDED 31 MARCH 2026

Review of Business and Future Developments (Continued)

We reviewed our Business Planning process resulting in a Strategy Plan and a Delivery Plan. The Delivery Plan states how staff will take forward the action/targets agreed within the Strategy Plan during 25/26. A range of policies were reviewed and approved in Governance, Finance, Data Protection, Health & Safety, Housing Management, Maintenance and Human Resource. We published our Annual Report on the Charter in October 2025.

A training programme through DRUMCOG for our governing body members was delivered in person to ensure that the Management Board continues to meet the requirements of the Regulatory Standards of Governance and Financial Management. These training sessions were delivered by external training consultants, covering a broad range of topics.

The Management Board continued their annual Board member reviews to ensure that as a Board, and as individual Board members, they meet regulatory and good practice requirements.

Currently, governance operates through the Management Board which consists of current tenants of the Co-operative.

During 2025/26 internal audits were carried out in electrical installation condition reporting, gas and fire protection, the Annual Assurance process and the Annual Return on the Charter to assess our compliance with legislation, our current policies and best practice.

We submitted our Annual Assurance Statement to the Scottish Housing Regulator in October 2025 with no areas of material non-compliance reported. The Scottish Housing Regulator formally confirmed the Co-operative meets regulatory requirements including, Standards of Governance and Financial Management in March 2026.

The Co-operative has 99.37% compliance with the Scottish Housing Quality Standard (SHQS) at 31 March 2026.

The asset investment plan, cashflows and 30-year financial models are aligned for consistency in order to ensure that an adequate fundable plan is in place.

In addition to day-to-day repair work, the Co-operative continues to undertake planned replacements of components and cyclical maintenance works. During 2025/26 the Co-operative's planned maintenance programme was complete. The Co-operative continued its ongoing cyclical maintenance programmes to completion. Independent stock condition sample surveys were carried out to allow us to review and keep our asset management information updated and allow the Co-operative to proactively plan for the future. The information from the surveys is used to update our 30-year maintenance projection work to ensure that property standards are maintained in the longer term. This allows the Management Board to regularly review the short, medium and long-term viability of the Co-operative.

Going forward, we aim to ensure we focus on continuing to provide an excellent housing management service, support tenants through the cost-of-living crisis and repairing and maintaining our properties to a high standard in line with the targets set by the Scottish Government. We will ensure the long-term financial health and viability of the organisation with a focus on efficiency and value for money.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT BOARD FOR THE YEAR ENDED 31 MARCH 2026

Management Board and Executive Officers

The members of the Management Board and the Executive Officers are listed on Page 1.

Each elected member of the Management Board holds one fully paid share of £1 in the Co-operative. The Executive Officers hold no interest in the Co-operative's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Board.

The members of the Management Board are also Trustees of the Charity. Members of the Management Board are appointed by the members at the Co-operative's Annual General Meeting.

Statement of Management Board's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Management Board to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Co-operative and of the surplus or deficit of the Co-operative for that period. In preparing those Financial Statements, the Management Board is required to:-

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

The Management Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Co-operative 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 Scottish Housing Regulator's Determination of Accounting Requirements 2024. The Management Board is also responsible for safeguarding the assets of the Co-operative and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Management Board is also responsible for ensuring the Co-operative's suppliers are paid promptly.

The Management Board must in determining how amounts are presented within items in the statement of comprehensive income and statement of financial position, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Board is aware:

- there is no relevant audit information (information needed by the Housing Co-operative's auditors in connection with preparing their report) of which the Co-operative's auditors are unaware, and
- the Management Board has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Co-operative's auditors are aware of that information.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT BOARD FOR THE YEAR ENDED 31 MARCH 2026

Statement on Internal Financial Control

The Management Board acknowledges its ultimate responsibility for ensuring that the Co-operative 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 Co-operative, or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Board's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements of the Co-operative'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 Co-operative'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 Board 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;
- 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 Board;
- the Management Board receive 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 Co-operative is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Board has reviewed the effectiveness of the system of internal financial control in existence in the Co-operative for the year ended 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.

