

**Homes for Life Housing Partnership**  
**ANNUAL REPORT and GROUP ACCOUNTS**  
**For the year ended 31 March 2026**

Homes for Life Housing Partnership  
Report of the Board of Management

**ANNUAL REPORT and GROUP ACCOUNTS**

**For the year ended 31 March 2026**

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Homes for Life Housing Partnership  
Report of the Board of Management

**For the year ended 31 March 2026**

**BOARD, EXECUTIVE and ADVISORS**

**Board of Directors**

Members of the Board of Management during the year were as follows:

David Leishman (Chair)

Deborah Gillett (Vice Chair)

Rob Hughes

Jamila Greig

Donald Graeme MacGregor

Alistair Kettles (Chair HfL Audit and Compliance Sub Committee)

Jav Yaqub

Shamsu Rahman

Scott Robertson

David Ogilvie (Appointed 20-05-2026) (Chair HfL Plus)

Raymond Strang (Appointed 3-12-2025)

Otis Berry (Appointed 24-09-25)

Neil Macdonald (Resignation 21-05-2025)

David Rose – (Resignation 24-09-2025)

Otis Berry (Resignation 26-01-2026)

Raymond Strang (Resignation 24-02-2026)

**Registered Office**

Tolbooth Gate

57 Market Street

Haddington

East Lothian EH41 3JG

**Chief Executive & Secretary**

Gill Binnie

**Auditor**

AAB Audit & Accountancy Limited

133 Finnieston Street

Glasgow

G3 8HB

**Internal Auditor**

Cameron Audit Ltd

4/2 Grosvenor Gardens

Edinburgh

EH12 5JU

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Report of the Board of Management

**BOARD, EXECUTIVE and ADVISORS continued**

**Solicitors**

T C Young  
7 West George Street  
Glasgow  
G2 1BA

**Bankers**

The Royal Bank of Scotland plc  
32 Court Street  
Haddington EH41 3NS

**Registered Charitable Company Limited by Guarantee Number**  
SC188299

**Charity Number**

SC028542

**Scottish Housing Regulator Registration Number**  
HAC311

**Letting Agent Registration – Homes for Life Plus**  
LARN2512009

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**STRATEGIC REPORT**

**For the year ended 31 March 2026**

The directors present their Strategic Report of the Board of Directors and the audited financial statements for the year ended 31 March 2026.

**Principal activities**

Homes for Life’s (HfL) principal activity during the year was the provision, improvement and management of affordable housing for social and mid-market rent in East Lothian.

**Review of Business**

The directors are delighted to present a very positive report on HfL’s activity during 2025-26.

During the year we have continued an increased level of planned and cyclical investment in our housing stock and expanded our service offer with the establishment of mid-market rent service and provision, under our subsidiary HfL Plus of 16 affordable homes for mid-market rent in East Lothian.

**Revised 30-Year Plan**

The 30-year plan was updated at the end of March 26 to reflect the business model assumptions that were relevant at that time. The 30-year plan is kept under review and updated to reflect all and any material changes in HfLs financial performance and plans. The new Asset Management Strategy developed alongside a detailed stock condition survey carried out in 2026 will inform the future business planning process alongside a HfL Group 5-year Strategic Plan for the period 2027-2032.

**Internal Audit Outcomes**

| Internal Audit                             | Assurance Outcome     |
|--------------------------------------------|-----------------------|
| Estate Management                          | High Assurance        |
| Tenant Safety                              | High Assurance        |
| Rental Income and Arrears Management       | Substantial Assurance |
| Overall Internal Audit outcome for 2025-26 | High Assurance        |

**Performance Indicators**

HfL participates in the Scottish Housing Network benchmarking club. The Board review ARC performance quarterly and benchmark annually against averages for all Registered Social Landlords in Scotland. The Board of Management is pleased to report that HfL continues to perform extremely well against the relevant Scottish Average Benchmarks. Further detailed KPI information as well as a useful KPI comparison tool can be found at [www.scottishhousingregulator.gov.uk](http://www.scottishhousingregulator.gov.uk).

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**STRATEGIC REPORT continued**

**Table 1: Summary of Performance Outputs Reported in the ARC**

| Indicators                                                                                                                                                | 2025/2026             | 2024/2025                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------------------------|
| Gross rent arrears (all tenants) as at 31 March each year as a percentage of rent due for the reporting year (Indicator 23)                               | 0.51%                 | 0.70%                    |
| Percentage of reactive repairs carried out in the reporting year completed right first time (Indicator 10)                                                | 98.62%                | 86.00%                   |
| Percentage of tenants who have had repairs or maintenance carried out in last 12 months satisfied with the repairs and maintenance service (Indicator 12) | 51.79%                | 75.3%                    |
| Average length of time to complete emergency repairs (Indicator 8)                                                                                        | 3.45 Hours            | 2.87 hours               |
| Average length of time taken to complete non-emergency repair (Indicator 9)                                                                               | 11.15 days            | 6.3 days                 |
| Percentage of all complaints responded to in full at Stage 1 and percentage of all complaints responded to in full at Stage 2. (Indicators 3 & 4)         | 100%<br>Stage 2 (n/a) | 100.00%<br>Stage 2 (n/a) |
| Rent collected as percentage of total rent due in the reporting year (Indicator 22)                                                                       | 105.05%               | 100%                     |
| Percentage of tenants satisfied with the overall service provided by their landlord (Indicator 1)                                                         | 83.44%                | 83.44%                   |
| Percentage of tenants satisfied with the opportunities given to them to participate in their landlord's decision-making processes (Indicator 5)           | 93.38%                | 93.4%                    |
| SHQS Compliance                                                                                                                                           | 92%                   | 99%                      |

**Financial Indicators**

|               | 2026  | 2025  |
|---------------|-------|-------|
| Quick Ratio   | 2.50  | 3.57  |
| Net Surplus % | 36.00 | 32.00 |
| Arrears %     | 0.78  | 0.73  |

**Asset Investment**

Between April and September 2025, we delivered a major refurbishment project in Musselburgh, enabling 16 flats to be brought back into use and let as mid-market rent homes. During the year, Homes for Life also completed the final year of its 3 year planned maintenance programme for kitchens and bathrooms, with 26 kitchens and 8 bathrooms installed. In addition, 32 properties received Fabric First Heat upgrades, including air source heat pump systems, solar panels, ventilation improvements and insulation upgrades. A further 13 properties benefited from the installation of high-efficiency, A-rated boilers.

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**STRATEGIC REPORT continued**

**Mid-Market Rent Activity**

The Mid-Market Rent (MMR) portfolio saw strong performance during the financial year, following the successful completion of a refurbishment programme. 16 flats were brought back into service and tenanted from mid-September 2025. Demand for the properties was high, reflecting the continued shortage of affordable housing options across East Lothian. As a result, all 16 properties were successfully let and fully occupied by the financial year end, with no void periods recorded. As the properties have recently undergone refurbishment, there were no major repair issues to report during the year. The improved condition of the properties has contributed to positive tenancy outcomes and reduced maintenance requirements.

Overall, the MMR portfolio has performed well, achieving full occupancy, low arrears, and strong demand, providing high-quality affordable housing.

**Tenancy Sustainment Service**

Our Tenancy Sustainment Service continued to provide proactive, person-centred support to help tenants sustain successful tenancies. During the year, we completed 118 home visits, delivering tailored advice and early intervention to address financial, social and wellbeing challenges before they escalated. We made 30 referrals to Changeworks for specialist home energy advice, facilitated more than 20 food referrals for households experiencing hardship, provided two refurbished laptops through our partnership with The Remakery Edinburgh to help digitally excluded tenants access essential online services, and referred tenants to Volunteer Centre East Lothian for one-to-one community support.

Alongside individual support, we delivered community initiatives including Digital Café sessions and Home Energy Pop-Up events and successfully piloted a six-month programme of themed monthly social events in partnership with Lammermuir Larder, East Lothian Works and Fixing for a Future. These sessions combined practical workshops, home energy advice, employability support, and opportunities for social connection, helping to reduce isolation, improve digital inclusion, build financial resilience, and strengthen links with local services. Through early intervention, partnership working and community engagement, the service continues to support tenancy sustainment, prevent homelessness and contribute to stronger, more resilient communities.

We will **continue to invest** in our stock and review our services to **provide homes that are attractive, warm, and energy efficient** and **services that are accessible, efficient and fit for purpose**.

**Fixed Assets**

In accordance with the Statement of Recommended Practice (SORP) – Accounting by Registered Social Housing Providers, 2018, the company utilises component accounting in dealing with its housing assets. Component accounting ensures that the major components of the company's housing stock are identified and depreciated over their estimated economic lives. The cost of any subsequent replacement of a major component will be capitalised in the Statement of Financial Position with the item replaced being disposed of from the Statement of Financial Position. This enables the financial statements to better reflect the use of the component over its life cycle.

Changes in respect of housing properties, resulting from transactions during the year, are detailed in note 19. As at 1 April 2026, all HfL properties meet the Scottish Housing Quality Standard with the exception of 16 that are classed as fails due to the requirements of EESSH2 (in transition to SHNZS) or access for EICR's. All HfL properties have a fully compliant LD2 heat and smoke detection system in place.

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**STRATEGIC REPORT continued**

### Structure and Governance

HfL is limited by guarantee and is recognised as a charity. It does not trade for profit and is prohibited from making distributions to its members. HfL is registered as a Registered Social Landlord with the Scottish Housing Regulator and is required to prepare financial statements in accordance with the Scottish Housing Regulator's Determination of Accounting Requirements (2024): Regulatory Guidance and the Companies Act 2006.

