WEST HIGHLAND HOUSING ASSOCIATION

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

Financial Conduct Authority Number: 1691R (S)

Scottish Housing Regulator Registration Number: HEP 163

Registered Scottish Charity Number: SC017357

WEST HIGHLAND HOUSING ASSOCIATION

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WEST HIGHLAND HOUSING ASSOCIATION

ASSOCIATION INFORMATION

Directors	G Boyle L Houston J Degnan D Mackie D Sloss J Tolmie D Cargill Councillor D McFadzean P Barnes J McKie J Turner R Pfeifer
Secretary	B Sadler
Registered office	Crannog Lane Oban Argyll PA34 4HB
Auditor	RSM UK Audit LLP Third Floor 2 Semple Street Edinburgh EH3 8BL
Internal auditor	TIAA Artillery House Fort Fareham Industrial Site Fareham PO14 1AH
Bankers	Nationwide Building Society Commercial Division Caledonia House Carnegie Avenue Dunfermline KY11 8PE
	Bank of Scotland Station road Oban PA34 4LL
	Virgin Money 19 Longrow Campbeltown PA28 6ER
	CAF Bank 25 Kingshill Avenue West Malling Kent ME19 4JQ
	Royal Bank of Scotland 36 St Andrew Square Edinburgh EH2 2AD

WEST HIGHLAND HOUSING ASSOCIATION

ASSOCIATION INFORMATION

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

WEST HIGHLAND HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2026

The Board presents its report and audited financial statements for year ended 31 March 2026.

Legal Status

West Highland Housing Association Limited (the Association) is a registered non-profit making body under the Co-operative and Community Benefit Societies Act 2014 No. 1691R (S).

The Association is governed under its rules and registered with the Financial Conduct Authority, the Scottish Housing Regulator as a Registered Social Landlord and with the Office of the Scottish Charities Regulator as a Scottish charity.

Principal Activity

The Association's principal activity is the provision of affordable, well-maintained, high-quality housing in the Oban, Lorn and Island area. In doing this we support fragile communities within the local area.

Mission, Objectives and Values

Our Mission Statement and Values reflect our work in supporting local communities and our tenants.

Our Mission

Providing and maintaining quality homes to support local communities to thrive.

Objectives

The Association plans activities around the following strategic objectives:

- Providing High Quality Sustainable Homes
- Delivering Excellent Services
- Keeping the Organisation Safe and Secure
- Valuing Our People
- Strengthening Positive Community Partnerships

Our Values

Our Values underpin everything we do:

- Responsibility – We all take responsibility for our actions.
- Empathy – We work hard to understand how people feel as individuals and treat them with dignity.
- Social Impact – We strive to ensure that there is a positive social impact from our activities and work with others who share these aims.
- Participation – We are proactive in providing opportunities for people to engage with us and help us to improve our services.
- Equity – We are all equal and different, and we aim to provide inclusive environments for work and for living.
- Challenge – We challenge ourselves and others towards excellence and innovation in all we do.
- Transparency – We wish to be open and honest about what we do and how we do it.

Board and Executive Officers

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

Each member of the Board holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Board. The members of the Board are also Trustees of the Charity. Members of the Board are appointed by the members at the Association's Annual General Meeting.

Corporate Structure

The association is a subsidiary of Link Group Limited (the Group), a Registered Social Landlord. Ultimate responsibility for the conduct and the control of the Group and its subsidiaries rests with the Link Group Board, while an Independence and Responsibilities Agreement sets out conditions for the autonomous operation of the Association within the Group.

The Association has its own subsidiary West Highland Futures Limited which has its own Board of Directors split equally between independent members and West Highland Housing Association board members.

Corporate Governance

Link Group submits Group assurance statements to the Regulator confirming compliance with:

- All relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework
- All relevant standards and outcomes in the Scottish Social Housing Charter
- All relevant legislative duties
- The Standards of Governance and Financial Management

The Association's Chair, Linda Houston, is also a member of the Link Group Board as part of the Link Group governance structure.

Board and Governance

On an operational day to day basis the Association is managed by the Chief Executive who reports to the Board. Board Meetings are held approximately every 2 months. The current governance structure includes an overall Board, an Audit & Risk Committee, a Performance & Health & Safety Committee and a Nominations Committee.

