Charity registration number SC027544 (Scotland)

Company registration number SC182862

COMMUNITIES HOUSING TRUST

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

A9 Accountancy Limited
Chartered Accountants
Elm House
Cradlehall Business Park
Inverness
IV2 5GH

COMMUNITIES HOUSING TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Blair Allan	
	Julia Campbell	
	Alex Matheson	
	Audrey Sinclair	
	William Steele	
	Dion Alexander	(Appointed 14 April 2025)
	Lesley McInnes	(Resigned 10 July 2025 and reappointed 5 June 2026)
Secretary	Morven Taylor	
Charity number (Scotland)	SC027544	
Company number	SC182862	
Registered office	Suite 4, Second Floor Moray House Bank Street Inverness IV1 1QY	
Auditor	A9 Accountancy Limited Elm House Cradlehall Business Park Inverness United Kingdom IV2 5GH	
Bankers	Triodos Bank Deanery Road Bristol BS1 5AS	
Solicitors	Murchison Law Solicitors Ebenezer House 12-13 Ardross Street Inverness IV3 5NS	

COMMUNITIES HOUSING TRUST

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COMMUNITIES HOUSING TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2026

The trustees present their annual report and financial statements for the year ended 31 March 2026.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the charity's governing document, the Companies Act 2006 the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

Objectives and activities

Principal activities:

1) To provide, or assist, in the provision of housing for persons in necessitous circumstances, in the Highlands and Islands Electoral Region of the Scottish Parliament or such other area that may replace it ("the Primary Operating Area") and outside the said Highlands and Islands Electoral Region but always within Scotland ("the Secondary Operating Area")

2) To relieve the needs of persons suffering from mental or physical disability, illness or impairment or old age, through the provision, or assistance in the provision, of housing specifically adapted to meet their requirements, primarily, but not exclusively, in the Primary Operating Area.

3) To promote education, particularly in the field of housing, primarily, but not exclusively, in the Primary Operating Area.

4) To promote, establish, operate and/ or support schemes and projects of charitable nature, which promote inclusion, sustainability and wellbeing, provided always that these are not dealt with on commercial basis, for the benefit of communities in the Primary and Secondary Operating Areas.

5) To promote the advancement of citizenship or community development (including rural or urban regeneration and the promotion of civic responsibility, volunteering, the voluntary sector of the effectiveness or efficiency of the charities) in the Primary and Secondary Operating Area.

To achieve this, the trust works in partnership with the public sector, housing associations, the communities we seek to support and the private sector.

Our Business Plan objectives:

Communities Housing Trust is a community-led rural housing development agency. We work with communities, partners and stakeholders to find practical, bespoke, flexible and sustainable solutions to meet the housing needs of individual and communities.

Our key objectives are:

- To enable communities to plan for ownership of their future.
- To develop projects that are beneficial to and mindful of the environment, communities, individuals and the economy.
- To provide a range of affordable housing opportunities for individual and family households.
- To provide high quality management and maintenance services.
- To be ambassadors for rural development through our work.
- To develop our skills and resources to deliver our mission and financial success.

Achievements and performance

Significant activities and achievements against objectives

Community engagement:

- CHT have received 38 enquiries from parties interested in progressing community-led housing development
- CHT have undertaken 6 housing needs surveys
- CHT have supported 27 grant applications for a range of funders and clients

Pre-Development:

- CHT have engaged with 31 communities to provide information and advice and undertaken community feasibility studies
- 24 pre-development projects at various stages for their own future projects and agency projects on behalf of others
- Planning consent has been secured on 5 sites for 47 units in Melness, Strathcarron, Scourie, Lochinver and Achiltibuie for communities

Construction:

- CHT have built 4 homes in 1 community
- CHT have undertaken development agent services for organisations providing 2 homes and plots in 1 community
- CHT have completed the end of defects process on 5 sites for 45 units
- 2 Development Agency projects are on site for 6 homes in Aberfeldy and Balmaha

Housing Management:

- 113 housing applications were received and processed for 15 homes, a mix of discounted sales and rented properties for both CHT and community led housing that CHT allocate and manage, clearly showing demand for affordable housing
- CHT own and manage 35 properties in their own stock, including 9 rent to buy properties
- CHT offer letting agency services to 10 communities (full housing management service), totalling 40 properties and marketing and allocation services for 2 other landlords (4 properties)
- CHT have sold 7 properties with a Rural Housing Burden

Self Build Loan Fund:

- Interest in the Self Build Loan Fund has remained constant and have resulted in 4 loans being issued. During the year the Scottish Government agreed a 1-year extension to the SBLF which allowed applications to be received until 31 December 2025 with all loans required to be repaid by 31 August 2027 at which time the SBLF comes to an end with no further extension beyond this date. With the challenges and pressures on material and labour prices the number of financially viable projects has reduced in recent times but including the original pilot fund 74 builds have been supported with a total lend in excess of £10m.

Organisational performance

The staff complement as at 31st March 2026 was 9 staffing equating to 7.89 full time equivalent posts. Several staff changes have took place resulting in a turnover rate of 30%.