For the ongoing management of 11 homes sold on a Shared Equity basis, the Company is registered as a property Factor (PF0000219) for common maintenance and as a Credit provider (724055) for equity loans.

### Homes for Life Plus

Homes for Life is registered as a Scottish Letting Agent LARN2512009 to enable the letting of HfL properties for MMR. HfL Plus is also registered on the Scottish Letting Agent Register in its own right to facilitate the future delivery of MMR Services to other housing providers Registration LARN2508012.

### Risks and Uncertainties

The Board approved a revised Risk Management Strategy in September 2024, and Risk Map. The Risk Map is reviewed regularly at Board meetings to ensure that the key risks are identified and mitigated where possible. The current high-risk areas identified are rent levels, health and safety and contract management.

| Risk Description                                                                                                    | Risk Mitigation Actions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Rent Levels</b><br>Affordability                                                                                 | Income Management Policy and Procedure<br>Strong arrears monitoring and early intervention<br>Low level rent arrears, significantly below RSL sector average<br>Rent comparability exercise completed annually<br>New Rent and Service Charge Policy approved December 2024<br>Rent and Service Charge consultation carried out in advance of the 2025-26 budget approval.<br>Revised 30 yr plan inclusive of service charges phased in over 2 years from 2025-26<br>New service charge structure commenced 1 April 2025<br>Rent Consultation completed January 2026<br>Approved Rent Increase applied 1 April 2026<br>Substantial Assurance received April 2026 following Internal Audit of Income Management and Rent Arrears Recovery |
| <b>Health and Safety</b><br>Landlord and employer risks<br>Reputational risk<br>Notifiable event<br>SHR involvement | Full adoption of EVH H&SCM (Landlord and Employer) and H&S Framework<br>Audit & Compliance Committee monitoring of H&S Performance<br>Asset and Maintenance Manager responsible for H&S assurance<br>H&S practices regularly reviewed<br>ACS Audit completed March 2026 – reported good compliance                                                                                                                                                                                                                                                                                                                                                                                                                                       |

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|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Annual H&amp;S Training for Board members and ongoing via IHASCO for all staff along with individual essential training via ACS</p> <p>High Level of Assurance received in recent Tenant Safety Internal Audit Report.- March 2026</p> <p>IA Report and Recommendation presented to Audit and Compliance May 2026 and will be presented to the full Board in August 2026</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <p><b>Contracts, Contract and Asset Management</b></p> <p>Failure to procure, manage and monitor contracts effectively.</p> <p>Poor contractor performance or failure to deliver agreed outcomes.</p> <p>Inadequate control of contract expenditure, variations and associated costs.</p> <p>Failure to deliver planned and cyclical maintenance programmes.</p> <p>Deterioration in stock condition, resulting in increased reactive repair costs and reduced tenant satisfaction.</p> | <p>Procurement Policy reviewed annually</p> <p>Contract Standing Orders and delegated authority framework in place</p> <p>Procurements undertaken in accordance with the Procurement Reform (Scotland) Act 2014, the Public Contracts (Scotland) Regulations 2015 and the Procurement (Scotland) Regulations 2016.</p> <p>Responsive Repairs Contract review being undertaken</p> <p>Handover of PMP to new Maintenance and Asset Manager completed</p> <p>External Contract Managers appointed when required, transferring delivery risk to insured professionals and supplementing in-house technical expertise</p> <p>Formal mobilisation process for all new contracts</p> <p>Regular contractor performance meetings</p> <p>KPI dashboard covering right first time, emergency response and completion times, complaints, tenant satisfaction and health and safety compliance</p> <p>Quarterly financial monitoring against budget supported by monthly budget reviews by budget holders</p> <p>Annual contractor performance review informing contract extension or re-procurement decisions</p> <p>Full stock condition surveys commenced in June 2026.</p> <p>Rolling Planned Maintenance Programme informed by stock condition data and the emerging Asset Management Strategy</p> <p>Annual procurement pipeline approved by the Board.</p> |

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|                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Financial Viability</b></p> <p>Future borrowing requirements</p> | <p>Finance Function transferred in-house 2024</p> <p>Revised Treasury Management Strategy</p> <p>Robust Treasury Management</p> <p>Strong Financial Controls and Monitoring</p> <p>Full Stock condition surveys commenced June 2026 to inform Asset investment requirements</p> <p>NPV appraisal of all homes, combining net present value with asset condition, demand and energy performance data, to confirm each asset remains financially viable and to target investment where it delivers greatest long-term value. No outstanding debt</p> <p>High cash reserves</p> <p>30-Year Plan focused on achieving increased income, long term viability and best value</p> <p>Continuous review of operating costs</p> <p>Robust budget setting and monitoring</p> <p>External funding experts appointed to procure future borrowing</p> |
|------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

#### Future Plans

The key objectives for the coming year outlined in our interim 1-year Business Plan for 2026-27 remain, **Investing in Our Services, Our Homes, Our People and Our Future.**

The interim plan articulates the strategic direction and ambition of the Board as the governing body of the organisation during 2026-27 as we move towards the creation of a 5-year Strategic Business Plan in 2027-28.

#### Asset Investment

During the year, the Association reviewed its long-term investment programme to align with its emerging Asset Management and Decarbonisation Strategies. The revised programme moves beyond maintaining compliance with statutory and regulatory standards and adopts a more strategic approach to investment, prioritising homes that deliver the greatest benefit for tenants. Investment decisions will focus on creating healthy, comfortable and affordable homes, improving the long-term performance and resilience of the housing stock, and ensuring resources are targeted where they deliver the greatest value. The programme also positions the Association to maximise opportunities for external grant funding, enabling improvements to be accelerated while maintaining long-term financial sustainability.

This approach is being formalised through the Association's new Asset Management Strategy, developed in line with the Scottish Housing Regulator's Recommended Practice on Integrated Asset Management. The Strategy evaluates the long-term performance of every home using both financial and non-financial measures, including net present value, asset condition, demand, energy performance and tenant outcomes, to determine whether each asset remains fit for purpose. This provides a robust evidence base for investment decisions, ensuring resources are targeted where they will achieve the greatest long-term value for tenants, communities and the Association, while identifying where alternative options and interventions may be required to ensure long-term sustainability.

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**STRATEGIC REPORT continued**

**ICT Infrastructure and Systems**

During the year we completed an options review of our Housing Management and Property systems and agreed a move away from SDM to a cloud-based integrated HMS (HomeMaster) with an expected transition fully from December 2026. This marks the start of a wider digital transformation, designed to strengthen operational efficiency, improve services, enhance tenant engagement, and support informed decision-making over the coming years, as set out in our 2026–31 Digital Strategy.

**Equalities Monitoring**

Improving diversity, equality and inclusion is key to Homes for Life’s approach to delivering services. To help inform our business plans and meet our duty to collect equalities data a survey is issued to all tenants annually. This year’s results were collated in May. On migration to HomeMaster later this year, in addition to the annual survey, equalities monitoring information will be collected on tenant contact to increase the level and real-time accuracy of data held.

**New Supply**

We will participate in the delivery of East Lothian Council’s Strategic Housing Investment Programme where financially viable to do so. Pending planning permission, we will commence new build development activity in Gullane in 2027, and a programme of open market acquisitions to increase HfL’s provision of mid-market rental homes via our subsidiary HfL Plus in East Lothian.

**Closing Remarks**

2025-26 has been a significant year for HfL, with the completion of major property investment projects and the establishment of our subsidiary HfL Plus.

Through implementation of our service plans, forthcoming Asset Management Strategy and 5-year Strategic Plan we will continue to drive forward business efficiencies and identify opportunities for best value to improve Tenant Services and facilitate growth.

BY ORDER OF THE BOARD



.....

Gill Binnie  
Secretary

15-Sep-26 | 7:07 PM BST  
Date:.....

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## **REPORT OF THE BOARD OF DIRECTORS**

The directors and executive officers of the company who served during the year and up to the date these accounts were approved are listed on page 3.

### **Related Party Transactions**

One of the company's directors is a tenant director. Tenant directors must comply with the same regulations as non-director tenants and do not receive favourable terms or discounted rents.

Transactions with tenant directors and other related parties are disclosed at note 20.

### **Statement of Board of Directors' Responsibilities**

Housing Association legislation requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the income and expenditure of the company for the year ended on that date. In preparing those financial statements the Board are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company.

The Board are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement on Internal Financial Control**

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

1. The reliability of financial information used within the company or provided for external users;
2. The maintenance of proper accounting records; and
3. The safeguarding of assets against unauthorised use or disposition.

Such systems of internal financial control can only provide reasonable and not absolute assurance against material misstatement or loss.

Key procedures, which the Board has established and which are designed to provide effective financial control, include the following:

1. Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of financial controls and restrict the unauthorised use of the company's assets;

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**REPORT OF THE BOARD OF DIRECTORS continued**

**Statement on Internal Financial Control (continued)**

- 2. Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- 3. Forecasts and budgets are prepared which allow the Board of Directors and executive officer to monitor the key business risks, financial objectives and the progress being made towards achieving plans set for the year and for the medium term;
- 4. Management accounts are prepared regularly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate;
- 5. All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Directors;
- 6. The Board receives an annual report from the external auditor who reviews and tests the system of internal financial control only to the extent necessary to express their audit opinion;
- 7. The Board receives an annual report from the internal auditor as part of an agreed audit plan; and
- 8. Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external reports, including for delegation of preliminary consideration of reports and action by an Audit and Compliance Sub Committee.