The Board sets the strategic direction of the organisation and monitors the operational activities. As at the year end, there were 12 Board Members, one of which was Council nominated.

At the AGM in September 2025, Linda Houston was appointed as the new Board Chair and Jim Tolmie as Board Vice Chair.

The Board held its annual in-person away day (split over two days) in October 2025 where the main themes were:

- 30 Year Plan / Investment Plans / Assumptions
- Rent Affordability
- Innovation

Corporate Plan 2023-2028

The Corporate Plan was approved in 2023 for a five-year period. Alongside the Corporate Plan, an annual Delivery Plan is produced. The 2025/26 Delivery Plan included the headline actions and projects planned to be undertaken during the year with progress on achieving the Delivery Plan reported on a quarterly basis to Board. The Delivery Plan actions were aligned to the Association's five Corporate Plan Objectives which are:

- Providing high quality homes
- Delivering excellent services
- Keeping the organisation safe and secure
- Valuing our people
- Promoting positive community partnerships

Business Plan 2026-2029

As the vast majority of the identified actions in the Corporate Plan were completed by 2025/26, the Board approved the development of a new Business Plan from 2026. This also aligned the Business Plan development with Link Group and its partners, ensuring there is a more consistent Business Plan approach and layout across the group. The new three-year WHHA Business Plan was approved in March 2026 and included consultation and feedback from staff, tenants and Board Members. The new Business Plan runs from 2026-2029.

Development Strategy 2023-2028

The current five-year Development Strategy was approved in 2023. As with previous years, a number of developments were started on site during the last year, along with progressing a number of potential future developments. The developments on site at year end 2025/26 were:

- 20 units on site at Port Ellen, Islay
- 6 units at Port Appin
- 10 units at Tobermory, Mull

One development was also completed during the 2025/26 year:

- 16 units on site at Port Charlotte, Islay

A number of other sites are in the process of being confirmed in our future association Development Programme, including the purchase of several future development sites. These sites enable the development risk to be reduced and for the association to be in better control of when developments will start on site in the future.

West Highland Futures Limited

West Highland Futures Limited is a wholly-owned subsidiary of the Association and operates biomass heating systems providing heat to the Association's tenants and at the Mull Progressive Care Centre to NHS Highland and Argyll and Bute Council. West Highland Futures Limited has a separate Board of Directors which meets regularly through the year to review performance, consisting currently of 2 independent and 2 association Board Members.

The Association has taken advantage of the exemption within section 400 of the Companies Act which allows the accounts for West Highland Futures Limited not to be consolidated within these financial statements, but they are consolidated within the financial statements of Link Group Limited.

Risk

As part of the Link Group, the Association shares their risk approach and utilises the Link Group Risk Management Framework. The Association has a full risk register which is reported on a quarterly basis to the Audit & Risk Committee, and on an annual basis to Board. The quarterly report to Audit & Risk Committee includes details of any changes to risk ratings, actions and controls that have taken place.

The Association has 29 risks on its corporate risk register and has identified the following as its highest key risks:

- Being unable to meet Social Housing Net Zero Targets – The Association are awaiting the Scottish Government announcement on the new proposed Social Housing Net Zero standard. In the meantime, the Association continues to upgrade housing stock to improve energy efficiency, whilst awaiting final details regarding the new Standard.
- Introduction of new systems (Housing Management System & Finance System) – in 2025/26 the Association identified the need to introduce a new Housing Management System, alongside moving over to the Link Group finance system. Both represent significant projects to undertake during 2026/27.
- Increased costs affecting the delivery of the business plan – whilst the Association is a financially sound and robust organisation, the Association recognises that there continues to be increased cost pressures on our future finances. The Association will continue to pay close attention to current and anticipated costs across the business.
- Not being able to provide a quality Grounds Maintenance service to tenants and factored owners – in late 2025/26 the Association identified that the grounds maintenance contract required to be retendered. The Association recognises that the current grounds maintenance service needs to improve and links directly to overall customer satisfaction.

Financial Performance

The financial statements reflect the requirements of the Statement of Recommended Practice (SORP) for registered social housing providers, the Housing SORP 2018.