Donations

During the year the Co-operative made charitable donations amounting to £1,500 (2025 - £1,500).

Auditors

A resolution to appoint the external Auditor will be proposed at the Annual General Meeting.

By order of the Management Board

Joan McFarlane

JOAN MCFARLANE

Secretary

30 June 2026

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on page 5 concerning the Co-operative's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Regulation of Social Housing in Scotland' 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 relating 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 Co-operative's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 5 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Regulation of Social Housing in Scotland' and associated Regulatory Advice Notes 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 Board, and Officers of the Co-operative, and examination of relevant documents, we have satisfied ourselves that the Management Board's Statement on Internal Financial Control appropriately reflects the Co-operative's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication 'Regulation of Social Housing in Scotland' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

Sandy Squires

Sandy Squires CA (Senior Statutory Auditor)
Findlays Audit Limited
Chartered Accountants and Statutory Auditor
11 Dudhope Terrace
Dundee
DD3 6TS

30 June 2026

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

Opinion

We have audited the financial statements of Drumchapel Housing Co-operative Limited (the 'Co-operative') for the year ended 31 March 2026 which comprise statements of comprehensive income, financial position, cash flows, changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 Co-operative's affairs as at 31 March 2026 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Management Board'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 Co-operative'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 Board 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 Management Board are responsible for the other information contained within 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.

Matters on which we are required to report by exception

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

- the Co-operative has not kept proper books of account, and not maintained a satisfactory system of control over its transactions, in accordance with the requirements of the legislation; or
- the Statement of Comprehensive Income and Statement of Financial Position and any other statements to which our report relates are not in agreement with the Co-operative's books of account; or
- we have not obtained all the information and explanations necessary for the purposes our audit.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED (Continued)

Responsibilities of the Management Board

As explained more fully in the Statement of Management Board's Responsibilities as set out on Page 4, the Management Board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Board is responsible for assessing the Co-operative'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 Board either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these 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 identified the laws and regulations applicable to the Co-operative through discussions with directors and other management, and from our knowledge and experience of the social housing 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 Co-operative, including the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, SHR regulatory requirements, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting relevant correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Co-operative'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.

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;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the SHR, Health and Safety Executive, and the company's legal advisors.

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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the Co-operative's members, as a body, in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Co-operative'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 Co-operative and the Co-operative's members as a body, for our audit work, for this report, or for the opinions we have formed

Sandy Squires

Sandy Squires CA (Senior Statutory Auditor)
Findlays Audit Limited
Chartered Accountants and Statutory Auditor
11 Dudhope Terrace
Dundee
DD3 6TS

30 June 2026

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2025 £
REVENUE	2	2,936,929	2,854,404
Operating Costs	2	(2,331,312)	(2,166,344)
OPERATING SURPLUS		605,617	688,060
Gain/(Loss) on Sale of Other Fixed Assets	12(b)	7,395	-
Interest Receivable and Other Income		86,869	89,257
Interest Payable and Similar Charges	8	(54,882)	(68,320)
Other Finance (Charges) / Income	11	(15,000)	(15,000)
		24,382	5,937
Surplus on ordinary activities before taxation		629,999	693,997
Tax on surplus on ordinary activities	10	-	-
SURPLUS FOR THE YEAR	9	629,999	693,997
Other comprehensive income			
Adjustment relating to Opening Pension Liability	24	-	-
Actuarial Gains/ (Losses) on defined benefit Pension Plan	24	60,000	43,000
TOTAL COMPREHENSIVE INCOME		689,999	736,997

The notes on pages 13 to 30 form part of these financial statements.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2026