The Board confirms that it has reviewed the effectiveness of the company’s system of internal financial control as it operated during the year ended 31 March 2026. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties that require disclosure in the financial statements or in the auditor’s report on the financial statements.

**Disclosure of information to the Auditor**

To the knowledge and belief of each of the persons who are directors of the Board at the time the report is approved:

- So far as the directors are aware, there is no relevant information of which the company’s auditor is unaware; and
- Each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant information and to establish that company’s auditor is aware of the information.

**Auditor**

A resolution to re-appoint AAB Audit & Accountancy Limited will be put to the members at the Annual General Meeting.

**BY ORDER OF THE BOARD**

.....

Gill Binnie  
Chief Executive Officer

15-Sep-26 | 7:07 PM BST

.....  
Date

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## INDEPENDENT AUDITOR'S REPORT

### Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2026 and of the group's and parent charitable company's income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005, Part 6 of 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 group 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 opinion.

### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Directors with respect to going concern are described in the relevant sections of this report.

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**INDEPENDENT AUDITOR'S REPORT continued**

**Other information**

The other information comprises the information included in the Board of Directors' report, other than the financial statements and our Auditor's report thereon. The Board members are responsible for the other information.

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**

In the light of the knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Board of Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

**Responsibilities of the Board Members**

As explained more fully in the Statement of the Board's Responsibilities on page 12, the Board of Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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**INDEPENDENT AUDITOR'S REPORT continued**

**Auditor's responsibilities for the audit of the financial statements**

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

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

We obtained an understanding of the legal and regulatory frameworks within which the Association operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were Companies Act 2006, Charities and Trustee Investment (Scotland) Act 2005, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements - February 2024.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the association's key performance indicators to meet targets
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the company needs to comply with for the purpose of trading

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness
- Evaluating the business rationale of significant transactions outside the normal course of business
- Reviewing judgements made by management in their calculation of accounting estimates for potential management bias
- Enquiries of management about litigation and claims and inspection of relevant correspondence
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations
- Analytical procedures to identify any unusual or unexpected trends or relationship
- Reviewing minutes of meetings of those charged with governance to identify any matters indicating actual or potential fraud.

Homes for Life Housing Partnership  
Annual Report and Group Accounts  
For the year ended 31<sup>st</sup> March 2026  
**INDEPENDENT AUDITOR’S REPORT continued**

**Auditor’s responsibilities for the audit of the financial statements (continued)**

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

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

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company’s trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an Auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members, as a body, for our audit work, for this report, or for the opinions we have formed.



AAB Audit & Accountancy Limited  
Statutory Auditor  
133 Finnieston Street  
Glasgow  
G3 8HB

17-Sep-26 | 9:38 AM BST  
Date:.....

Homes for Life Housing Partnership  
Annual Report and Group Accounts  
For the year ended 31<sup>st</sup> March 2026

**REPORT BY THE AUDITOR TO THE MEMBERS OF HOMES FOR LIFE HOUSING PARTNERSHIP ON CORPORATE GOVERNANCE MATTERS**

In addition to our audit of the Financial Statements, we have reviewed your statement on pages 12 and 13 concerning the Company’s compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication ‘Our Regulatory Framework’ and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

**Basis of Opinion**

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2009/4 issued by the Financial Reporting Council. The bulletin does not require us to review the effectiveness of the Company’s procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

**Opinion**

In our opinion the Statement on Internal Financial Control on pages 12 and 13 has provided the disclosures required by the relevant Regulatory Standards within the publication ‘Our Regulatory Framework’ and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Board of Directors and officers of the Company and examination of relevant documents, we have satisfied ourselves that the Board of Directors’ Statement on Internal Financial Control appropriately reflects the Company’s compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication ‘Our Regulatory Framework’ and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



AAB Audit & Accountancy Limited  
Statutory Auditor  
133 Finnieston Street  
Glasgow  
G3 8HB

17-Sep-26 | 9:38 AM BST  
Date: .....

**Homes for Life Housing Partnership****CONSOLIDATED and ASSOCIATION STATEMENT of COMPREHENSIVE INCOME****For the year ended 31 March 2026**

|                                                            | Notes | 2026<br>£'000 | Group<br>2025<br>£'000 | 2026<br>£'000 | Association<br>2025<br>£'000 |
|------------------------------------------------------------|-------|---------------|------------------------|---------------|------------------------------|
| Turnover                                                   | 4     | 2,037         | 1,915                  | 1,963         | 1,915                        |
| Gain on disposal of housing properties<br>and other income | 4     | 183           | 7                      | 239           | 7                            |
| Operating Expenditure                                      | 4     | (1,902)       | (1,337)                | (1,884)       | (1,337)                      |
| <b>Operating Surplus</b>                                   |       | <b>318</b>    | <b>585</b>             | <b>318</b>    | <b>585</b>                   |
| Interest receivable and similar income                     | 8     | 32            | 43                     | 32            | 43                           |
| Interest payable and similar charges                       | 9     | -             | (29)                   | -             | (29)                         |
| <b>Surplus on ordinary activities before taxation</b>      |       | <b>350</b>    | <b>599</b>             | <b>350</b>    | <b>599</b>                   |
| Taxation on ordinary activities                            | 10    | -             | -                      | -             | -                            |
| <b>Surplus on ordinary activities after taxation</b>       |       | <b>350</b>    | <b>599</b>             | <b>350</b>    | <b>599</b>                   |
| Actuarial gains (losses) in respect of<br>pension scheme   |       | -             | (30)                   | -             | (30)                         |
| <b>Total comprehensive income for the year</b>             |       | <b>350</b>    | <b>569</b>             | <b>350</b>    | <b>569</b>                   |

These financial statements were approved and authorised for issue on 15 September 2026 by the Board of Management and signed on its behalf by:

Chairperson  
David Leishman.....



Vice Chair  
Deborah Gillett.....



Secretary  
Gill Binnie.....



**Homes for Life Housing Partnership****CONSOLIDATED and ASSOCIATION STATEMENT of CHANGES IN RESERVES****For the year ended 31 March 2026**

|                                                   | <b>Group</b>                                            |                                     | <b>Association</b>                                      |                                     |
|---------------------------------------------------|---------------------------------------------------------|-------------------------------------|---------------------------------------------------------|-------------------------------------|
|                                                   | <b>Income and<br/>Expenditure<br/>Reserve<br/>£'000</b> | <b>Total<br/>Reserves<br/>£'000</b> | <b>Income and<br/>Expenditure<br/>Reserve<br/>£'000</b> | <b>Total<br/>Reserves<br/>£'000</b> |
| <b>Balance at 1 April 2025</b>                    | <u>5,737</u>                                            | <u>5,737</u>                        | <u>5,737</u>                                            | <u>5,737</u>                        |
| Surplus from statement of<br>comprehensive income | 350                                                     | 350                                 | 350                                                     | 350                                 |
| Net Transfers                                     | <u>-</u>                                                | <u>-</u>                            | <u>-</u>                                                | <u>-</u>                            |
| <b>Balance at 31 March 2026</b>                   | <u><b>6,087</b></u>                                     | <u><b>6,087</b></u>                 | <u><b>6,087</b></u>                                     | <u><b>6,087</b></u>                 |

**For the year ended 31 March 2025**

|                                                   | <b>Group</b>                                            |                                     | <b>Association</b>                                      |                                     |
|---------------------------------------------------|---------------------------------------------------------|-------------------------------------|---------------------------------------------------------|-------------------------------------|
|                                                   | <b>Income and<br/>Expenditure<br/>Reserve<br/>£'000</b> | <b>Total<br/>Reserves<br/>£'000</b> | <b>Income and<br/>Expenditure<br/>Reserve<br/>£'000</b> | <b>Total<br/>Reserves<br/>£'000</b> |
| <b>Balance at 1 April 2024</b>                    | <u>5,168</u>                                            | <u>5,168</u>                        | <u>5,168</u>                                            | <u>5,168</u>                        |
| Surplus from statement of<br>comprehensive income | <u>599</u>                                              | <u>599</u>                          | <u>599</u>                                              | <u>599</u>                          |
| Other comprehensive<br>expenditure                | (30)                                                    | (30)                                | (30)                                                    | (30)                                |
| Net Transfers                                     | <u>-</u>                                                | <u>-</u>                            | <u>-</u>                                                | <u>-</u>                            |
| <b>Balance at 31 March 2025</b>                   | <u><b>5,737</b></u>                                     | <u><b>5,737</b></u>                 | <u><b>5,737</b></u>                                     | <u><b>5,737</b></u>                 |

All results relate to continuing activities.