Staff sickness level for the year was 6%, which was 1% higher than the previous year.

The organisation had budgeted for 3 projects being approved for funding through the Scottish Government Rural and Island Housing Fund, however cost inflation has led to projects being delayed or postponed. Two projects have progressed through a development partnership with the Highland Council.

Our rent arrears at 31 March 2026 stood at 10%, the majority of which relates to one property, and wee are taking action to recover this. During the year we lost £13,385 rental income through void properties.

Financial review

The charity has a deficit of £214,262 in the year (2025: £156,162).

Reserves currently stand at £4,516,125 (2025: £4,730,387), of this £3,978,467 are restricted (2025: £4,326,516).

The unrestricted reserves stand at £537,658 (2025: £403,871).

Reserves policy

The Trust has set up as a restricted reserve, the grants it has received for "the purchase of land for development purposes." This reserve, being restricted, can only be spent in the furtherance of affordable housing provision. The Trust has also identified as a designated reserve the surpluses made on the sale of land over the past few years. This reserve is able to be utilised by the Board of Trustees to meet CHT's core objectives.

Unrestricted reserves comprise:

1) Designated Reserve - Land banking fund comprises the surpluses made on the sale on land over the years. This reserve can be utilised by the Board of Trustees to meet CHT's core objectives to assist communities and their associated housing need.

2) Revenue reserve: comprises the surpluses made on rental properties and on activities other than land banking and other distinct projects.

Provision within this reserve is made to cover the following:

1) Minimum of three months' salary, associated pension costs and potential redundancy costs.
2) Office rent and equipment rent as required by contracts.
3) Rental properties maintenance and sinking funds.
4) Any other cost that may arise in connection with CHT's activities.

The reserves cover required is £350,003 which compares to unrestricted reserves of £537,658 (2025: £403,871).

Risk Management
The trustees have examined major strategic, business, and operational risks that the charity is susceptible to and confirm that procedures have been put in place to mitigate these risks and controls to provide reasonable assurance against fraud and error.

The trustees have identified that the principal risk they are exposed to is uncertainty around future funding and income. The award of core funding until March 2026 from the Scottish Government and Nationwide Foundation has been a focus for the trustees who continue to explore all available routes to secure grant funding to complement the existing income streams.

Development Agency Services is a significant income stream, the unprecedented increase in inflation and administrative procedure are making delivering new developments extremely challenging. This risk has been mitigated to some extent by the recent increase in Scottish Government development grants and recognition of the additional grant funding required for small rural island developments.

The cost of living crisis and tenants not being able to pay their rent is mitigated by close monitoring of tenant arrears and advice and support is provided to tenants on their eligibility for financial support.

The risk management strategy is:

1) Regular review of the risks and uncertainties the charity is exposed to.
2) Establish policies and procedures to address the risks identified.
3) Implement and continue to review the policies and identify areas for improvement

Strategic review

The trustees launched an independent Strategic Review in summer 2024, with a presentation at the AGM in October 2024. The review presented recommendations for future business strategy, and an action plan including key stakeholder engagement has progressed with a view to reporting back to the members at the 2025 AGM.

The strategic review confirmed that the Trust provides a unique service which is valued and it vital for the development of rural housing and its loss would have a dramatic impact on the sector. The review also recognised that there are weaknesses in the Trust's financial model, and that some stakeholder relationships need to improve as well as addressing some internal operational issues. The Board of the Trust has accepted the recommendations of the review and has focused on the transition required through renewing our objectives and business model whilst trying to secure alternative funding, considering emerging opportunities, and importantly engaging with stakeholders to identify further partnership working opportunities.

The trustees commissioned further work on the Strategic Review between July and October 2025 to consider in more detail the options and financial models for the Trust to continue as an independent financially viable charity. At a Board meeting on 20 July 2026, to address the financial issues facing the Trust, the Trustees agreed to begin a managed withdrawal from the provision of community and development services, to dispose of all land and property assets and to keep the financial sustainability of the charity under review.

During this time, the trustees engaged in communication on the outcomes of the Strategic review with staff, members and stakeholders throughout the process.

Structure, governance and management
The charity is a company limited by guarantee. The main documents which set out the operational framework for the charity are the Memorandum and Articles. The charity is governed by its Board of Trustees and day to day running of the charity is delegated to the Chief Executive Officer. This is done within the context of the policies and procedures as agreed by the Board.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Blair Allan	
Julia Campbell	
Alex Matheson	
Brendan O'Hanrahan	(Resigned 25 May 2026)
Audrey Sinclair	
John O'Donnell	(Resigned 19 September 2025)
William Steele	
Calum Munro	(Resigned 30 April 2025)
Dion Alexander	(Appointed 14 April 2025)
Lesley McInnes	(Resigned 19 September 2025 and reappointed 5 June 2026)

Recruitment and appointment of trustees

Various organisations have the right to nominate Trustees to the Trust. These are the Highland Council, Albyn Housing Society Limited, Lochaber Housing Association Limited, Lochalsh and Skye Housing Association Limited, Cairn Housing Association Limited, the Scottish Crofting Foundation and Scottish Land and Estates.