	Notes	£	2026 £	£	2025 £
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	12 (a)		12,664,486		12,958,272
Other Non-current Assets	12 (b)		270,513		267,473
			<u>12,934,999</u>		<u>13,225,745</u>
CURRENT ASSETS					
Receivables	14	85,302		185,280	
Stock of maintenance materials		-		181	
Cash at bank and in hand		<u>3,555,060</u>		<u>3,050,328</u>	
		<u>3,640,362</u>		<u>3,235,789</u>	
CREDITORS: Amounts falling due within one year					
	15	<u>(385,896)</u>		<u>(419,636)</u>	
NET CURRENT ASSETS					
			<u>3,254,466</u>		<u>2,816,153</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>16,189,465</u>		<u>16,041,898</u>
CREDITORS: Amounts falling due after more than one year					
	16		<u>(900,170)</u>		<u>(1,039,446)</u>
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish Housing Association Pension Scheme	24	<u>(227,000)</u>		<u>(272,000)</u>	
			<u>(227,000)</u>		<u>(272,000)</u>
DEFERRED INCOME					
Social Housing Grants	18	<u>(6,325,269)</u>		<u>(6,683,427)</u>	
			<u>(6,325,269)</u>		<u>(6,683,427)</u>
NET ASSETS					
			<u><u>8,737,026</u></u>		<u><u>8,047,025</u></u>
EQUITY					
Share Capital	19		475		473
Revenue Reserves			<u>8,736,551</u>		<u>8,046,552</u>
			<u><u>8,737,026</u></u>		<u><u>8,047,025</u></u>

The Financial Statements were approved by the Management Board and authorised for issue and signed on their behalf on 30 June 2026.

Chairperson

J. Barnshaw
Josephine Barnshaw

Vice Chairperson

D. O'Hara
David O'Hara

Secretary

J. McFarlane
Joan McFarlane

The notes on pages 13 to 30 form part of these financial statements.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2026

	Notes	£	2026 £	£	2025 £
Net cash inflow from operating activities	17		999,868		937,269
Investing Activities					
Acquisition and Construction of Properties		(380,688)		(320,824)	
Purchase of Other Fixed Assets		(21,532)		(8,024)	
Proceeds on Disposal of Other Fixed Assets		7,395		-	
Net cash outflow from investing activities			(394,825)		(328,848)
Financing Activities					
Interest Received on Cash and Cash Equivalents		86,869		89,257	
Interest Paid on Loans		(54,882)		(68,320)	
Loan Principal Repayments		(132,333)		(123,282)	
Share Capital Issued		35		24	
Net cash outflow from financing activities			(100,311)		(102,321)
Increase in cash			504,732		506,100
Opening Cash & Cash Equivalents			3,050,328		2,544,228
Closing Cash & Cash Equivalents			3,555,060		3,050,328
Cash and Cash equivalents as at 31 March					
Cash			3,555,060		3,050,328
			3,555,060		3,050,328

The notes on pages 13 to 30 form part of these financial statements.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2026

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2024	474	7,309,555	7,310,029
Issue of Shares	24	-	24
Cancellation of Shares	(25)	-	(25)
Other comprehensive income - Gain / (Loss) on defined benefit pension plan	-	43,000	43,000
Surplus for the year	-	693,997	693,997
Balance as at 31 March 2025	473	8,046,552	8,047,025
Balance as at 31 March 2025	473	8,046,552	8,047,025
Issue of Shares	35	-	35
Cancellation of Shares	(33)	-	(33)
Other comprehensive income - Gain / (Loss) on defined benefit pension plan	-	60,000	60,000
Other movement	-	-	-
Revaluation in year	-	-	-
Prior year adjustment	-	-	-
Surplus for the year	-	629,999	629,999
Balance as at 31 March 2026	475	8,736,551	8,737,026

The notes on pages 13 to 30 form part of these financial statements.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

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 : Accounting by registered social housing providers 2018. The Co-operative is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

Basis of Accounting

These financial statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice : Accounting by registered social housing providers 2018, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2024. A summary of the more important accounting policies is set out below.

Revenue

The Co-operative 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 it relates.

Retirement Benefits

The Co-operative participates in the Scottish Housing Association Defined Benefit Pension Scheme where retirement benefits to employees of the Co-operative 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 Co-operative now accounts for this scheme as a defined benefit pension scheme.

Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Co-operative depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 12. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful Economic Life
Land	Not Depreciated
Building	50 Years
Roof	50 Years
Doors	30 Years
Windows	25 Years
Radiators	25 Years
Boilers	15 Years
Bathrooms	25 Years
Kitchens	20 Years
Render	30 Years
Wiring	30 Years
Close Doors	30 Years
Common Stairs	30 Years
Control Entry	20 Years

During the year the Co-operative reviewed the useful life of components and extended the useful life of Radiators from 20 Years to 25 Years, Close Doors from 15 Years to 30 Years and Doors from 25 Years to 30 Years. The effective of this is to prospectively reduce the depreciation charge in the current and subsequent years.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES

Depreciation and Impairment of Other Non-Current Assets

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

Asset Category	Depreciation Rate
Office Premises	2%
Furniture and Fittings	15%
Computer	33%
Office Equipment	15%
Motor Vehicles	25%

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

Social Housing Grant and Other Grants in Advance/Arrears

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 it relates.

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

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.

Taxation

The Co-operative is a Registered Scottish Charity and is not liable to taxation on its charitable activities.

Works to Existing Properties

The Co-operative 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.

Leases/Leased Assets

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.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

1. PRINCIPAL ACCOUNTING POLICIES

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

In the judgement of the Board of Management the entirety of the Co-operative'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 Co-operative considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

c) Financial instrument break clauses

The Co-operative has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In the judgement of the Board of Management, these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.

d) Pension Liability

The Co-operative participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is multi-employer and is administered by the TPT Retirement Solutions. The TPT Retirement Solutions have developed a method of calculating each member's share of the assets and liabilities of the scheme. Guidance received suggests this method may be appropriate and provides a reasonable estimate of the pension assets and liabilities of the Co-operative and therefore this valuation method has been incorporated in these financial statements.

Financial Instruments - Basic

The Co-operative classes all of its loans as basic financial instruments including agreements with break clauses. The Co-operative recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

The Co-operative's debt instruments are measured at amortised cost using the effective interest rate method.

Estimation Uncertainty

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

a) Rent Arrears - Bad Debt Provision

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

d) Defined pension liability

Determining the value of the Co-operative'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.

e) Allocation of share of assets and liabilities for multi employer schemes

Judgements in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi employer pension schemes and estimations performed by TPT Retirement Solutions.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

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

	Notes	2026			2025		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3	2,925,856	2,321,147	604,709	2,835,478	2,148,531	686,947
Other Activities	4	11,073	10,165	908	18,926	17,813	1,113
Total		2,936,929	2,331,312	605,617	2,854,404	2,166,344	688,060

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Supported Housing £	2026 Total £	2025 Total £
Revenue from Lettings				
Rent receivable net of service charges	2,462,618	35,839	2,498,457	2,401,215
Service charges receivable	74,859	1,404	76,263	73,328
Gross income from rent and service charges	2,537,477	37,243	2,574,720	2,474,543
Less: Rent losses from voids	7,022	-	7,022	4,977
Net Rents Receivable	2,530,455	37,243	2,567,698	2,469,566
Grants released from deferred income	349,157	9,001	358,158	365,912
Revenue grants from Scottish Ministers	-	-	-	-
Other revenue grants	-	-	-	-
Total turnover from affordable letting activities	2,879,612	46,244	2,925,856	2,835,478
Expenditure on affordable letting activities				
Management and maintenance administration costs	1,021,549	17,314	1,038,863	849,699
Service Costs	41,546	704	42,250	43,501
Planned and cyclical maintenance, including major repairs	326,099	4,290	330,389	374,000
Reactive maintenance costs	229,841	3,332	233,173	225,149
Bad Debts - rents and service charges	1,998	-	1,998	(590)
Depreciation of affordable let properties	662,385	12,089	674,474	656,772
Impairment of affordable letting activities	-	-	-	-
Operating costs of affordable letting activities	2,283,418	37,729	2,321,147	2,148,531
Operating surplus on affordable letting activities	596,194	8,515	604,709	686,947
2025	676,964	9,983		

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus / (Deficit) 2026	Operating Surplus / (Deficit) 2025
	£	£	£	£	£	£	£	£	£
Wider role activities	-	-	-	-	-	-	-	-	-
Support activities	11,040	-	-	-	11,040	-	10,165	875	1,088
Agency or management services	-	-	-	-	-	-	-	-	-
Forfeited Shares	-	-	-	33	33	-	-	33	25
Charitable Donations	-	-	-	-	-	-	-	-	-
Total From Other Activities	11,040	-	-	33	11,073	-	10,165	908	1,113
2025	18,901	-	-	25	18,926	-	17,813	1,113	

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

5. OFFICERS' EMOLUMENTS

The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Board, managers and certain employees of the Co-operative.

Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)

Compensation payable to Officers for loss of Office

Pension contributions made on behalf on Officers with emoluments greater than £60,000

Emoluments payable to Chief Executive (excluding pension contributions)

Total Emoluments paid to key management personnel

Consideration paid for services of key management personnel paid to third parties

2026	2025
£	£
143,266	137,079
-	-
12,050	11,542
78,369	75,355
155,316	148,620
-	-

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

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

6. EMPLOYEE INFORMATION

The average monthly number of full time equivalent persons employed during the year was:

The average total number of Employees employed during the year was:

Staff Costs were:

Wages and Salaries

Social Security Costs

Other Pension Costs

Temporary, Agency and Seconded Staff

2026	2025
No.	No.
10	9
9	9
£	£
416,709	386,563
45,403	37,395
35,229	32,465
54,800	-
552,141	456,423

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

7. GAIN ON SALE OF HOUSING STOCK

	2026	2025
	£	£
Sales Proceeds	-	-
Cost of Sales	-	-
Gain On Sale Of Housing Stock	-	-

8. INTEREST PAYABLE & SIMILAR CHARGES

	2026	2025
	£	£
On Bank Loans & Overdrafts	54,882	68,320
Less: Interest Capitalised	-	-
	54,882	68,320

9. SURPLUS FOR THE YEAR

	2026	2025
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - Tangible Owned Fixed Assets	692,966	672,745
Auditors' Remuneration - Audit Services	10,096	9,686
Auditors' Remuneration - Other Services	-	738
Gain on sale of fixed assets	(7,395)	-

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

The Co-operative 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
	£	£
Net Interest on DB Pension Scheme	15,000	15,000

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Total £
COST			
As at 31 March 2025	28,319,342	-	28,319,342
Additions (Major Repairs)	380,688	-	380,688
Disposals	(165,315)	-	(165,315)
Schemes Completed (Major Repairs)	-	-	-
As at 31 March 2026	28,534,715	-	28,534,715
DEPRECIATION			
As at 31 March 2025	15,361,070	-	15,361,070
Charge for Year	674,474	-	674,474
Disposals	(165,315)	-	(165,315)
As at 31 March 2026	15,870,229	-	15,870,229
NET BOOK VALUE			
As at 31 March 2026	12,664,486	-	12,664,486
As at 31 March 2025	12,958,272	-	12,958,272

Additions to housing properties include capitalised development administration costs of £Nil (2025 - £Nil) and capitalised major repair costs to existing properties of £380,688 (2025 - £320,824).

All land and housing properties are heritable.

Total expenditure on existing properties in the year amounted to £944,250 (2025 - £919,973). The amount capitalised from this year's expenditure is £380,688 (2025 - £320,824) with the balance charged to the statement of comprehensive income.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

12. NON-CURRENT ASSETS (Continued)

(b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Office Equipment & Motor Vehicle £	Computer Equipment £	Total £
COST					
As at 31 March 2025	432,244	17,518	49,054	82,064	580,880
Additions	-	8,130	631	12,771	21,532
Eliminated on Disposals	-	(2,445)	(14,653)	(10,862)	(27,960)
As at 31 March 2026	432,244	23,203	35,032	83,973	574,452
AGGREGATE DEPRECIATION					
As at 31 March 2025	185,433	11,731	40,278	75,965	313,407
Charge for year	8,645	1,701	1,903	6,243	18,492
Eliminated on Disposals	-	(2,445)	(14,653)	(10,862)	(27,960)
As at 31 March 2026	194,078	10,987	27,528	71,346	303,939
NET BOOK VALUE					
As at 31 March 2026	238,166	12,216	7,504	12,627	270,513
As at 31 March 2025	246,811	5,787	8,776	6,099	267,473

A motor vehicle van of £nil net book value (gross cost £14,653 and accumulated depreciation of £14,653) was disposed by sale during 2026. The sale price of £7,500 less £105 cost of sale of realised a gain on sale of £7,395 (2025 - £nil).