**Homes for Life Housing Partnership****CONSOLIDATED and ASSOCIATION STATEMENT of FINANCIAL POSITION****For the year ended 31 March 2026**

|                                                                | Notes | 2026<br>£'000 | Group<br>2025<br>£'000 | 2026<br>£'000 | Association<br>2025<br>£'000 |
|----------------------------------------------------------------|-------|---------------|------------------------|---------------|------------------------------|
| <b>Fixed assets</b>                                            |       |               |                        |               |                              |
| Housing Properties                                             | 11    | 11,248        | 10,613                 | 11,248        | 10,613                       |
| Other tangible fixed assets                                    | 11a   | 513           | 548                    | 513           | 548                          |
|                                                                |       | <b>11,761</b> | <b>11,161</b>          | <b>11,761</b> | <b>11,161</b>                |
| <b>Current assets</b>                                          |       |               |                        |               |                              |
| Debtors                                                        | 12    | 171           | 94                     | 248           | 94                           |
| Cash and cash equivalents                                      |       | 477           | 1,151                  | 477           | 1,151                        |
| Term Deposits                                                  |       | 702           | 648                    | 702           | 648                          |
|                                                                |       | 1,350         | 1,892                  | 1,427         | 1,892                        |
| <b>Creditors: amounts falling due within one year</b>          | 13    | (494)         | (530)                  | (571)         | (530)                        |
| <b>Net current assets</b>                                      |       | <b>856</b>    | <b>1,362</b>           | <b>856</b>    | <b>1,362</b>                 |
| <b>Total assets less current liabilities</b>                   |       | <b>12,617</b> | <b>12,523</b>          | <b>12,617</b> | <b>12,523</b>                |
| <b>Creditors: amounts falling due after more than one year</b> | 14    | (6,530)       | (6,786)                | (6,530)       | (6,786)                      |
| <b>Total net assets</b>                                        |       | <b>6,087</b>  | <b>5,737</b>           | <b>6,087</b>  | <b>5,737</b>                 |
| <b>Capital and reserves</b>                                    |       |               |                        |               |                              |
| General reserves                                               |       | 6,087         | 5,737                  | 6,087         | 5,737                        |
| <b>Total capital and reserves</b>                              |       | <b>6,087</b>  | <b>5,737</b>           | <b>6,087</b>  | <b>5,737</b>                 |

These financial statements were approved and authorised for issue on 15 September 2026 by the Board of Management and signed on its behalf by:

Chairperson  
David Leishman.....



Vice Chair  
Deborah Gillett.....



Secretary  
Gill Binnie.....



The notes on pages 24 to 42 form part of these financial statements.

**Homes for Life Housing Partnership****CONSOLIDATED and ASSOCIATION STATEMENT of CASH FLOWS****For the year ended 31 March 2026**

|                                                               | Notes | Group<br>2026<br>£'000 | Group<br>2025<br>£'000 | Association<br>2026<br>£'000 | Association<br>2025<br>£'000 |
|---------------------------------------------------------------|-------|------------------------|------------------------|------------------------------|------------------------------|
| <b>Net cash generated from operating activities</b>           | 17    | <u>472</u>             | <u>854</u>             | <u>472</u>                   | <u>854</u>                   |
| <b>Cashflow from investing activities</b>                     |       |                        |                        |                              |                              |
| Purchase of tangible fixed assets                             |       | (1,124)                | (495)                  | (1,124)                      | (495)                        |
| Purchase of intangible assets                                 |       | -                      | -                      | -                            | -                            |
| Proceeds from sale of tangible fixed assets                   |       | -                      | -                      | -                            | -                            |
| Increase in deposits with banks                               |       | (54)                   | (32)                   | (54)                         | (32)                         |
| Grants received in year                                       |       | -                      | -                      | -                            | -                            |
| Other Income                                                  |       | -                      | 2                      | -                            | 2                            |
| Interest received                                             |       | 32                     | 41                     | 32                           | 41                           |
| Net cash from/ (used in) investing activities                 |       | <u>(1,146)</u>         | <u>(484)</u>           | <u>(1,146)</u>               | <u>(484)</u>                 |
| <b>Cash flow from financing activities</b>                    |       |                        |                        |                              |                              |
| Interest paid                                                 |       | -                      | -                      | -                            | -                            |
| Repayments of borrowings                                      |       | -                      | -                      | -                            | -                            |
| New secured borrowings                                        |       | -                      | -                      | -                            | -                            |
| Net cash from/ (used in) financing activities                 |       | <u>-</u>               | <u>-</u>               | <u>-</u>                     | <u>-</u>                     |
| <b>Net change in cash and cash equivalents</b>                |       | <u>(674)</u>           | <u>370</u>             | <u>(674)</u>                 | <u>370</u>                   |
| <b>Cash and cash equivalents at the beginning of the year</b> |       | <u>1,151</u>           | <u>781</u>             | <u>1,151</u>                 | <u>781</u>                   |
| <b>Cash and cash equivalents at the end of the year</b>       |       | <u><b>477</b></u>      | <u><b>1,151</b></u>    | <u><b>477</b></u>            | <u><b>1,151</b></u>          |

The notes on pages 24 to 42 form part of these financial statements.

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS****For the year ended 31 March 2026**

| <b>Analysis of changes in net debt reconciliation (Group)</b> | <b>1 April<br/>2025<br/>£'000</b> | <b>Cashflow<br/>£'000</b> | <b>Other<br/>changes<br/>£'000</b> | <b>31 March<br/>2026<br/>£'000</b> |
|---------------------------------------------------------------|-----------------------------------|---------------------------|------------------------------------|------------------------------------|
| Long term borrowing                                           | -                                 | -                         | -                                  | -                                  |
| Short term borrowing                                          | -                                 | -                         | -                                  | -                                  |
| <b>Total Liabilities</b>                                      | -                                 | -                         | -                                  | -                                  |
| Cash and cash equivalents                                     | 1,151                             | (674)                     | -                                  | 477                                |
| Term deposits                                                 | 648                               | 54                        | -                                  | 702                                |
|                                                               | <b>1,799</b>                      | <b>(620)</b>              | -                                  | <b>1,179</b>                       |
|                                                               | <b>1,799</b>                      | <b>(620)</b>              | -                                  | <b>1,179</b>                       |

| <b>Net debt reconciliation (Association)</b> | <b>1 April<br/>2025<br/>£'000</b> | <b>Cashflow<br/>£'000</b> | <b>Other<br/>changes<br/>£'000</b> | <b>31 March<br/>2026<br/>£'000</b> |
|----------------------------------------------|-----------------------------------|---------------------------|------------------------------------|------------------------------------|
| Long term borrowing                          | -                                 | -                         | -                                  | -                                  |
| Short term borrowing                         | -                                 | -                         | -                                  | -                                  |
| <b>Total Liabilities</b>                     | -                                 | -                         | -                                  | -                                  |
| Cash and cash equivalents                    | 1,151                             | (674)                     | -                                  | 477                                |
| Term deposits                                | 648                               | 54                        | -                                  | 702                                |
|                                              | <b>1,799</b>                      | <b>(620)</b>              | -                                  | <b>1,179</b>                       |
|                                              | <b>1,799</b>                      | <b>(620)</b>              | -                                  | <b>1,179</b>                       |

## Homes for Life Housing Partnership

### NOTES to the GROUP ACCOUNTS

For the year ended 31 March 2026

#### 1. General Information

These group financial statements are stated in Pounds Sterling (GBP), as that is the currency in which the companies' transactions are denominated. They comprise the group financial statements of the companies drawn up for the year ended 31 March 2026. Except where otherwise stated all financial information is presented in GBP.

The group financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and comply with the requirements of the Determination of Accounting Requirements 2024 issued by the Scottish Housing Regulator and the Statement of Recommended Practice for Social Housing Providers issued in 2018.

The preparation of these group financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The association is defined as a public benefit entity and thus the company complies with all disclosure requirements relating to public benefit entities. The association is a registered social landlord in Scotland and its registered number is HAC 311. The association is a private company limited by guarantee and incorporated in the United Kingdom and registered in Scotland. The company's registered number is SC188299. The registered address is included on page 3 of these financial statements. The association has one subsidiary company, Homes for Life Plus Limited, which provides mid-market rented accommodation.

#### 2. Accounting policies

##### (a) Accounting convention

The financial statements are prepared under the historical cost basis of accounting and in accordance with applicable standards. The accounting policies of the companies are set out in paragraphs (d) to (w) below.

##### (b) Basis of accounting

The financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards. The effect of events relating to the year ended 31 March 2026, which occurred before the date of approval of the financial statements have been included in the statements to the extent required to show a true and fair view of the state of affairs as at 31 March 2026 and of the results for the year ended on that date.

##### (c) Going concern

The group's business activities, its current financial position, and factors likely to affect its future development are set out within the report from the Board. In accordance with our treasury management policy, as at 31 March 2026 the group had available cash balances of £1.2m of which a minimum of £269k equivalent to one month rolling expenditure plus 25% could be drawn at short notice.

The group is budgeted to make a surplus for the year ended 31 March 2027, has healthy bank balances, a strong asset base, and has no liquidity issues. On this basis the directors are of the opinion that the company will continue to meet its obligations as they fall due for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these group financial statements.

## Homes for Life Housing Partnership

### NOTES to the GROUP ACCOUNTS

For the year ended 31 March 2026

## 2. Accounting policies (continued)

### (d) Turnover

Turnover represents rent and service charge income and fees from tenants and owners for factoring services, along with revenue-based grants received from The Scottish Government. The companies have no shared-ownership properties and consequently all rental income relates to properties wholly owned by the companies.

Donations received under the Gift Aid scheme to the parent association, Homes for Life Housing Partnership, from its subsidiary is recognised as turnover upon receipt as it relates to the principal activities of the association and is eliminated on consolidation.

### (e) Apportionment of management expenses

Management and administration expenses are apportioned based on the units held within each sub-type.

### (f) Repairs and maintenance costs

Costs for reactive and planned maintenance are charged to the Statement of Comprehensive Income as they are incurred. Property improvements are capitalised, if these are material in nature and can give rise to additional income or cost savings. These capitalised improvements are subsequently written off in line with the company's fixed asset policy.

### (g) Interest receivable

Interest receivable is recognised in the Statement of Comprehensive Income using the effective interest rate method.

### (h) Interest payable

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### (i) Grants

#### Capital

New Housing Partnership Grants (NHP) were made by East Lothian Council and were utilised to reduce the amount of loans required in respect of an approved scheme.

For schemes developed with NHP outright the grant was paid directly to the association as required to meet its liabilities during the development process.