Community groups and councils may nominate members for one of the six community elected members who are appointed for 3 years.

These are also two co-opted directors appointed annually at the Board meeting directly after the AGM.

Induction and training of trustees

The Trust undertakes an induction process for all new Trustees and regularly reviews the skills and training requirements of the Trustees.

Auditor

In accordance with the company's articles, a resolution appointing auditors, will be put at a Board Meeting.

Key management compensation

No trustees have been paid any remuneration in the year. The salary of the Interim Chief Executive Office was based on a benchmark exercise and progression on the salary scale and inflationary uplifts are based on EVH increases and agreed by the Board.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

M E Taylor

M E Taylor (Aug 26, 2026 12:39:40 GMT+1)

Morven Taylor

On behalf of the Trustees

Date: 26/08/26

COMMUNITIES HOUSING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 MARCH 2026

The trustees, who are also the directors of Communities Housing Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

COMMUNITIES HOUSING TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COMMUNITIES HOUSING TRUST

Opinion

We have audited the financial statements of Communities Housing Trust (the 'charity') for the year ended 31 March 2026 which comprise the statement of financial activities, the balance sheet, the 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 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 charitable company's affairs as at 31 March 2026 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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 charity 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements which acknowledges that the charitable company is dependent on securing future funding. As stated in note 1.2, these events or conditions, indicate that a material uncertainty exists which may cast doubt on the charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

- proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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 our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

We obtained an understanding of the legal and regulatory frameworks that are applicable to the company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- United Kingdom Generally Accepted Accounting Practice
- Companies Act 2006
- Charities and Trustees Investment (Scotland) Act 2005
- Charities Accounts (Scotland) Regulations 2006
- VAT legislation
- Health and safety

We gained an understanding of how the charitable company is complying with these laws and regulations by making enquiries of management. We corroborated these enquiries through our review of external inspections, relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered the overall control environment and how management oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance;
- Reviewing the level of and reasoning behind the charitable company's procurement of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.
- Procedures to confirm the existence and completeness of revenue ensuring recognised in line with the company's accounting policies.
- Enquiries with management regarding the compliance with laws and regulations, including health and safety requirements.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material risk due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available 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 charitable company's members and trustees 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Paul Capewell

Paul Capewell FCA CA (Senior Statutory Auditor)
For and on behalf of A9 Accountancy Limited, Statutory Auditor
Chartered Accountants
Elm House
Cradlehall Business Park
Inverness
IV2 5GH
United Kingdom
Date: 26/08/26

COMMUNITIES HOUSING TRUST

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2026

Current financial year	Notes	Unrestricted funds general 2026 £	Unrestricted funds designated 2026 £	Restricted funds 2026 £	Total 2026 £	Total 2025 £
Income from:						
Charitable activities	**3**	758,585	1,330,298	103,172	2,192,055	1,719,638
Investments	**4**	2,021	-	-	2,021	1,407
Total income		760,606	1,330,298	103,172	2,194,076	1,721,045
Expenditure on:						
Charitable activities	**5**	694,046	1,730,292	-	2,424,338	1,879,207
Total expenditure		694,046	1,730,292	-	2,424,338	1,879,207
Net income/(expenditure)		66,560	(399,994)	103,172	(230,262)	(158,162)
Transfers between funds		67,227	399,994	(467,221)	-	-
Other recognised gains and losses:						
Actuarial gains on defined benefit pension schemes		-	-	16,000	16,000	2,000
Net movement in funds		133,787	-	(348,049)	(214,262)	(156,162)
Reconciliation of funds:						
Fund balances at 1 April 2025		323,848	80,023	4,326,516	4,730,387	4,886,549
Fund balances at 31 March 2026		457,635	80,023	3,978,467	4,516,125	4,730,387

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

COMMUNITIES HOUSING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2026

Prior financial year	Notes	Unrestricted funds general 2025 £	Unrestricted funds designated 2025 £	Restricted funds 2025 £	Total 2025 £
Income from:					
Charitable activities	**3**	808,795	773,365	137,478	1,719,638
Investments	**4**	1,407	-	-	1,407
Total income		810,202	773,365	137,478	1,721,045
Expenditure on:					
Charitable activities	**5**	717,580	1,161,627	-	1,879,207
Total expenditure		717,580	1,161,627	-	1,879,207
Net income/(expenditure)		92,622	(388,262)	137,478	(158,162)
Transfers between funds		202,714	388,262	(590,976)	-
Other recognised gains and losses:					
Actuarial gains on defined benefit pension schemes		-	-	2,000	2,000
Net movement in funds		295,336	-	(451,498)	(156,162)
Reconciliation of funds:					
Fund balances at 1 April 2024		28,512	80,023	4,778,014	4,886,549
Fund balances at 31 March 2025		323,848	80,023	4,326,516	4,730,387