13. CAPITAL COMMITMENTS

	2026 £	2025 £
Capital expenditure that has been contracted for but has not been provided for in the Financial Statements	-	-

The above commitments are financed from the Co-operative's own resources.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

14. RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026 £	2025 £
Arrears of Rent & Service Charges	49,926	48,646
Adjustment to discount arrears balances with payment plans to NPV	-	-
Less: Provision for Doubtful Debts	(47,000)	(47,000)
	<u>2,926</u>	<u>1,646</u>
Social Housing Grant Receivable	-	-
Other Receivables	82,376	183,634
	<u>85,302</u>	<u>185,280</u>

15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2026 £	2025 £
Housing Loans	133,018	126,075
Trade Payables	83,851	123,493
Rent Received in Advance	109,771	105,593
Other Taxation and Social Security	13,111	10,718
Other Payables	1,273	2,631
Accruals and Deferred Income	44,872	51,126
	<u>385,896</u>	<u>419,636</u>

At the balance sheet date there were pension contributions outstanding of £0 (2025 - £0).

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

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

	2026 £	2025 £
Housing Loans	900,170	1,039,446
	<u>900,170</u>	<u>1,039,446</u>
Housing Loans		
Amounts due within one year	133,018	126,075
Amounts due in one year or more but less than two years	232,072	132,967
Amounts due in two years or more but less than five years	113,933	305,388
Amounts due in more than five years	554,165	601,091
	<u>1,033,188</u>	<u>1,165,521</u>
Less: Amount shown in Current Liabilities	133,018	126,075
	<u>900,170</u>	<u>1,039,446</u>

The Co-operative has a number of long-term housing loans secured by specific charges on its properties. The loans are repayable with all in rates varying from 4.10% to 5.49% in instalments. The loans expire between 2027 and 2042.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

17. STATEMENT OF CASH FLOWS

Reconciliation of surplus for the year to net cash inflow from operating activities

	2026 £	2025 £
Surplus for the year	629,999	693,997
Depreciation	692,966	672,745
Gain on Sale of Other Fixed Assets	(7,395)	-
Amortisation of Capital Grants	(358,158)	(365,911)
Change in stock	181	73
Change in debtors	99,978	(15,604)
Change in creditors	(40,683)	(42,069)
Net Pension Liability Movement excluding actuarial	15,000	15,000
Transfer of interest to financial activities	(31,987)	(20,937)
Total Share Capital Written Off	(33)	(25)
Net cash inflow from operating activities	999,868	937,269

Reconciliation of net cash flow to movement in net debt

	2026 £	£	2025 £	£
Increase in cash	504,732		506,100	
Cashflow from change in net debt	132,333		123,282	
Movement in net debt during the year		637,065		629,382
Net debt at 1st April 2025		1,884,807		1,255,425
Net debt at 31 March 2026		2,521,872		1,884,807

Analysis of changes in net debt

	At 31 March 2025	Cashflows	Other Changes	At 31 March 2026
Cash at bank and in hand	3,050,328	504,732		3,555,060
Bank overdrafts	-			-
	3,050,328	504,732	-	3,555,060
Liquid resources	-	-		-
Debt: Due within one year	(126,075)	(6,943)		(133,018)
Due after more than one year	(1,039,446)	139,276		(900,170)
Net Debt	1,884,807	637,065	-	2,521,872