The financial statements show total comprehensive income for the year of £653k (2025: £1,161k). This surplus was after taking account of a gain on the Association's pension liability of £112k (2025: gain of £11k).

Turnover increased in the year to £7,489k from £7,225k in 2025. The majority of the increase is in relation to rent and service charge increases.

The Association's core income from property rents increased by 6.4% to £5,277k from £4,961k, the majority of the increase reflecting the rent increase of 5.5%, which took effect in April 2025, together with additional rental income from recently completed properties.

Operating costs increased to £6,480k from £5,657k in 2025. This is due to an increase in Service costs and Planned and Cyclical Maintenance costs in line with budgeted planned works.

On the Statement of Financial Position, the Association's housing properties amount to £82,816k (2025: £79,589k). Investment in housing property during the year amounted to £5,898k (2025: £6,643k) which included both the development of new properties and the upgrade of existing properties.

Net current assets fell slightly from £2,746k in 2025 to £2,738k.

At 31 March 2026 the Association's capital and reserves stood at £15,198k (2025: £14,545k).

The Board consider that these reserves are necessary to fund the cost of future major repairs and improvements to the Association's housing properties.

Financing and Liquidity

The Association manages its borrowings and cash investments in accordance with the Treasury Management Policy approved by the Board. In this way the Association manages its borrowing arrangements to ensure that it is always able to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held. During the year, the Association continued to utilise the Flagstone Charity Deposit Scheme to increase returns from investment.

The Association does not enter transactions of a speculative nature. At 31 March 2026 the Association had a mix of fixed (68%) and variable (32%) debt. The level of fixed loans was a higher % than when compared to 31 March 2025 (48%). This is due to taking a new fixed rate loan during the year. The association also reduced the overall number of lenders during the year.

Properties in Management

As of 31 March 2026, the Association had 863 properties including 12 under shared ownership. In addition, it managed 353 properties and 43 rent to buy properties on behalf of Link Group and provided a property factoring service to a further 218 properties.

Tenant Participation

In 2025, the Association launched a new Tenants Panel, to improve tenant involvement across the organisation and the panel have since met a number of times to discuss a range of subjects within its terms of reference. Alongside this, in 2025 a tenant was appointed to join the Association's Board of Management, further strengthening tenant involvement at Board level.

In early 2026, the Association launched a new Tenant Participation Strategy for 2026-29, with an associated action plan. As part of developing the new Strategy, tenants provided a range of feedback, including what their top tenant engagement priorities are for the next three years. The top three of which are:

- Affordable rent;
- Maintaining and upgrading homes and estates; and
- Opportunities to participate and feel heard

Staffing

Overall staffing levels have remained consistent throughout the year.

Following the resignation of the Director of Finance & Business Support in late 2024, an external recruitment exercise was undertaken, supported by consultants, to find prospective candidates to fulfil the role. Despite interested applicants, the Association was unable to appoint to the role. In conjunction with the Board, the CEO reviewed the staffing structure and created an interim staffing structure, including a new Interim Head of Finance role which was appointed to internally in May 2025. Following a successful probation period, this role was made permanent in December 2025.

Team West Highland whole staff team meetings continue to be held monthly and throughout the year quarterly staff satisfaction pulse surveys were sent out to all staff, to gather staff satisfaction feedback. The staff pulse survey results were shared with all staff at the Team West Highland meetings with 100% of staff responses stating they are satisfied with the Association as an employer.

Investors in People

During 2025, a twelve month review meeting was held with the Investors in People (IIP) assessor.

The IIP assessor noted that significant progress had been made in addressing the identified areas raised in the 2024 IIP review.

Performance

The Performance and Health & Safety Committee monitors performance in terms of operations, business services and asset management on behalf of the main Board. A range of financial ratios and indicators were produced on a quarterly basis for the Audit & Risk Committee. The performance information was used by both Committees to monitor how the organisation is performing and, more importantly, initiate corrective action in underperforming areas.

The Association reports to the Scottish Housing Regulator each year on performance that is required for the Annual Return on Charter (ARC). To ensure the Board has some external assurance regarding the data, an external validator is used. This provides some additional assurance for the Board but also provides the staff team with challenge around their understanding of ARC definitions and their collection of data.