Capital grants in respect of property development are applied in the following order:

- Land;
- Structure;
- With any remaining balance being allocated as "unapplied grants."

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS****For the year ended 31 March 2026****2. Accounting policies (continued)****(j) Grants (continued)**

Capital grants applied to land and structure are amortised at 2% and 6.67% per annum. Other components have various useful lives and to apportion grants to these components would not reflect that grants are not repayable except under disposal of the entire property. Unapplied grants are therefore amortised on a straight-line basis at 2% and 6.67% per annum in line with the main structure.

**Revenue**

Revenue grants are credited to income in the appropriate period to match related expenditure.

**(k) Fixed assets – Housing Properties**

Housing properties are stated at cost, less accumulated depreciation. The development cost of housing properties includes:

- Cost of acquiring land and buildings
- Development expenditure including administration costs.

**(l) Depreciation and impairment of fixed assets**

Depreciation is charged on tangible fixed assets so as to write off the asset cost less any recoverable value on a straight-line basis over its anticipated useful life as follows:

|                                | <b>Useful<br/>Economic Life</b> |
|--------------------------------|---------------------------------|
| Office premises                | 30 years                        |
| Office furniture and equipment | 3 years                         |

Each housing unit has been split between its major component parts. Each major component is depreciated on a straight-line basis over its expected useful economic life. The following major components and useful lives have been identified by the company:

Housing properties (by component):

|                                                     |          |
|-----------------------------------------------------|----------|
| • Land Infinite                                     |          |
| • Structure                                         | 50 years |
| • Roof                                              | 50 years |
| • Kitchens                                          | 25 years |
| • External doors and windows                        | 30 years |
| • Bathrooms and WCs                                 | 25 years |
| • Electrics                                         | 30 years |
| • Boilers                                           | 15 years |
| • Specialist heating, plumbing, ventilation systems | 30 years |

Impairment reviews are carried out when there are indicators of impairment. Reviews for indicators of impairment are carried out at each reporting date. Where impairment reduces the economic value of a group of properties to an amount less than the net book value, the impairment is charged to the Statement of Comprehensive Income.

## **Homes for Life Housing Partnership**

### **NOTES to the GROUP ACCOUNTS**

**For the year ended 31 March 2026**

## **2. Accounting policies (continued)**

### **(m) Investment in subsidiaries**

Investments in subsidiaries are accounted for in accordance with the cost model and are recorded at cost less any accumulated impairment losses.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

### **(n) Financial instruments**

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

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

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

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

### **(o) Debtors**

Short term debtors are measured at transaction price, less any impairment.

### **(p) Rental arrears**

Rental arrears represent amounts due by tenants for rental of social housing and mid-market properties at the year end. Rental arrears are reviewed regularly by management and written down to the amount deemed recoverable. Any provision deemed necessary is shown alongside gross rental arrears in Note 12.

### **(q) Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than 3 months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS****For the year ended 31 March 2026****2. Accounting policies (continued)****(r) Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**(s) Pensions**

Homes for Life Housing Partnership participates in a defined contribution pension Scheme, administered by Smart Pensions. Employer contributions are either 7% or 8% of salary. Contributions payable by the association are charged to the statement of comprehensive income in the year to which they relate. Pension charge for the year was £20k (2025 £85k). At the end of the year £236 (2025; £4k) was outstanding and included within creditors. The pension scheme is administered as a salary sacrifice arrangement.

**(t) Financial commitments**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

**(u) Consolidation**

The Group's financial statements consolidate those of the parent company, Homes for Life Housing Partnership and its subsidiary, Homes for Life Plus Limited at 31 March 2026. The subsidiary has a reporting date of 31 March.

**(v) VAT**

The company is not registered for VAT purposes, and all expenses are shown inclusive of VAT.

**(w) Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable surplus for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

**3. Judgements in applying policies and key sources of uncertainty**

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

The directors consider the following to be critical judgements in preparing the financial statements:

- The categorisation of housing as property, plant and equipment in line with the requirements of the SORP.
- The amount disclosed as 'operating profit' is representative of activities that would normally be regarded as 'operating;' and
- The identification of a cash generating unit for impairment purposes.

Homes for Life Housing Partnership

NOTES to the GROUP ACCOUNTS

For the year ended 31 March 2026

3. Judgements in applying policies and key sources of uncertainty (continued)

The Board are satisfied that the accounting policies are appropriate and applied consistently. Key sources of estimation have been applied as follows:

| Estimate                                                         | Basis of estimation                                                                                                                                                                                                                                    |
|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Useful lives of property, plant and equipment                    | The useful lives of property, plant and equipment are based on the knowledge of senior management, with reference to expected asset life cycles.                                                                                                       |
| The main components of housing properties and their useful lives | The cost of housing properties is split into separately identifiable components. These components were identified by knowledgeable and experienced staff members and based on costing models.                                                          |
| Recoverable amount of rental and other trade receivables         | Rental arrears and other trade receivables are reviewed by appropriately experienced senior members of staff on a case-by-case basis with the balance outstanding together with the payment history of the individual tenant being taken into account. |

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS****For the year ended 31 March 2026****4. Turnover**

|                                      | <b>Group</b>        |                     | <b>Association</b>  |                     |
|--------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                      | <b>2026</b>         | <b>2025</b>         | <b>2026</b>         | <b>2025</b>         |
|                                      | <b>£'000</b>        | <b>£'000</b>        | <b>£'000</b>        | <b>£'000</b>        |
| Income from lettings                 | 2,037               | 1,915               | 1,963               | 1,915               |
| Management services and other income | 183                 | 7                   | 239                 | 7                   |
|                                      | <b><u>2,220</u></b> | <b><u>1,922</u></b> | <b><u>2,202</u></b> | <b><u>1,922</u></b> |

**4(a). Turnover, operating costs, operating Surplus: Group**

|                                                                            | <b>Turnover</b>     | <b>Operating Costs</b> | <b>2026 Operating Surplus</b> | <b>2025 Operating Surplus</b> |
|----------------------------------------------------------------------------|---------------------|------------------------|-------------------------------|-------------------------------|
|                                                                            | <b>£'000</b>        | <b>£'000</b>           | <b>£'000</b>                  | <b>£'000</b>                  |
| <b>Income and expenditure from affordable letting and other activities</b> |                     |                        |                               |                               |
| Affordable letting activities – note 4 (c)                                 | 1,963               | (1,884)                | 79                            | 578                           |
| Mid-Market Letting Activities                                              | 74                  | (18)                   | 56                            | -                             |
| Other activities – note 4 (e)                                              | 183                 | -                      | 183                           | 7                             |
| <b>Total 2026</b>                                                          | <b><u>2,220</u></b> | <b><u>(1,902)</u></b>  | <b><u>318</u></b>             | <b><u>585</u></b>             |
| <b>Total 2025</b>                                                          | <b><u>1,922</u></b> | <b><u>(1,337)</u></b>  | <b><u>585</u></b>             |                               |

**4(b). Turnover, operating costs, operating Surplus: Association**

|                                                                            | <b>Turnover</b>     | <b>Operating Costs</b> | <b>2026 Operating Surplus</b> | <b>2025 Operating Surplus</b> |
|----------------------------------------------------------------------------|---------------------|------------------------|-------------------------------|-------------------------------|
|                                                                            | <b>£'000</b>        | <b>£'000</b>           | <b>£'000</b>                  | <b>£'000</b>                  |
| <b>Income and expenditure from affordable letting and other activities</b> |                     |                        |                               |                               |
| Affordable letting activities – note 4 (d)                                 | 1,963               | (1,884)                | 79                            | 578                           |
| Other activities – note 4 (f)                                              | 239                 | -                      | 239                           | 7                             |
| <b>Total 2026</b>                                                          | <b><u>2,202</u></b> | <b><u>(1,884)</u></b>  | <b><u>318</u></b>             | <b><u>585</u></b>             |
| <b>Total 2025</b>                                                          | <b><u>1,922</u></b> | <b><u>(1,337)</u></b>  | <b><u>585</u></b>             |                               |

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS****For the year ended 31 March 2026****4(c). Particulars of turnover, operating costs and operating surplus or deficit from affordable letting activities: Group**

Included in the rent receivable amount stated below, is £75k and operating costs of £18k relating to Mid-Market Rental Income and expenditure, generated by Homes for Life Plus Limited.