COMMUNITIES HOUSING TRUST

BALANCE SHEET

AS AT 31 MARCH 2026

	Notes	2026 £	2026 £	2025 £	2025 £
Fixed assets					
Tangible assets	**11**		3,153,434		2,721,792
Current assets					
Stocks	**12**	2,927,428		4,623,677	
Debtors	**13**	197,144		73,854	
Cash at bank and in hand		323,617		322,437	
		3,448,189		5,019,968	
Creditors: amounts falling due within one year	**15**	(1,703,760)		(1,939,806)	
Net current assets			1,744,429		3,080,162
Total assets less current liabilities			4,897,863		5,801,954
Creditors: amounts falling due after more than one year	**16**		(338,738)		(1,012,567)
Net assets excluding pension liability			4,559,125		4,789,387
Defined benefit pension liability	**18**		(43,000)		(59,000)
Net assets			4,516,125		4,730,387
The funds of the charity					
Restricted income funds	**19**		4,021,467		4,385,516
Unrestricted funds - general	**21**		457,635		323,848
Unrestricted funds - designated	**20**		80,023		80,023
Pension reserve			(43,000)		(59,000)
			4,516,125		4,730,387

The financial statements were approved by the trustees on 27/08/26

William Alister Steele (Aug 27, 2026 13:00:53 GMT+1)

William Steele

Trustee

COMMUNITIES HOUSING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026		2025	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	**27**		1,416,288		833,756
Investing activities					
Purchase of tangible fixed assets		(603,504)		(571,290)	
Proceeds from disposal of tangible fixed assets		116,900		-	
Investment income received		2,021		1,407	
Net cash used in investing activities			(484,583)		(569,883)
Financing activities					
Repayment of borrowings		(1,067,923)		(835,724)	
Cash inflows from new borrowing		137,398		432,720	
Net cash used in financing activities			(930,525)		(403,004)
Net increase/(decrease) in cash and cash equivalents			1,180		(139,131)
Cash and cash equivalents at beginning of year			322,437		461,568
Cash and cash equivalents at end of year			323,617		322,437

1 Accounting policies

Charity information

Communities Housing Trust is a private company limited by guarantee incorporated in Scotland. The registered office is Suite 4, Second Floor, Moray House, Bank Street, Inverness, IV1 1QY.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's governing document, the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable (or immediate) future, although there is material uncertainty over future income and funding. Thus the trustees continue to adopt the going concern basis of accounting in preparing these financial statements.

1.3 Charitable funds

Unrestricted funds are those which can be expended at the discretion of the board for the furtherance of their charitable objectives.

Within designated reserves the board has designated funds for the purpose of providing funds for investing in land banking opportunities.

Restricted funds are funds for specific purposes, which may be declared by the donor or with their authority.

1.4 Income

Items of income, including income from capital grants, is recognised and included in the accounts when all of the following criteria are met:

- The charity has entitlement to the funds.
- Any performance conditions attached to the item(s) of income have been met or are fully within the control of the charity.
- There is sufficient certainty that receipt of the income is considered probable.
- The amount can be measured reliably.

Other income from charitable activities is recognised at the point of delivery of the goods and services, net of VAT where applicable.

Investment income is recognised when receivable.

1 Accounting policies **(Continued)**

1.5 Expenditure

Resources expended are included on an accrual basis. It is recognised once there is a legal or constructive obligation to pay, when it is probable that a transfer of economic benefits will arise, and the amount of the obligation can be measured reliably. Resources expended is inclusive of VAT which cannot be fully recovered. Certain expenditure is directly attributable to specific activities and has been included under these cost categories:

- Community engagement
- Rental activity
- Land banking activities
- Sales of properties
- Pension fund

Governance costs include costs associated with the charity's constitutional and statutory requirements.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost, net of grants, of fixed assets less their residual values over their useful lives on the following bases:

Land and buildings	straight line over 40 years (2.5%)
Equipment	straight line over 5 years (20%)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Land banking stocks are valued at the lower of cost (including capitalised borrowing costs) and net realisable value. The capitalised borrowing costs are the borrowing costs for the year in relation to the loans received for the specific development project until the development is complete.

Feasibility studies are included at cost unless they are not to be developed into projects. The cost of a study is written off to the Statement of Financial Activities as soon as it is recognised that a project will not be developed.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.10 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Concessionary loans made or received as a social investment are initially recognised at the amount received or paid with the carrying amount adjusted in the subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The Trust is a registered charity and therefore it is not liable to tax on its charitable activities.

1.12 Employee benefits

Employee benefits are recognised as an expense and a liability in the period in which the employee services are delivered.

1 Accounting policies **(Continued)**

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The Trust also participates in the Scottish Housing Association's Pension Scheme (SHAPS) as stated in Note 18.

Until 31 March 2018, the regular cost of providing retirement pensions and related benefits was charged to the Statement of Financial Activities annually on the basis of a constant percentage of earnings. The present value of future contributions payable under the deficit recovery agreement agreed with the pension fund trustee was recognised in the financial statements as a liability. Expenses relating to the unwinding of the discount rate on these contributions was shown in the Statement of Financial Activities in the period in which it arose.