This year the Association's overall performance has remained at similar high level to last year and generally compared favourably when benchmarked against other housing associations operating in the area. In particular, satisfaction with rent being value for money has increased, as has overall tenant satisfaction levels.

To draw on some specific areas:

- **Allocations**

In 2025/2026 there were 55 allocations, of which 7 were mutual exchanges.

- **Voids**

Our void performance has continued to be at an excellent level as compared to Scottish average.

- **Rents**

We know that the Association's rents are higher than other Argyll Registered Social Landlord (RSL's). There are several reasons for this to do with build date, type of stock and size of house and we know that our new build rents are set at a similar level to other RSL's. The Association has been utilising a rent tool developed by consultants which provides a deeper level of understanding of the issues around rent affordability and to also utilise the affordability information during Board discussions. Rent setting proposals are also run through the Association's 30-year financial plan as a modelling tool to ensure the Association's long term viability.

- **Compliance/Health & Safety**

The Association has continued to provide a Compliance Update Report on a quarterly basis to Performance and Health & Safety Committee. Performance in key compliance areas has continued to improve over the course of the year. Alongside this, an external Compliance audit was completed, providing a useful check on areas the Association can improve on further.

- **Maintenance**

The Association has taken a prudent approach in terms of its planned maintenance both in the short/medium term and over the 30 years of the Business Plan to ensure financial viability.

During 2025/26 the Association committed significant capital investment into new windows, heat pumps, solar PV and battery storage to 20 properties in Mull and Jura. Alongside this, a window replacement programme was undertaken across three schemes in Islay, for a total of 17 properties.

Focus has continued around damp, mould and condensation where both the reporting and monitoring of reports made by tenants is reported on a regular basis to both Board and the Performance & Health & Safety Committee. An internal audit report on damp, mould and condensation was also carried out across Link Group (including WHHA as a subsidiary company), providing a number of future actions to be undertaken across the group going forward.

The Association sets challenging key performance indicators annually, as we strive to continuously improve services and our performance compares well across the sector. Information on our Key Performance Indicators is given in the table below.

Key Performance Indicator	**Achieved 2025/26**	**Target 2025/26**	**Achieved 2024/25**
Financial Health			
Percentage of rent lost through properties being empty	0.20%	0.40%	0.22%
Gross rent arrears (all tenants) as a percentage of rent due	1.64%	4.00%	1.50%
Service Quality			
Average re-let time (calendar days)	14.31	13.00	12.92
Average length of time taken to complete emergency repairs (hours)	3.19	12.00	3.37
Average length of time taken to complete non-emergency repairs (working days)	11.18	13.00	10.86
Percentage of reactive repairs carried out in the last year complete right first time	98.10%	90.00%	73.58%
Percentage of tenants who have had repairs carried out in the last 12 months and are satisfied with the repairs service	83.33%	90.00%	84.90%
Percentage of Anti-Social Behaviour cases reported and resolved	50%	95%	69%
Percentage of tenants who feel the rent for their property represents good value for money	79.87%	80.00%	77.78%
Stock Quality			
Percentage of stock meeting the Scottish Housing Quality Standard (SHQS)	96.47%	96.20%	95.70%
Percentage of properties achieving EICR compliance	99.53%	100%	100%
Access to Housing and Support			
Percentage of new tenancies sustained for more than one year	93.15%	90.00%	82.46%

Results and dividends

The results for the year are set out on page 17.

Board Members

Board members who served throughout the year are as follows:

G Boyle	
L Houston	
J Degnan	
M Feinmann	(Resigned May 2025)
D Mackie	
D Sloss	
J Tolmie	
D Cargill	
Councillor D McFadzean	
P Barnes	
J McKie	
J Turner	(Appointed September 2025)
R Pfeifer	(Appointed September 2025)

Going Concern

The Board has reviewed the results for this year and has also reviewed the projections for the next five years and believes that there is a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

Auditor

A resolution to re-appoint the Auditor, RSM UK Audit LLP, will be proposed at the Annual General Meeting.