|                                                               | <b>General<br/>Accom'n<br/>£'000</b> | <b>Supported<br/>Accom'n<br/>£'000</b> | <b>Other<br/>Accom'n<br/>£'000</b> | <b>2026<br/>£'000</b> | <b>2025<br/>£'000</b> |
|---------------------------------------------------------------|--------------------------------------|----------------------------------------|------------------------------------|-----------------------|-----------------------|
| <b>Income from affordable letting activities</b>              |                                      |                                        |                                    |                       |                       |
| Rent receivable net of identifiable service charges           | 1,658                                | 27                                     | 28                                 | 1,713                 | 1,656                 |
| Service charges receivable                                    | 26                                   | 3                                      | -                                  | 29                    | -                     |
| <b>Gross rents receivable</b>                                 | <b>1,684</b>                         | <b>30</b>                              | <b>28</b>                          | <b>1,742</b>          | <b>1,656</b>          |
| Add/(Less): Rent losses from voids                            | 5                                    | -                                      | -                                  | 5                     | (16)                  |
| <b>Net rents receivable</b>                                   | <b>1,689</b>                         | <b>30</b>                              | <b>28</b>                          | <b>1,747</b>          | <b>1,640</b>          |
| Grants released from deferred income (social)                 | 247                                  | 5                                      | 4                                  | 256                   | 255                   |
| Adaptation grants                                             | 34                                   | -                                      | -                                  | 34                    | 20                    |
| <b>Total income from affordable letting activities</b>        | <b>1,970</b>                         | <b>35</b>                              | <b>32</b>                          | <b>2,037</b>          | <b>1,915</b>          |
| <b>Expenditure on affordable letting activities services</b>  |                                      |                                        |                                    |                       |                       |
| Management and maintenance administration costs               | 886                                  | 16                                     | 15                                 | 917                   | 949                   |
| Reactive maintenance                                          | 158                                  | 3                                      | 3                                  | 164                   | 365                   |
| Planned and cyclical maintenance including major repair costs | 292                                  | 5                                      | 5                                  | 302                   | 280                   |
| Bad Debts - rent & service chg.                               | 63                                   | 1                                      | 1                                  | 65                    | 11                    |
| Housing Depreciation                                          | 440                                  | 7                                      | 7                                  | 454                   | 431                   |
| Pension Settlement                                            | -                                    | -                                      | -                                  | -                     | (807)                 |
| Education Payment                                             | -                                    | -                                      | -                                  | -                     | 106                   |
| <b>Total expenditure on affordable letting activities</b>     | <b>1,839</b>                         | <b>32</b>                              | <b>31</b>                          | <b>1,902</b>          | <b>1,337</b>          |
| <b>Operating surplus on affordable letting activities</b>     | <b>131</b>                           | <b>3</b>                               | <b>1</b>                           | <b>135</b>            | <b>578</b>            |
| <b>Operating surplus/(deficit) 2025</b>                       | <b>582</b>                           | <b>-</b>                               | <b>(4)</b>                         | <b>578</b>            |                       |

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS**

For the year ended 31 March 2026

**4(d). Particulars of turnover, operating costs and operating surplus or deficit from affordable letting activities: Association**

|                                                               | <b>General<br/>Accom'n<br/>£'000</b> | <b>Supported<br/>Accom'n<br/>£'000</b> | <b>Other<br/>Accom'n<br/>£'000</b> | <b>2026<br/>£'000</b> | <b>2025<br/>£'000</b> |
|---------------------------------------------------------------|--------------------------------------|----------------------------------------|------------------------------------|-----------------------|-----------------------|
| <b>Income from affordable letting activities</b>              |                                      |                                        |                                    |                       |                       |
| Rent receivable net of identifiable service charges           | 1,593                                | 27                                     | 28                                 | 1,648                 | 1,656                 |
| Service charges receivable                                    | 22                                   | 3                                      | -                                  | 25                    | -                     |
| <b>Gross rents receivable</b>                                 | <b>1,615</b>                         | <b>30</b>                              | <b>28</b>                          | <b>1,672</b>          | <b>1,656</b>          |
| Less: Rent losses from voids                                  | -                                    | -                                      | -                                  | -                     | (16)                  |
| <b>Net rents receivable</b>                                   | <b>1,615</b>                         | <b>30</b>                              | <b>28</b>                          | <b>1,672</b>          | <b>1,640</b>          |
| Grants released from deferred income (social)                 | 247                                  | 5                                      | 4                                  | 256                   | 255                   |
| Adaptation grants                                             | 34                                   | -                                      | -                                  | 34                    | 20                    |
| <b>Total income from affordable letting activities</b>        | <b>1,896</b>                         | <b>35</b>                              | <b>32</b>                          | <b>1,963</b>          | <b>1,915</b>          |
| <b>Expenditure on affordable letting activities services</b>  |                                      |                                        |                                    |                       |                       |
| Management and maintenance administration costs               | 868                                  | 16                                     | 15                                 | 899                   | 949                   |
| Reactive maintenance                                          | 158                                  | 3                                      | 3                                  | 164                   | 365                   |
| Planned and cyclical maintenance including major repair costs | 292                                  | 5                                      | 5                                  | 302                   | 280                   |
| Bad Debts - rent & service chg.                               | 63                                   | 1                                      | 1                                  | 65                    | 11                    |
| Housing Depreciation                                          | 440                                  | 7                                      | 7                                  | 454                   | 431                   |
| Pension Settlement                                            | -                                    | -                                      | -                                  | -                     | (807)                 |
| Education Payment                                             | -                                    | -                                      | -                                  | -                     | 106                   |
| <b>Total expenditure on affordable letting activities</b>     | <b>1,821</b>                         | <b>32</b>                              | <b>31</b>                          | <b>1,884</b>          | <b>1,337</b>          |
| <b>Operating surplus on affordable letting activities</b>     | <b>75</b>                            | <b>3</b>                               | <b>1</b>                           | <b>79</b>             | <b>578</b>            |
| <b>Operating surplus/(deficit) 2025</b>                       | <b>582</b>                           | <b>-</b>                               | <b>(4)</b>                         | <b>578</b>            |                       |

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS (continued)****For the year ended 31 March 2026****4(e). Particulars of Turnover, operating expenditure and operating surplus from other activities  
Group**

|                                     | <b>Other<br/>Income<br/>£'000</b> | <b>Other<br/>Expenses<br/>£'000</b> | <b>Operating<br/>Surplus<br/>£'000</b> | <b>2026<br/>£'000</b> | <b>2025<br/>£'000</b> |
|-------------------------------------|-----------------------------------|-------------------------------------|----------------------------------------|-----------------------|-----------------------|
| <b>Income from Other Activities</b> |                                   |                                     |                                        |                       |                       |
| Other Income                        | 5                                 | -                                   | 5                                      | 5                     | 7                     |
| Property gain on disposals          | <u>178</u>                        | <u>-</u>                            | <u>178</u>                             | <u>178</u>            | <u>-</u>              |
| <b>Gross other Income</b>           | <u><b>183</b></u>                 | <u><b>-</b></u>                     | <u><b>183</b></u>                      | <u><b>183</b></u>     | <u><b>7</b></u>       |

**4(f). Particulars of Turnover, operating expenditure and operating surplus from other activities  
Association**

|                                         | <b>Other<br/>Income<br/>£'000</b> | <b>Other<br/>Expenses<br/>£'000</b> | <b>Operating<br/>Surplus<br/>£'000</b> | <b>2026<br/>£'000</b> | <b>2025<br/>£'000</b> |
|-----------------------------------------|-----------------------------------|-------------------------------------|----------------------------------------|-----------------------|-----------------------|
| <b>Income from Other Activities</b>     |                                   |                                     |                                        |                       |                       |
| Other Income                            | 5                                 | -                                   | 5                                      | 5                     | 7                     |
| Income from group undertakings          | 40                                | -                                   | 40                                     | 40                    | -                     |
| Gift aid donation                       | 16                                |                                     | 16                                     | 16                    | -                     |
| Property costs/gain (loss) on disposals | <u>178</u>                        | <u>-</u>                            | <u>178</u>                             | <u>178</u>            | <u>-</u>              |
| <b>Gross other Income</b>               | <u><b>239</b></u>                 | <u><b>-</b></u>                     | <u><b>239</b></u>                      | <u><b>239</b></u>     | <u><b>7</b></u>       |

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS (continued)****For the year ended 31 March 2026****5. Surplus on ordinary activities before taxation**

|                                                                        | <b>2026</b>  | <b>Group</b> | <b>Association</b> |              |
|------------------------------------------------------------------------|--------------|--------------|--------------------|--------------|
|                                                                        | <b>2025</b>  |              |                    |              |
|                                                                        | <b>£'000</b> | <b>£'000</b> | <b>2026</b>        | <b>2025</b>  |
|                                                                        |              |              | <b>£'000</b>       | <b>£'000</b> |
| <b>Surplus on ordinary activities before taxation is stated after:</b> |              |              |                    |              |
| Depreciation Housing                                                   | 414          | 402          | 414                | 402          |
| Depreciation Other Assets                                              | 36           | 36           | 36                 | 36           |
| Gain on disposal of housing properties                                 | (178)        | -            | (178)              | -            |
| Loss on disposal of components                                         | 39           | 29           | 39                 | 29           |
| Amortisation – Capital Grants                                          | 256          | 256          | 256                | 256          |
| <b>Auditor's remuneration</b>                                          |              |              |                    |              |
| Audit services                                                         | <u>18</u>    | <u>14</u>    | <u>18</u>          | <u>14</u>    |

**6. Directors Emoluments**

The directors are defined as Board members and did not receive any remuneration or accrue any retirement benefits during the year. During the year, Board members were reimbursed £2,435 (2025: £1,472) for travel and subsistence expenses in respect of attendance at Board meetings and training sessions. Board members include tenant directors who must comply with the same regulations as non-director tenants. The company considers key management personnel to be the chief executive officer and the directors of the company. The emoluments of key management for the year were £81,753 (2025: £75,355). The employer's NI contributions for the year were £10,596 (2025: £8,345) and the pension contributions for the year were £5,603 (2025: £13,489).

|                                                                             | <b>2026</b>  | <b>Group</b> | <b>Association</b> |              |
|-----------------------------------------------------------------------------|--------------|--------------|--------------------|--------------|
|                                                                             | <b>2025</b>  |              |                    |              |
|                                                                             | <b>£'000</b> | <b>£'000</b> | <b>2026</b>        | <b>2025</b>  |
|                                                                             |              |              | <b>£'000</b>       | <b>£'000</b> |
| Total emoluments of key management (excluding pension contributions)        | <u>82</u>    | <u>75</u>    | <u>82</u>          | <u>75</u>    |
| Pension contributions on above                                              | <u>6</u>     | <u>13</u>    | <u>6</u>           | <u>13</u>    |
| The emoluments of the highest paid officer, excluding pension contributions | <u>82</u>    | <u>75</u>    | <u>82</u>          | <u>75</u>    |