Following structural changes at the SHAPS it has become possible for the first time to identify sufficient information to fully account for the pension fund as a defined benefit pension scheme in accordance with the Charities SORP. In accordance with section 28 of FRS 102 the change in the accounting treatment has been applied from 1 April 2018. The difference between the deficit funding liability brought forward and the defined benefit scheme liability is recognised as an operating expense within charitable activities in the Statement of Financial Activities.

From 1 April 2018 the charity recognised a defined net benefit pension asset or liability in the statement of financial position as the net total of the present value of its obligations and the fair value of the plan assets out of which the obligations are to be settled. The defined benefit liability is measured on a discounted present value basis using a rate determined by reference to market yields at the reporting date on high quality corporate bonds. Defined benefit obligations and the related expenses are measured using the projected unit credit method.

Changes in the net defined benefit asset or liability arising from the employee service are recognised in the Statement of Financial Activities as a current service cost where it relates to services in the current period and as a past service cost where it relates to services in prior periods. Costs relating to plan introductions, benefit changes, curtailments and settlements are recognised in the Statement of Financial Activities in the period which they occur. Net interest is determined by multiplying the net defined benefit liability by the discount rate, both as determined at the start of the reporting period, taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. Net interest is recognised in the Statement of Financial Activities.

1.14 Capital grants

Housing properties:
Capital grants are receivable from the Scottish Government and the Highland Council for the provision of housing properties for rent. These grants are utilised to reduce the capital costs of housing properties and are recognised as income in the Statement of Financial Activities and carried to Restricted Reserves.

Land banking grants:
Grants are receivable from the Scottish Government and the Highland Council for the acquisition of land for future sale and development for affordable housing. These grants are included as Restricted Reserves.

1.15 True and fair override

Heritable property is rented out and UK GAAP states that such property should be treated as investment property in accordance with the FRS 102. However, as the properties are not held for capital appreciation but to provide in rural areas accommodation which might not otherwise be available, the directors have decided to treat these assets as a social investment in accordance with the Charities SORP and depreciate these properties annually. The directors consider that the treatment is more relevant to showing a true and fair view.

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Income from charitable activities

	Unrestricted funds general 2026 £	Unrestricted funds designated 2026 £	Restricted funds 2026 £	Total 2026 £	Unrestricted funds general 2025 £	Unrestricted funds designated 2025 £	Restricted funds 2025 £	Total 2025 £
Charitable activities								
Sale proceeds on Land Disposals	-	1,321,940	-	1,321,940	-	766,100	-	766,100
Revenue grants	206,000	-	103,172	309,172	248,233	-	137,478	385,711
Charitable rental income	254,621	-	-	254,621	245,821	-	-	245,821
Fee income	297,964	8,358	-	306,322	314,741	7,265	-	322,006
	758,585	1,330,298	103,172	2,192,055	808,795	773,365	137,478	1,719,638

Revenue Grants

	Charitable activities 2026 £	Charitable activities 2025 £
Nationwide Foundation	53,000	58,000
Scottish Government Rural Housing Fund	-	75,000
Scottish Government Housing Delivery	107,000	107,000
Highland Council Development Fund	-	50,528
Highland Council Community Regeneration Fund	43,172	5,876
Perth & Kinross Council	44,000	63,059
Highlands & Islands Enterprise	2,000	18,748
Architectural Heritage Fund	-	7,500
Woodland Trust	60,000	-
	309,172	385,711

4 Income from investments

	Unrestricted funds 2026 £	Unrestricted funds 2025 £
Interest receivable	2,021	1,407

5 Expenditure on charitable activities

	Charitable activities 2026 £	Charitable activities 2025 £
Direct costs		
Staff costs	483,080	545,659
Depreciation and impairment	54,962	43,446
Cost of sale of land disposals	1,527,533	966,893
Rental expenditure	93,523	62,535
Bank and loan interest payable	39,912	49,018
Cash backs on rent to buy sales	25,190	5,000
	2,224,200	1,672,551
Share of support and governance costs (see note 6)		
Support	177,341	185,572
Governance	22,797	21,084
	2,424,338	1,879,207
Analysis by fund		
Unrestricted funds - general	694,046	717,580
Unrestricted funds - designated	1,730,292	1,161,627
	2,424,338	1,879,207

6 Support costs allocated to activities

	2026	2025
	£	£
Rent	25,476	23,387
Travel costs	10,855	13,176
Publicity	166	1,776
Post, stationery and office costs	12,693	13,095
Telephone and IT	12,735	14,528
Digital upgrade	7,534	10,339
Consultancy & legal fees	55,653	45,065
Insurance	3,363	2,997
Meetings, training & venues	2,533	2,985
Rechargeable expenses	25,791	23,713
Recruitment costs	150	1,012
Bank charges	1,808	1,892
Bad debt provision	5,756	10,235
Irrecoverable VAT	12,828	21,372
Governance costs	22,797	21,084
	200,138	206,656
Analysed between:		
Charitable activities	200,138	206,656

Governance costs comprise:	2026 £	2025 £
Auditor remuneration	21,914	20,294
Board and member expenses	883	790
	22,797	21,084

7 Auditor's remuneration

Fees payable to the charity's auditor and associates:	2026 £	2025 £
For audit services		
Audit of the financial statements of the charity	17,639	16,619
For other services		
All other non-audit services	4,275	3,675

8 Trustees

Expenses paid to Community Elected Directors on the Trust Board totalled £382 (2025: £315) and were paid to 1 (2025 - 1) trustee.

