



Alexander Sloan
Accountants and Business Advisers

Knowes Housing Association Limited

Report and Financial Statements

For the year ended 31 March 2025

Registered Social Landlord No. HEP300

FCA Reference No. 2518R(S)

Scottish Charity No. SC027466

Registered Property Factor PF000201

KNOWES HOUSING ASSOCIATION LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

Contents

	Page
Members of the Management Committee, Executive and Advisers	1
Report of the Management Committee	2 – 6
Report by the Auditors on corporate governance matters	7
Report of the Auditors	8-11
Statement of comprehensive income	12
Statement of financial position	13
Statement of cash flows	14
Statement of changes in equity	15
Notes to the financial statements	16 - 33

KNOWES HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, EXECUTIVE AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

MANAGEMENT COMMITTEE

Peter Fennessey	Chairperson
Lynsey Chrystal	Vice-Chairperson
Councillor Lawrence O'Neill	Secretary
Steve Rolfe	Treasurer
Katie Devaney	Secretary (Resigned January 2025)
William Stevenson	
Dean Vinter	
Hilary Edgar	
Chukwuebuka Timothy Ugwu	(Appointed November 2024)
Patricia Broadfoot	(Appointed January 2025)
Leanne Keegan	(Resigned March 2025)
Heather Maitz	(Resigned September 2024)
Richard McLean	(Resigned February 2025)
Yvonne McDonald	(Ceased November 2024)

EXECUTIVE OFFICERS

Erica Davidson	CEO
Martin Harvey	Head of Housing
Peter French	Head of Property Services

REGISTERED OFFICE

10 Field Road
Faifley
Clydebank
G81 5BX

EXTERNAL AUDITORS

Alexander Sloan LLP
Accountants and Business Advisers
180 St Vincent Street
Glasgow
G2 5SG

INTERNAL AUDITORS

TIAA
Artillery House
Fort Fareham
Newgate Lane
Fareham
PO14 1AH

BANKERS

Bank of Scotland
42/44 Sylvania Way
Clydebank
Glasgow
G81 2TL

BANKERS

Nationwide Building Society
5-11 St George Street
Douglas
Isle of Man
IM99 1RM

SOLICITORS

Harper McLeod
The Ca'd'oro
45 Gordon Street
Glasgow

SOLICITORS

TC Young
7 West George Street
Glasgow
G2 1BA

KNOWES HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

The Management Committee presents its report and the financial statements for the year ended 31 March 2025.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 (No. 2518R(S)). The association is governed under its rule book. The Association is a registered Scottish Charity with the charity number SC027466 and a Registered Property Factor with the number PF000201.

Principal Activities

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

Review of Business and Future Developments

Knowes Housing Association Ltd performed well in the 2024/25 financial year despite the on-going challenging economic environment and cost of living pressures on our tenants. Rental income remained in line with expectation and budget projections. The full turnover for the year was £5.46m. Operating costs fell slightly to be £4.56m for the year which resulted in an operating surplus of £895k.

At the end of the financial year 2024/25, the Association had a net surplus of £1m (last year net surplus £241k). This was after adjusting for bank interest and SHAPS Pension changes. The reserves stood at £18.3m and cash and deposit account investment balances are £5.6m.

The 2024/25 financial year was a settled year for the Association with one member of staff leaving. To ensure a good work-life balance we maintain a hybrid approach to working for most of our staff. They, therefore, can work at home and in the office depending on the needs of our customers. We continue to invest in staff welfare and during the year implemented a nine day fortnight flexible working system for all eligible staff. We also support staff with their training requirements, thus enabling staff to have the skills, knowledge and confidence needed to ensure continued customer excellence. The results of our 2024/25 follow up staff survey continue to show that 100% of our staff were happy working at Knowes HA.

We carried out a customer satisfaction survey of 710 of the Association's tenants in August 2024. Of these 90% were stated that they were satisfied with the overall service from Knowes. This is an improvement on our 2022 survey, where 88% of our tenants stated that they were satisfied or very satisfied with our service. We continue to look for ways to improve our service to our customers. We were reassessed for the Customer Services Excellence Award in February 2025 and achieved Compliance Plus in many areas of our customer services.

We engage in estate management with bi-monthly inspections and follow-ups in the intervening months. These include quality control checks on the common cleaning service to closes. 98% of all cases of Anti-Social Behaviour (ASB) reported to us in the year were resolved within that year. Gross rental arrears were 1.13%, an improvement on last years' figure of 1.79%. Demand for our properties remains high with void loss being 0.10% of rental income and re-let times of 5.6 calendar days. We had 58 re-lets during the year (last year 78) and 760 applicants on our housing waiting list at year end.

KNOWES HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Review of Business and Future Developments (Contd.)