The number of key management whose emoluments, excluding pension contributions, exceeded £60,000 for the twelve-month equivalent period were:

|                    | <b>2026</b> | <b>Group</b> | <b>Association</b> |             |
|--------------------|-------------|--------------|--------------------|-------------|
|                    |             | <b>2025</b>  |                    |             |
|                    |             |              | <b>2026</b>        | <b>2025</b> |
|                    |             |              |                    |             |
| £60,001 to £70,000 | -           | -            | -                  | -           |
| £70,001 to £80,000 | -           | 1            | -                  | 1           |
| £80,001 to £90,000 | <u>1</u>    | <u>-</u>     | <u>1</u>           | <u>-</u>    |

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS (continued)****For the year ended 31 March 2026****7. Employee information**

|                                                                                   | <b>Group</b> |              | <b>Association</b> |              |
|-----------------------------------------------------------------------------------|--------------|--------------|--------------------|--------------|
|                                                                                   | <b>2026</b>  | <b>2025</b>  | <b>2026</b>        | <b>2025</b>  |
|                                                                                   | <b>£'000</b> | <b>£'000</b> | <b>£'000</b>       | <b>£'000</b> |
| Staff costs (including key management personnel) during the year were as follows: |              |              |                    |              |
| Wages and salaries                                                                | 453          | 432          | 453                | 432          |
| Social security costs                                                             | 41           | 35           | 41                 | 35           |
| Pension costs                                                                     | 20           | 86           | 20                 | 86           |
| Group Life Cover                                                                  | -            | 2            | -                  | 2            |
| Pension Service Cost                                                              | -            | (59)         | -                  | (59)         |
| Pension liability remeasurement                                                   | -            | (807)        | -                  | (807)        |
|                                                                                   | <b>514</b>   | <b>(311)</b> | <b>514</b>         | <b>(311)</b> |

The average monthly number of persons employed by the Association during the year (including part-time staff) was as follows:

|                                         | <b>Group</b> |             | <b>Association</b> |             |
|-----------------------------------------|--------------|-------------|--------------------|-------------|
|                                         | <b>2026</b>  | <b>2025</b> | <b>2026</b>        | <b>2025</b> |
| Office staff                            | 10           | 10          | 10                 | 10          |
| Cleaning Team staff                     | -            | -           | -                  | -           |
| <b>Total staff</b>                      | <b>10</b>    | <b>10</b>   | <b>10</b>          | <b>10</b>   |
| <b>Full-time equivalent total staff</b> | <b>8</b>     | <b>8</b>    | <b>8</b>           | <b>8</b>    |

**8. Interest receivable and other income**

|                                      | <b>Group</b> |              | <b>Association</b> |              |
|--------------------------------------|--------------|--------------|--------------------|--------------|
|                                      | <b>2026</b>  | <b>2025</b>  | <b>2026</b>        | <b>2025</b>  |
|                                      | <b>£'000</b> | <b>£'000</b> | <b>£'000</b>       | <b>£'000</b> |
| Interest receivable on bank balances | 32           | 41           | 32                 | 41           |
| Other income                         | -            | 2            | -                  | 2            |
|                                      | <b>32</b>    | <b>43</b>    | <b>32</b>          | <b>43</b>    |

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS (continued)****For the year ended 31 March 2026****9. Interest and financing costs**

|                                            |              | <b>Group</b> |              | <b>Association</b> |
|--------------------------------------------|--------------|--------------|--------------|--------------------|
|                                            | <b>2026</b>  | <b>2025</b>  | <b>2026</b>  | <b>2025</b>        |
|                                            | <b>£'000</b> | <b>£'000</b> | <b>£'000</b> | <b>£'000</b>       |
| Interest on defined benefit pension scheme | -            | (29)         | -            | (29)               |
|                                            | <u>-</u>     | <u>(29)</u>  | <u>-</u>     | <u>(29)</u>        |

**10. Taxation**

The Association is a registered Charity (number SC028542) and is not liable to United Kingdom corporation tax on its housing activities. No tax liability arises in the year on the Group's non-housing activities as a result of the subsidiary profits being donated in full to the Association.

Homes for Life Plus is a registered company (SC185409) and is liable to corporation tax payable at 25% on Net Profits.

|                                                | <b>2026</b>  | <b>Group</b> |
|------------------------------------------------|--------------|--------------|
|                                                | <b>£'000</b> | <b>2025</b>  |
|                                                |              | <b>£'000</b> |
| Surplus on ordinary activities before taxation | <u>350</u>   | <u>569</u>   |
| Tax calculated at 25% (2025: 25%)              | 88           | 142          |
| Exempt charitable activities                   | (88)         | (142)        |
| <b>Tax expense/(refund) for the year</b>       | <u>-</u>     | <u>-</u>     |

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS (continued)****For the year ended 31 March 2026****11. Tangible fixed assets – housing properties: Group and Association**

None of these properties are held under lease.

The net book loss of components which have been replaced in the year of £39k (2025: £29k) is included in the depreciation charge of £454k (2025: £431k) in 4 (c) and note (d).

Included in freehold housing properties is land with a historic cost allocation of £2,025,949 (2025: £2,025,949).

|                                                   | <b>Housing<br/>properties<br/>held for<br/>letting<br/>£'000</b> | <b>Housing<br/>properties<br/>under<br/>construction<br/>£'000</b> | <b>Housing<br/>properties<br/>total<br/>£'000</b> |
|---------------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------|
| <b>Cost</b>                                       |                                                                  |                                                                    |                                                   |
| At 1 April 2025                                   | 18,868                                                           | 24                                                                 | 18,892                                            |
| Additions including properties under construction | 1,085                                                            | 39                                                                 | 1,123                                             |
| Disposals including replaced components           | (320)                                                            | -                                                                  | (320)                                             |
| At 31 March 2026                                  | <u>19,633</u>                                                    | <u>63</u>                                                          | <u>19,695</u>                                     |
| <b>Depreciation</b>                               |                                                                  |                                                                    |                                                   |
| At 1 April 2025                                   | (8,279)                                                          | -                                                                  | (8,279)                                           |
| Charged for the year                              | (414)                                                            | -                                                                  | (414)                                             |
| Released on disposal during the year              | 246                                                              | -                                                                  | 246                                               |
| At 31 March 2026                                  | <u>(8,447)</u>                                                   | <u>-</u>                                                           | <u>(8,447)</u>                                    |
| <b>Net book value</b>                             |                                                                  |                                                                    |                                                   |
| At 31 March 2026                                  | <u><b>11,185</b></u>                                             | <u><b>63</b></u>                                                   | <u><b>11,248</b></u>                              |
| At 31 March 2025                                  | <u>10,588</u>                                                    | <u>24</u>                                                          | <u>10,613</u>                                     |

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS (continued)****For the year ended 31 March 2026****11a. Other fixed assets – Group and Association**

|                           | Heritable<br>property<br>£'000 | Computer<br>equipment<br>£'000 | Office<br>property and<br>equipment<br>£'000 |
|---------------------------|--------------------------------|--------------------------------|----------------------------------------------|
| <b>Cost</b>               |                                |                                |                                              |
| At 1 April 2025           | 694                            | 123                            | 817                                          |
| Additions during year     | -                              | 1                              | 1                                            |
| Disposals during the year | -                              | -                              | -                                            |
| At 31 March 2026          | <u>694</u>                     | <u>124</u>                     | <u>818</u>                                   |
| <b>Depreciation</b>       |                                |                                |                                              |
| At 1 April 2025           | (171)                          | (98)                           | (269)                                        |
| Charged for the year      | (23)                           | (13)                           | (36)                                         |
| Disposals during the year | -                              | -                              | -                                            |
| At 31 March 2026          | <u>(194)</u>                   | <u>(111)</u>                   | <u>(305)</u>                                 |
| <b>Net book value</b>     |                                |                                |                                              |
| At 31 March 2026          | <u><u>500</u></u>              | <u><u>13</u></u>               | <u><u>513</u></u>                            |
| At 31 March 2025          | <u><u>523</u></u>              | <u><u>25</u></u>               | <u><u>548</u></u>                            |

**12. Debtors**

|                                | 2026<br>£'000     | Group<br>2025<br>£'000 | Association<br>2026<br>£'000 | 2025<br>£'000    |
|--------------------------------|-------------------|------------------------|------------------------------|------------------|
| Arrears of rent                | 15                | 13                     | 15                           | 13               |
| Less: bad debt provision       | <u>(5)</u>        | <u>(3)</u>             | <u>(5)</u>                   | <u>(3)</u>       |
|                                | 10                | 10                     | 10                           | 10               |
| Group debtors – Other          | -                 | -                      | 78                           | -                |
| Other debtors                  | 48                | 4                      | 47                           | 4                |
| Accrued income and prepayments | <u>113</u>        | <u>80</u>              | <u>113</u>                   | <u>80</u>        |
|                                | <u><u>171</u></u> | <u><u>94</u></u>       | <u><u>248</u></u>            | <u><u>94</u></u> |