Other than reimbursement of their legitimately incurred expenses, Board Directors are not entitled to receive any other payment for the services they give to the Trust.

9 Employees

The average monthly number of employees during the year was:

	2026 Number	2025 Number
	10	12

Employment costs	2026 £	2025 £
Wages and salaries	404,534	460,306
Social security costs	42,451	44,559
Other pension costs	36,095	40,794
	483,080	545,659

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2026 Number	2025 Number
£60,000 - £69,999	-	1
£70,000 - £79,999	1	-

Remuneration of key management personnel

The remuneration of key management personnel was as follows:

	2026 £	2025 £
Aggregate compensation	86,559	93,480

10 Taxation

The charity is exempt from taxation on its activities because all its income is applied for charitable purposes.

11 Tangible fixed assets

	Land and buildings	Equipment	Total
	£	£	£
Cost			
At 1 April 2025	2,962,192	57,139	3,019,331
Additions	603,504	-	603,504
Disposals	(141,529)	-	(141,529)
At 31 March 2026	3,424,167	57,139	3,481,306
Depreciation and impairment			
At 1 April 2025	246,111	51,428	297,539
Depreciation charged in the year	49,251	5,711	54,962
Eliminated in respect of disposals	(24,629)	-	(24,629)
At 31 March 2026	270,733	57,139	327,872
Carrying amount			
At 31 March 2026	3,153,434	-	3,153,434
At 31 March 2025	2,716,081	5,711	2,721,792

All properties are held in furtherance of the charity's purposes and are principally used in the provision of accommodation to beneficiaries.

The majority of the properties are occupied under private residential tenancies.

The trustees have considered whether there were any indicators of impairment in the carrying value of the properties at 31 March 2026 and have concluded that no impairment is required.

12 Stocks

	2026	2025
	£	£
Land banking and development properties	2,927,428	4,623,677

The land banking and development properties include buyback properties of £118,519 (2025 £137,233).

13 Debtors

	2026	2025
Amounts falling due within one year:	£	£
Trade debtors	126,247	48,926
Other debtors	10,000	-
Prepayments and accrued income	60,897	24,928
	197,144	73,854

14 Loans and overdrafts

	2026	2025
	£	£
Bank loans	278,271	288,488
Other loans	1,567,476	2,487,784
	1,845,747	2,776,272
Payable within one year	1,507,009	1,763,705
Payable after one year	338,738	1,012,567
Amounts included above which fall due after five years:		
Payable by instalments	231,330	232,885

The Highland Council loan is secured over the land at former Lady Ross Hotel, Ardgay.

The Rent to Buy loans are secured by specific charges on land owned by CHT and are repayable in full on the sixth anniversary of the completion date. Interest is chargeable on this loan from 1 April 2013 at 2.2% per annum.

The Nationwide loan is unsecured. The Highland Council loan is considered to be a concessionary loan, it is secured by specific charges on land owned by CHT and is interest free.

The Triodos Bank UK Limited is secured over all subjects at Durness, Lairg and over the Feuhold properties known as Kintyre Cottage, 3 Kirkton Road and 1 MacNaughton Crescent.

15 Creditors: amounts falling due within one year

	Notes	2026	2025
		£	£
Bank loans	**14**	8,588	10,216
Other borrowings		1,498,421	1,753,489
Other taxation and social security		30,345	22,757
Deferred income	**17**	25,894	20,275
Trade creditors		64,493	44,567
Other creditors		5,470	56,239
Accruals		70,549	32,263
		1,703,760	1,939,806

16 Creditors: amounts falling due after more than one year

	Notes	2026 £	2025 £
Bank loans	14	269,683	278,272
Other borrowings		69,055	734,295
		338,738	1,012,567

17 Deferred income

	2026 £	2025 £
Other deferred income	25,894	20,275

Deferred income is included in the financial statements as follows:

	2026 £	2025 £
Deferred income is included within:		
Current liabilities	25,894	20,275

	2026 £	2025 £
Movements in the year:		
Deferred income at 1 April 2025	20,275	56,653
Released from previous periods	(20,275)	(36,378)
Resources deferred in the year	25,894	-
Deferred income at 31 March 2026	25,894	20,275

Deferred income comprises a grant received in advance for the purpose of development work. This will be released to income once the performance related conditions have been met.

18 Retirement benefit schemes

Defined contribution schemes	2026 £	2025 £
Charge to profit or loss in respect of defined contribution schemes	36,095	40,794

The charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the charity in an independently administered fund.