Supporting tenants through the on-going economic instability has been a key focus for Knowes HA. At the start of the financial year the Management Committee approved a rental increase of 5.6% for 2024/25 and this has been followed up by a 3.5% rental increase for 2025/26 despite Knowes HA dealing with cost price inflation of above 10% throughout 2023/24 and continual cost increases through 24/25. We continue to look for ways to support and help our customers sustain their tenancy. The Association spent £17k on tenancy sustainment measures in 2024/25, donated £1.5k to local community groups and continues to fund a dedicated Welfare Benefits Officer through CAB as well as supporting the employment of an Energy Advice Officer by our partner Community Links Scotland to provide advice and support to our customers.

During the financial year we continued to invest in our properties with £1.7m spent on component capital works such as Kitchens, Windows, doors and new Central Heating Systems. We also purchased 3 properties in Faifley to help alleviate demand from our housing applicants and obtained £123k towards these buy backs from West Dunbartonshire Council's Rental off the Shelf programme. Therefore, at year end we had 1,059 units in our management for rents inclusive of the supported unit leased to WDC. We also obtained £20k in grant funding to assist with the installation of medical adaptations for our tenants.

Looking to the future, we will continue to pursue the construction of 27 new units at the Bowling Club site on Abbeylands Road. However, our main priority is ensuring that our existing stock is well maintained. To that end we carried out a stock condition survey in 2024 and this will help inform our future maintenance and component replacement plans.

We will continue to support our tenants and staff. We aim to strengthen on the success of the previous year and were delighted to obtain Cyber Essentials Plus certification in 2024/25. We will work at renewing our investors in people accreditation. The Management Committee and Staff will work together to refresh our business plan in light of the ever-changing environment in which we operate.

Knowes Housing Association will also continue to invest into its housing stock with a component replacement programme of £1.5m planned for the 2025/26 financial year with a further £2.1m in our budgets for repair and maintenance of our stock.

KNOWES HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Management Committee and Executive Officers

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

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

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

Statement of Management Committee's Responsibilities

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

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

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

Going Concern

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

KNOWES HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

Statement on Internal Financial Control

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

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

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

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

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year end 31 March 2025. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Association made charitable donations of £1,565 (2024 - £2,135).

Disclosure of Information to the Auditor

The members of the Management Committee at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditor

A resolution to reappoint the Auditors, Alexander Sloan LLP, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

KNOWES HOUSING ASSOCIATION LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2025

By order of the Management Committee



Councillor Lawrence O'Neill
Secretary
5 August 2025

KNOWES HOUSING ASSOCIATION LIMITED

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

In addition to our audit of the financial statements, we have reviewed your statement on page 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement of Internal Financial Control on page 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

Through enquiry of certain members of the Management Committee and Officers of the Association and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



ALEXANDER SLOAN LLP
Accountants and Business Advisers
Statutory Auditors
GLASGOW
5 August 2025



Alexander Sloan
Accountants and Business Advisers

KNOWES HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KNOWES HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025

Opinion

We have audited the financial statements of Knowes Housing Association Limited (the 'Association') for the year ended 31 March 2025 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of the surplus for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2024.

Basis of Opinion

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

Conclusions relating to going concern

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

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

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

Other Information

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

KNOWES HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KNOWES HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

Other Information (Contd.)

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of the Management Committee

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

KNOWES HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KNOWES HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

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

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

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

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

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

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

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

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

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

KNOWES HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KNOWES HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2025 (continued)

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


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

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

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

Use of our Report

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


ALEXANDER SLOAN LLP
Accountants and Business Advisers
Statutory Auditors
GLASGOW
5 August 2025



Alexander Sloan
Accountants and Business Advisers

KNOWES HOUSING ASSOCIATION LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Revenue	2	5,458,484	5,184,147
Operating costs	2	4,563,286	4,633,024
OPERATING SURPLUS		895,198	551,123
Interest receivable and other income		163,257	148,442
Interest payable and similar charges	7	-	(27,118)
Other Finance income/(charges)	10	(32,000)	(13,000)
		131,257	108,324
SURPLUS FOR THE YEAR		1,026,455	659,447
Other comprehensive income			
Actuarial gains/(losses) on defined benefit pension plan	16	8,000	(418,000)
TOTAL COMPREHENSIVE INCOME		1,034,455	241,447

The results relate wholly to continuing activities.


The notes on pages 16 to 33 form an integral part of these financial statements.