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS (continued)****For the year ended 31 March 2026****13. Creditors: amounts falling due within one year**

|                                  | <b>Group</b>      |                   | <b>Association</b> |                   |
|----------------------------------|-------------------|-------------------|--------------------|-------------------|
|                                  | <b>2026</b>       | <b>2025</b>       | <b>2026</b>        | <b>2025</b>       |
|                                  | <b>£'000</b>      | <b>£'000</b>      | <b>£'000</b>       | <b>£'000</b>      |
| Prepaid rent                     | 34                | 35                | 34                 | 35                |
| Group creditors                  | -                 | -                 | 79                 | -                 |
| Other taxes and Social Security  | 12                | 11                | 12                 | 11                |
| Accruals                         | 87                | 127               | 87                 | 127               |
| Pension Creditor                 | -                 | 4                 | -                  | 4                 |
| Other Creditors                  | 105               | 97                | 103                | 97                |
| Deferred capital grant (note 15) | <u>256</u>        | <u>256</u>        | <u>256</u>         | <u>256</u>        |
|                                  | <b><u>494</u></b> | <b><u>530</u></b> | <b><u>571</u></b>  | <b><u>530</u></b> |

**14. Creditors: amounts falling due after more than one year**

|                                  | <b>Group</b>        |                     | <b>Association</b>  |                     |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                  | <b>2026</b>         | <b>2025</b>         | <b>2026</b>         | <b>2025</b>         |
|                                  | <b>£'000</b>        | <b>£'000</b>        | <b>£'000</b>        | <b>£'000</b>        |
| Deferred capital grant (note 15) | <u>6,530</u>        | <u>6,786</u>        | <u>6,530</u>        | <u>6,786</u>        |
|                                  | <b><u>6,530</u></b> | <b><u>6,786</u></b> | <b><u>6,530</u></b> | <b><u>6,786</u></b> |

**15. Deferred capital grant**

|                                | <b>Group</b>        |                     | <b>Association</b>  |                     |
|--------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                | <b>2026</b>         | <b>2025</b>         | <b>2026</b>         | <b>2025</b>         |
|                                | <b>£'000</b>        | <b>£'000</b>        | <b>£'000</b>        | <b>£'000</b>        |
| At 1 April                     | 6,786               | 7,042               | 6,786               | 7,042               |
| Grant received during the year | -                   | -                   | -                   | -                   |
| Amortised during the year      | <u>(256)</u>        | <u>(256)</u>        | <u>(256)</u>        | <u>(256)</u>        |
| At 31 March                    | <b><u>6,530</u></b> | <b><u>6,786</u></b> | <b><u>6,530</u></b> | <b><u>6,786</u></b> |

Grants relating to assets are released to income over the lifetime of the related asset resulting in release as follows:

Grants received totalled £12,546k; the above £6,530k represents amortised balance as at 31st March 2026. Grants are repayable in certain circumstances primarily following the sale of the related property. A contingent liability of £6,016k exists in respect of amortised grants.

|                       | <b>Group</b>        |                     | <b>Association</b>  |                     |
|-----------------------|---------------------|---------------------|---------------------|---------------------|
|                       | <b>2026</b>         | <b>2025</b>         | <b>2026</b>         | <b>2025</b>         |
|                       | <b>£'000</b>        | <b>£'000</b>        | <b>£'000</b>        | <b>£'000</b>        |
| In one year or less   | 256                 | 256                 | 256                 | 256                 |
| In more than one year | <u>6,530</u>        | <u>6,786</u>        | <u>6,530</u>        | <u>6,786</u>        |
|                       | <b><u>6,786</u></b> | <b><u>7,042</u></b> | <b><u>6,786</u></b> | <b><u>7,042</u></b> |

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS (continued)****For the year ended 31 March 2026****16. Share Capital**

|                             | <b>2026</b>       | <b>2025</b>       |
|-----------------------------|-------------------|-------------------|
|                             | <b>£</b>          | <b>£</b>          |
| At 1 April                  | 133               | 133               |
| Issued during the year      | 1                 | 4                 |
| Surrendered during the year | <u>(6)</u>        | <u>(4)</u>        |
| At 31 March                 | <u><b>128</b></u> | <u><b>133</b></u> |

Each Member of the Association holds one voting share (nominal value £1) in the Association. These shares carry no rights to interest, bonuses, dividend or distributions on a winding up. All shares are surrendered on the cessation of membership. Each Member has the right to vote at members' meetings.

**17. Cash flow from operating activities**

|                                                           | <b>2026</b>       | <b>Group</b>      | <b>Association</b> | <b>2025</b>       |
|-----------------------------------------------------------|-------------------|-------------------|--------------------|-------------------|
|                                                           | <b>£'000</b>      | <b>2025</b>       | <b>2026</b>        | <b>2025</b>       |
|                                                           | <b>£'000</b>      | <b>£'000</b>      | <b>£'000</b>       | <b>£'000</b>      |
| Surplus for the year after tax                            | 350               | 599               | 350                | 599               |
| <i>Adjustments for non-cash items:</i>                    |                   |                   |                    |                   |
| Depreciation of tangible fixed assets                     | 450               | 438               | 450                | 438               |
| Decrease/(increase) in trade and other debtors            | (77)              | 89                | (154)              | 89                |
| Increase/(decrease) in trade and other creditors          | (36)              | 28                | 41                 | 28                |
| Carrying amount of tangible fixed asset disposals         | 74                | 29                | 74                 | 29                |
| <i>Adjustments for investing or financing activities:</i> |                   |                   |                    |                   |
| Pension service costs                                     | -                 | (30)              | -                  | (30)              |
| Release of deferred capital grants                        | (256)             | (256)             | (256)              | (256)             |
| Interest received                                         | (32)              | (43)              | (32)               | (43)              |
| Cash generated from operating activities tax paid         | -                 | -                 | -                  | -                 |
| Net cash generated from operating activities              | <u><b>473</b></u> | <u><b>854</b></u> | <u><b>473</b></u>  | <u><b>854</b></u> |

**18. Capital commitments**

There were no capital commitments at 31 March 2026 (2025: £nil).

**Homes for Life Housing Partnership****NOTES to the GROUP ACCOUNTS (continued)****For the year ended 31 March 2026****19. Units of Accommodation**

| <b>Group and Association</b>     | <b>At 1<br/>April 2025<br/>£'000</b> | <b>Additions<br/>£'000</b> | <b>Disposals<br/>£'000</b> | <b>Adjustment<br/>£'000</b> | <b>At 31<br/>March 2026<br/>£'000</b> |
|----------------------------------|--------------------------------------|----------------------------|----------------------------|-----------------------------|---------------------------------------|
| <b>Property held for letting</b> |                                      |                            |                            |                             |                                       |
| General need housing             | 295                                  | -                          | (1)                        | (16)                        | 278                                   |
| Supported housing                | 9                                    | -                          | -                          | -                           | 9                                     |
| Other (Respite)                  | 1                                    | -                          | -                          | -                           | 1                                     |
| Mid-market rent                  | -                                    | -                          | -                          | 16                          | 16                                    |
|                                  | <b>305</b>                           | <b>-</b>                   | <b>(1)</b>                 | <b>-</b>                    | <b>304</b>                            |

As at 31 March 2026 the number of properties the Association leased to Homes for Life Plus for onward letting at mid-market rent was 16 (2025: nil).

**20. Related party disclosure**

The company has directors who are also tenants. The total rent charged in the year relating to tenant directors was £5,187 (2025: £4,889). The total rent arrears relating to tenant directors included within debtors at the year-end is £nil (2025: £nil).

As a member of EVH, the company sets its employee terms and conditions based on their guidance. The membership fee for the year ended 31 March 2026 was £6,024 (2025: £4,851) and the company has received other services from EVH during the year costing £1,099 (2025: £1,774).

The Association no longer subscribes for membership of SHARE, the company's membership for the year ended 31 March 2026 was £nil (2025: £2,800) however the company received other services during the year costing £2,200 (2025: £4,390).

As a member of SFHA, the company's membership for the year ended 31 March 2026 was £3,409 (2025: £3,310) and the company received other services during the year costing £675 (2025: £577).

The Association leased 16 properties during the year to Homes for Life Plus Limited, a subsidiary of Homes for Life Housing Partnership, which was set up in 2025-26 to accommodate the properties which receive rent on a mid-market rent basis, receiving £73,554 (2025: £nil) in respect of these leases. In addition, it provided Management services totalling £40,455 (2025: £nil) to Homes for Life Plus Limited. Homes for Life Plus Limited agreed a gift aid distribution of £16,612 (2025: £nil) to the association in relation to the period financial results. The net amount due to Homes for Life Plus Limited at 31st March was £1,796 (2025: £nil), the gross amounts are disclosed in Notes 12 and 13.

**21. Revenue Commitments**

The company had no commitments for rental payments under non-cancellable operating leases at 31 March 2026.

**Homes for Life Housing Partnership**

**NOTES to the GROUP ACCOUNTS (continued)**

**For the year ended 31 March 2026**

**22. Legislative provisions**

The company is established under the Companies Act as a charitable company, limited by guarantee. In the event of a winding up each of the members (at 31 March 2026: 128) undertake to contribute an amount not exceeding £1.

Grants relating to assets are recognised as a liability which is then amortised or released to income over the lifetime of the related asset. The deferred capital grant disclosed at note 15 represents the remaining capital grants yet to be released to income. The original amounts of these grants become repayable on the sale or disposal of the related assets unless there is a specific agreement in place to recycle the grant against new property development. Housing Association Grant amortised to 31 March 2026 amounts to £6,530k.

**23. Homes for Life Operating Lease**

Homes for Life Housing Partnership charges Homes for Life Plus Limited a lease fee amounting to 55% of rental income for the properties that Homes for Life Housing Partnership owns and Homes for Life Plus Limited collects mid-market rental income. This year it amounted to £40k (2025: £Nil).

**24. Investments – Association**

The financial statements consolidate the results of one wholly owned subsidiary, a non-charitable subsidiary, Homes for Life Plus Limited; The association has the right to appoint members to the board of the subsidiary and thereby exercises control over it.