18 Retirement benefit schemes **(Continued)**

Defined benefit schemes

The company participates in the Scottish Housing Associations' Pension Scheme, a multi-employer scheme which provides benefits to some 150 non-associated employers. The scheme is a defined benefit scheme in the UK.

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A recovery plan was put in place to eliminate the deficit which ran to 30 September 2022.

The scheme is classified as a 'last-man standing arrangement.' Therefore, the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

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

The latest accounting valuation was carried out at 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends 31 March 25 to 28 February 2026 inclusive.

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

Key assumptions

	2026 %	2025 %
Discount rate	6.18	5.87
Expected rate of salary increases	4.03	3.80
Inflation (RPI)	3.28	3.08
Inflation (CPI)	3.03	2.80
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2026 Years	2025 Years
Retiring today		
- Males	20.7	20.2
- Females	22.9	22.7
Retiring in 20 years		
- Males	21.9	21.5
- Females	24.4	24.2

18 Retirement benefit schemes **(Continued)**

Fair value of plan assets, Present value of defined benefit obligation, and defined benefit asset (liability)	**2026**	**2025**
	£	**£**
Fair value of plan assets	416,000	402,000
Present value of defined benefit obligation	459,000	461,000
Surplus (deficit) in plan	(43,000)	(59,000)
Defined benefit asset (liability) to be recognised	(43,000)	(59,000)

Amounts recognised in other comprehensive income	**2026**	**2025**
Costs/(income):	**£**	**£**
Actuarial changes related to obligations	(16,000)	(2,000)

The amounts included in the balance sheet arising from the charity's obligations in respect of defined benefit plans are as follows:

	2026	**2025**
Liabilities/(assets):	**£**	**£**
Present value of defined benefit obligations	43,000	59,000
Deficit in scheme	43,000	59,000

Reconciliation of opening and closing balances of the defined benefit obligation	**2026**
	£
Liabilities at 1 April 2025	461,000
Expenses	1,000
Interest expense	27,000
Actuarial losses (gains) due to scheme experience	(11,000)
Actuarial losses (gains) due to demographic assumptions	4,000
Actuarial losses (gains) due to changes in financial assumptions	(14,000)
Benefits paid and expenses	(9,000)
At 31 March 2026	459,000

18 Retirement benefit schemes **(Continued)**

Reconciliation of opening and closing balances of the fair value of plan assets	**2026** **£**
Fair value of assets at 1 April 2025	402,000
Interest income	23,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(1,000)
Employer contributions	1,000
Benefits paid and expenses	(9,000)
At 31 March 2026	416,000

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 to 31 March 2026 was £22,000.

Defined benefit costs recognised in Statement of Comprehensive Income (SOCI)	**2026** **£**
Current service cost	-
Expenses	1,000
Net interest expense	4,000
Defined benefit costs recognised in Statement of Comprehensive Income (SOCI)	5,000

Defined benefit costs recognised in Other Comprehensive Income (OCI)	**2026** **£**
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(1,000)
Experience gains and losses arising on the plan liabilities - gain (loss)	11,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(4,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	14,000
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	20,000
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in Other Comprehensive Income - gain (loss)	20,000

18 Retirement benefit schemes (Continued)

Assets	2026 £	2025 £
Global Equity	55,000	47,000
Liquid Alternatives	79,000	74,000
Insurance-Linked Securities	1,000	2,000
Property	22,000	20,000
Private Equity	1,000	-
Real Assets	41,000	48,000
Private Credit	54,000	50,000
Credit	19,000	17,000
Investment Grade Credit	17,000	18,000
Cash	-	2,000
Secure Income	6,000	9,000
Liability Driven Investment	115,000	113,000
Currency Hedging	-	1,000
Net Current Assets	6,000	1,000
Total assets	416,000	402,000

19 Restricted funds

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

	At 1 April 2025 £	Incoming resources £	Transfers £	Gains and losses £	At 31 March 2026 £
Properties & Development	4,253,348	43,172	(467,221)	-	3,829,299
Faulds Memorial Reserve	132,168	-	-	-	132,168
Woodland Trust	-	60,000	-	-	60,000
	4,385,516	103,172	(467,221)	-	4,021,467
Pension fund	(59,000)	-	-	16,000	(43,000)
	4,326,516	103,172	(467,221)	16,000	3,978,467

19 Restricted funds **(Continued)**

Previous year:	At 1 April 2024 £	Incoming resources £	Transfers £	Gains and losses £	At 31 March 2025 £
Properties & Development	4,706,846	137,478	(590,976)	-	4,253,348
Faulds Memorial Reserve	132,168	-	-	-	132,168
	4,839,014	137,478	(590,976)	-	4,385,516
Pension fund	(61,000)	-	-	2,000	(59,000)
	4,778,014	137,478	(590,976)	2,000	4,326,516

Properties & Development fund: the fund comprises grants specifically received to purchase and develop land and properties.

Faulds Memorial: a fund to help individuals/ families access affordable self-build plots.

Woodland Trust: a fund to support woodland creation and management in Scotland.