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2026

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. DEFERRED INCOME

	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Total £
Social Housing Grants			
As at 31 March 2025	18,551,609	-	18,551,609
Additions in the year	-	-	-
Eliminated on disposal of components and property	(85,021)	-	(85,021)
Transferred	-	-	-
As at 31 March 2026	18,466,588	-	18,466,588
Amortisation			
As at 31 March 2025	11,868,182	-	11,868,182
Eliminated on disposal	(85,021)	-	(85,021)
Amortisation in year	358,158	-	358,158
As at 31 March 2026	12,141,319	-	12,141,319
Net book value			
As at 31 March 2026	6,325,269	-	6,325,269
As at 31 March 2025	6,683,427	-	6,683,427

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

	2026 £	2025 £
Amounts due within one year	358,158	365,911
Amounts due over one year or more	5,967,111	6,317,516
	6,325,269	6,683,427

19. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid

	2026 £	2025 £
As at 31 March 2025	473	474
Issued in year	35	24
Cancelled in year from transfers	-	-
Cancelled in year	(33)	(25)
As at 31 March 2026	475	473

Each member of the Co-operative holds one share of £1 in the Co-operative. 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 Co-operative. Each member has a right to vote at members' meetings.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2026 No.	2025 No.
General Needs - Built by Co-operative	206	206
General Needs - Rehabilitated by the Co-operative	266	266
Supported Housing	8	8
	<u>480</u>	<u>480</u>

21. RELATED PARTY TRANSACTIONS

Key Management Personnel - which includes Board members - and their close families are related parties of the Co-operative as defined by Financial Reporting Standard 102.

Those Board members who are tenants of the Co-operative have tenancies that are on the Co-operative's normal tenancy terms and they cannot use their position to their advantage.

Any transactions between the Co-operative and any entity with which a Management Board member has a connection with is made at arm's length and is under normal commercial terms.

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

	2026 £	2025 £
Rent received from tenants on the Management Board and their close family members	<u>137,814</u>	<u>128,064</u>

At the year end total rent arrears owed by the tenant members on the Management Board (and their close family) were £0 (2025 - £551).

Members of the Management Board who are tenants	15	13
Members of the Management Board who are local councillors	-	-

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

22. DETAILS OF CO-OPERATIVE

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

The Co-operative's principal place of business is 4 Kinclaven Avenue, Drumchapel, Glasgow.

The Co-operative is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Drumchapel.

23. MANAGEMENT BOARD MEMBER EMOLUMENTS

Management Board members received £200 (2025 - £561) in the year by way of reimbursement of expenses. No remuneration is paid to Management Board members in respect of their duties to the Co-operative.

24. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Drumchapel Housing Co-operative Limited participates in the Scottish Housing Association Pension Scheme (the Scheme).

The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme. The Co-operative has since moved to a defined contribution structure in the scheme but has a liability for the past service deficit in the defined benefit scheme.

The last valuation of the Scheme was performed as at 30th September 2024 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £689.8m. The valuation revealed a shortfall of assets compared with the value of liabilities of £79.5m (equivalent to a past service funding level of 90%).

The Scheme Actuary prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30th September 2025. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed a decrease in the assets of the Scheme to £626m and a decrease in liabilities to approximately £686m, equivalent to a past service funding level of 91%. The next full actuarial valuation will be for 30th September 2027 and will be finalised later in 2028.

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 re-apportioned amongst the remaining employers. Therefore, in certain circumstances the Co-operative may become liable for the obligations of a third party.

All employers in the Scheme entered into an agreement to make additional contributions to fund the Scheme's past service deficit to 31 March 2030. The recovery plan has been put in place to eliminate the deficit (depending on funding levels) for the majority of employers - although certain employers have different arrangements. Pension deficit contribution payments of £Nil (2025 - £Nil) were made during the year by the Co-operative as these will commence from 1 April 2026.

Overall, the Co-operative made payments totalling £39,711 (2025- £36,816) to the pension scheme during the year.

No assets included in the fair value of plan assets are the Co-operative's own financial instrument or are properties occupied or used by the Co-operative.

TPT Retirement Solutions (the administering authority) has responsibility for the management of the Scheme. As most of the Scheme's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the Scheme's assets. In order to mitigate this risk, the Scheme holds a diverse investment portfolio with a range of investment managers.