Statement of disclosure to auditor

As far as the Board is aware, there is no relevant audit information of which the auditor is unaware and the Board has taken all the steps it ought to have taken to make itself aware of any relevant audit information and to ensure that the auditor is aware of any such information.

The members of the Board who held office at the date of approval of this report of the Board confirm that, so far as they are aware, there is no relevant audit information of which the Association's auditor is unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

This report was approved by the board on 21 August 2026.

DocuSigned by:

[redacted]

L Houston

Board Member

Date: 21 August 2026

WEST HIGHLAND HOUSING ASSOCIATION

BOARD STATEMENT ON INTERNAL FINANCIAL CONTROLS

FOR THE YEAR ENDED 31 MARCH 2026

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

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

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

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Board to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board;
- the Board receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken and;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

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

DocuSigned by:

[redacted]

L Houston
Board Member

Date: 21 August 2026

STATEMENT OF BOARDS RESPONSIBILITIES UNDER THE CO-OPERATIVE AND COMMUNITY BENEFIT SOCIETIES ACT 2014 FOR A REGISTERED SOCIAL LANDLORD

FOR THE YEAR ENDED 31 MARCH 2026

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

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

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

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

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

This statement was approved by the Board on 21 August 2026.

WEST HIGHLAND HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WEST HIGHLAND HOUSING ASSOCIATION

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of the Committee

As explained more fully in the Committee of Management's responsibilities statement set out on page 12, the Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

As a result of these procedures, we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Housing (Scotland) Act 2010, the Housing SORP 2018 and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the Housing (Scotland) Acts 2006, 2014 and 2025, the Co-operative and Community Benefit Societies Act 2014, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Scottish Housing Regulator's regulatory framework and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the Association is in compliance with these laws and regulations and inspected correspondence with licensing or regulatory authorities, including a search on publicly available registers for any indications of breaches.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgements and estimates.

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

Use of our report

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

[redacted]

Date 27/08/26

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

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

WEST HIGHLAND HOUSING ASSOCIATION

REPORT BY THE AUDITOR TO THE MEMBERS OF WEST HIGHLAND HOUSING ASSOCIATION ON CORPORATE GOVERNANCE MATTERS

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

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

Opinion
In our opinion the Statement on Internal Financial Control on page 11 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.

[redacted]

Date 27/08/26

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Third Floor
2 Semple Street
Edinburgh
EH3 8BL

WEST HIGHLAND HOUSING ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £'000	2025 £'000
Income	**3**	7,489	7,225
Operating expenditure		(6,480)	(5,657)
Operating surplus		1,009	1,568
Investment income		159	159
Finance costs		(667)	(608)
Other gains and losses		(1)	1
Gift aid from subsidiary		41	30
Surplus before taxation		541	1,150
Tax on surplus	**7**	-	-
Surplus for the financial year		541	1,150
Other comprehensive income			
Actuarial gain on defined benefit pension scheme		112	11
Total comprehensive income for the year		653	1,161

The income and expenditure account has been prepared on the basis that all operations are continuing operations.

The notes on pages 22 to 46 form part of these financial statements.

WEST HIGHLAND HOUSING ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2026

	Notes	2026 £'000	2026 £'000	2025 £'000	2025 £'000
Non-current assets					
Housing properties	9		82,816		79,589
Other fixed assets	10		1,238		1,298
Investments			-		-
			84,054		80,887
Current assets					
Work in progress	11	755		1,181	
Stock	12	992		431	
Trade and other receivables	13	1,603		847	
Investments	14	-		1,599	
Cash and cash equivalents		3,215		2,240	
		6,565		6,298	
Current liabilities	15	(3,827)		(3,552)	
Net current assets			2,738		2,746
Total assets less current liabilities			86,792		83,633
Non-current liabilities					
Borrowings	16	(10,324)		(9,953)	
Deferred income	17	(61,128)		(58,894)	
			(71,452)		(68,847)
Provisions for liabilities					
Defined benefit pension liability	18	(142)		(241)	
			(142)		(241)
Net assets			15,198		14,545
Capital and reserves					
Share capital	19		-		-
Income and expenditure account			15,198		14,545
			15,198		14,545

The notes on pages 22 to 46 form part of these financial statements.