Pension reserve: the fund is held to meet the obligation of the defined benefit pension liability.

Transfers
The properties and development restricted funds are transferred into unrestricted funds when the properties are sold as the grant restriction comes to an end.

20 Unrestricted funds - designated

These are unrestricted funds which are material to the charity's activities.

	At 1 April 2025 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2026 £
Designated reserve and land banking	80,023	1,330,298	(1,730,292)	399,994	80,023

Previous year:	At 1 April 2024 £	Incoming resources £	Resources expended £	Transfers £	At 31 March 2025 £
Designated reserve and land banking	80,023	773,365	(1,161,627)	388,262	80,023

This fund comprises surpluses made on the sale of land over the years. The fund is designated to assist communities and their associated housing requirements.

21 Unrestricted funds

The unrestricted funds of the charity comprise the unexpended balances of donations and grants which are not subject to specific conditions by donors and grantors as to how they may be used. These include designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes.

	At 1 April 2025	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2026
	£	£	£	£	£	£
General funds	323,848	760,606	(694,046)	67,227	-	457,635
	323,848	760,606	(694,046)	67,227	-	457,635

Previous year:	At 1 April 2024	Incoming resources	Resources expended	Transfers	Gains and losses	At 31 March 2025
	£	£	£	£	£	£
General funds	28,512	810,202	(717,580)	202,714	-	323,848
	28,512	810,202	(717,580)	202,714	-	323,848

22 Analysis of net assets between funds

	Unrestricted funds general 2026	Unrestricted funds designated 2026	Restricted funds 2026	Total 2026
	£	£	£	£
At 31 March 2026:				
Tangible assets	3,153,434	-	-	3,153,434
Current assets/(liabilities)	(2,357,061)	80,023	4,021,467	1,744,429
Long term liabilities	(338,738)	-	-	(338,738)
Provisions and pensions	-	-	(43,000)	(43,000)
	457,635	80,023	3,978,467	4,516,125

22 Analysis of net assets between funds (Continued)

	Unrestricted funds general 2025 £	Unrestricted funds designated 2025 £	Restricted funds 2025 £	Total 2025 £
At 31 March 2025:				
Tangible assets	2,721,792	-	-	2,721,792
Current assets/(liabilities)	(1,385,377)	80,023	4,385,516	3,080,162
Long term liabilities	(1,012,567)	-	-	(1,012,567)
Provisions and pensions	-	-	(59,000)	(59,000)
	323,848	80,023	4,326,516	4,730,387

23 Contingent liabilities

The charitable company has identified potential liabilities arising from defects in certain properties. The directors estimate the potential liability at the reporting date to be £82,823.

The directors consider that an outflow is possible from past events, no provision has been recognised as ultimate outcome and timing is uncertain.

24 Operating lease commitments

Lessee

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2026 £	2025 £
Within one year	21,596	21,507
Between two and five years	40,279	57,831
In over five years	17,624	21,669
	79,499	101,007

25 Agency funds

The charity acts as an agent for the Scottish Government Self-Build Loan Fund. The total number of loans administered in the year was 4 with a value of £590,000 taking the total number of loans administered to 73 with a total value of £10,525,176. At 31 March 2026 the total funds held on behalf of the Scottish Government for this scheme was £772,687 (2025: £4,782,753).

26 Related party transactions

Transactions with related parties

The Trust has various transactions with related parties who have the right to nominate directors. These parties are the Highland Council, Albyn Housing Society Limited, Lochaber Housing Association Limited, Lochalsh & Skye Housing Association Limited and Pentland Housing Association Limited. During the year the charity entered into the following transactions with related parties:

	Sale of services		Purchase of goods	
	2026	2025	2026	2025
	£	£	£	£
Other related parties	63,444	101,985	27,975	24,059
	63,444	101,985	27,975	24,059

All transactions between the Trust and the organisations are at normal commercial rates.

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2026	2025
	£	£
Other related parties	660	-

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2026		Amounts owed by related parties 2025	
	Balance	Net	Balance	Net
	£	£	£	£
Other related parties	55,716	55,716	-	-
	55,716	55,716	-	-

27 Cash generated from operations

	2026	2025
	£	£
Deficit for the year	(230,262)	(158,162)
Adjustments for:		
Investment income recognised in statement of financial activities	(2,021)	(1,407)
Depreciation and impairment of tangible fixed assets	54,962	43,446
Movements in working capital:		
Decrease in stocks	1,696,249	1,132,677
(Increase)/decrease in debtors	(123,290)	133
Increase/(decrease) in creditors	15,031	(146,553)
Increase/(decrease) in deferred income	5,619	(36,378)
Cash generated from operations	1,416,288	833,756

28 Analysis of changes in net (debt)/funds

	At 1 April 2025	Cash flows	At 31 March 2026
	£	£	£
Cash at bank and in hand	322,437	1,180	323,617
Loans falling due within one year	(1,763,705)	256,696	(1,507,009)
Loans falling due after more than one year	(1,012,567)	673,829	(338,738)
	(2,453,835)	931,705	(1,522,130)