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

24. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Historically, only the past service deficit was included as a liability in the financial statements because each employer's share of the pension assets and liabilities could not be determined. However, during the year 2018/19 the TPT Retirement Solutions developed a valuation method to address this. The SORP housing working party, the SHAPS Employer's Committee, and national housing bodies all reviewed the methodology and have not found this to be inappropriate. The Co-operative decided to adopt this valuation method as providing a reasonable estimate of its pension assets and liabilities.

In May 2019, the FRC issued an amendment to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, Multi-employer defined benefit plans. The amendment addresses how to treat the transition from defined contribution to defined benefit accounting and allows for early adoption. This method was adopted by the Co-operative as the most appropriate treatment. As a result the change was effectively accounted for as a change in accounting estimate.

Due to the change in accounting estimate the past service deficit liability was removed as it is included in the pension liability now calculated by the actuary and shown under Pension and Other Provisions for Liabilities and Charges in the Statement of Financial Position. The change was reflected in Other Comprehensive Income.

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at	2026 %p.a.	2025 %p.a.
Salary increases	4.0%	3.8%
Pension increases	3.3%	3.1%
Discount rate	6.1%	5.8%

The defined benefit obligation is estimated to comprise of the following:

	2026 £000	2025 £000
Employee members	3	3
Deferred pensioners	10	10
Pensioners	12	11
	25	24

Mortality Rates

Life expectancy is based on the PFA92 and PMA92 tables, with mortality improvements projected based on members' individual year of birth. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	20.7	22.9
Future Pensioners	21.9	24.4

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

24. RETIREMENT BENEFIT OBLIGATIONS

Fair value of scheme assets by category

	2026 £000	2025 £000	2024 £000
Equities	631	570	319
Bonds	984	984	1,357
Property	293	318	375
Cash	30	12	58
	<u>1,938</u>	<u>1,884</u>	<u>2,109</u>

Net Pension Liability

	2026 £000	2025 £000	2024 £000
Fair value of employer's assets	1,938	1,884	2,109
Present value of scheme liabilities	(2,165)	(2,156)	2,409
	<u>(227)</u>	<u>(272)</u>	<u>4,518</u>

Reconciliation of fair value of employer assets

	2026 £000	2025 £000	2024 £000
Opening fair value of employer assets	1,884	2,109	2,181
Expected Return on Assets	108	100	105
Contributions by Members	-	-	-
Contributions by the Employer	4	4	4
Actuarial (Losses) / Gains	14	(189)	(105)
Estimated Benefits Paid	(72)	(140)	(76)
Closing fair value	<u>1,938</u>	<u>1,884</u>	<u>2,109</u>

Reconciliation of defined benefit obligations

	2026 £000	2025 £000	2024 £000
Opening defined benefit obligation	2,156	2,409	2,307
Current Service Cost	-	-	-
Expenses	4	4	4
Interest Cost	123	115	111
Contributions by members	-	-	-
Actuarial (Gains) / Losses	(46)	(232)	63
Estimated Benefits Paid	(72)	(140)	(76)
Closing defined benefit obligation	<u>2,165</u>	<u>2,156</u>	<u>2,409</u>

DRUMCHAPEL HOUSING CO-OPERATIVE LIMITED

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

24. RETIREMENT BENEFIT OBLIGATIONS

Analysis of amount charged to the Income and Expenditure Account

	2026 £000	2025 £000
Charged to operating costs:		
Service cost	-	-
Charged to Other Finance Costs / (Income)		
Expected return on employer assets	(108,000)	(100,000)
Interest on pension scheme liabilities	123,000	115,000
Net charge to the Income and Expenditure Account	15,000	15,000

Actuarial (loss) / gain recognised in the Statement of Recognised Gains and Losses

	2026 £000	2025 £000
Actuarial gain / (loss) recognised in year	60,000	43,000

25. CONTINGENT LIABILITIES

Retirement Benefit Obligations

We were notified in 2021 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 is seeking clarification from the Court on these items, and this process is ongoing with the Court's determination expected no earlier than Spring 2026. It is estimated that this could potentially increase the value of the full Scheme liabilities by £27m. We note that this estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.