KNOWES HOUSING ASSOCIATION LIMITED


STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2025

	Notes	2025	2024
		£	£
NON-CURRENT ASSETS			
Housing properties - depreciated cost	11	18,647,858	17,487,662
Other tangible assets	11	137,251	174,655
		<u>18,785,109</u>	<u>17,662,317</u>
CURRENT ASSETS			
Receivables	12	114,044	396,604
Investments	13	3,711,657	3,591,035
Cash and cash equivalents	14	1,927,208	1,761,813
		<u>5,752,909</u>	<u>5,749,452</u>
CREDITORS: Amounts falling due within one year	15	<u>(745,501)</u>	<u>(717,493)</u>
NET CURRENT ASSETS		<u>5,007,408</u>	<u>5,031,959</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,792,517</u>	<u>22,694,276</u>
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES			
Scottish housing association pension scheme	16	<u>(662,000)</u>	<u>(674,000)</u>
		<u>(662,000)</u>	<u>(674,000)</u>
DEFERRED INCOME			
Social housing grants	17	(3,735,577)	(3,735,383)
Other grants	17	<u>(1,059,552)</u>	<u>(983,953)</u>
		<u>(4,795,129)</u>	<u>(4,719,336)</u>
NET ASSETS		<u>18,335,388</u>	<u>17,300,940</u>
EQUITY			
Share capital	18	105	112
Revenue reserves		18,997,283	17,974,828
Pension reserves		<u>(662,000)</u>	<u>(674,000)</u>
		<u>18,335,388</u>	<u>17,300,940</u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 5 August 2025.


Committee Member


Committee Member


Secretary

The notes on pages 16 to 33 form an integral part of these financial statements.

KNOWES HOUSING ASSOCIATION LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	£	2025 £	£	2024 £
Surplus for the Year			1,026,455		659,447
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	11	1,063,272		944,133	
Amortisation of capital grants	17	(165,921)		(157,821)	
Non-cash adjustments to pension provisions		(4,000)		(16,000)	
Share capital written off	18	(12)		(15)	
			893,339		770,297
Interest receivable			(163,257)		(148,442)
Interest payable	7		-		27,118
Operating cash flows before movements in working capital			1,756,537		1,308,420
Change in debtors		(44,567)		149,959	
Change in creditors		75,876		60,476	
			31,309		210,435
Net cash inflow from operating activities			1,787,846		1,518,855
Investing Activities					
Acquisition and construction of properties		(2,182,025)		(1,569,295)	
Purchase of other fixed assets		(4,039)		(21,898)	
Social housing grant received		446,341		141,000	
Other grants received		122,500		-	
Changes on short term deposits	14	(120,622)		(104,549)	
Net cash outflow from investing activities			(1,737,845)		(1,554,742)
Financing Activities					
Interest received on cash and cash equivalents		163,257		148,442	
Interest paid on loans		-		(27,118)	
Loan principal repayments		(47,868)		(571,443)	
Share capital issued	18	5		12	
Net cash inflow / (outflow) from financing activities			115,394		(450,107)
Increase/(decrease) in cash	19		165,395		(485,994)
Opening cash & cash equivalents			1,761,813		2,247,807
Closing cash & cash equivalents			<u>1,927,208</u>		<u>1,761,813</u>
Cash and cash equivalents as at 31 March					
Cash			1,927,208		1,761,813
			<u>1,927,208</u>		<u>1,761,813</u>

The notes on pages 16 to 33 form an integral part of these financial statements.

KNOWES HOUSING ASSOCIATION LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2025

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2023	115	(272,000)	17,331,381	17,059,496
Issue of Shares	12	-	-	12
Cancellation of Shares	(15)	-	-	(15)
Other comprehensive income	-	(418,000)	-	(418,000)
Other movements	-	16,000	(16,000)	-
Surplus for the year	-	-	659,447	659,447
Balance as at 31 March 2024	112	(674,000)	17,974,828	17,300,940
Balance as at 1 April 2024	112	(674,000)	17,974,828	17,300,940
Issue of Shares	5	-	-	5
Cancellation of Shares	(12)	-	-	(12)
Other comprehensive income	-	8,000	-	8,000
Other movements	-	4,000	(4,000)	-
Surplus for the year	-	-	1,026,455	1,026,455
Balance as at 31 March 2025	105	(662,000)	18,997,283	18,335,388

The notes on pages 16 to 33 form an integral part of these financial statements.

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

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

Revenue

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

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

Retirement Benefits

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

Going Concern

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

Housing Properties

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

<i>Component</i>	<i>Useful Economic Life</i>
Land	Not Depreciated
Structure	Over 50 years
Roofs	Over 50 years
Windows	Over 35 years
Doors	Over 25 years
Door Entry Systems	Over 20 years
Kitchens	Over 20 years
Bathrooms	Over 20 years
Separate WC	Over 20 years
Electrics	Over 30 years
Boiler	Over 20 years
Dunn Street	Over 25 years

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Depreciation and Impairment of Other Tangible Assets

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

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	3%
Furniture & Equipment	25%
Computer Equipment	20%

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

Social Housing Grants and Other Capital Grants

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

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

Social housing grant received in respect of revenue expenditure is credited to the statement of comprehensive income in the same period as the expenditure to which it relates.

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

Taxation

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

Leases

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

Works to Existing Properties

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

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to ongoing development activities are capitalised.

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

VAT

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

Cash and Liquid Resources

Cash comprises cash at bank and in hand, deposits repayable on demand less overdrafts. Liquid resources are current asset investments that can't be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

Impairment

The Association assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.

Where the carrying value of non-current assets is less than their recoverable amounts the shortfall is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service potential.

Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

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

Key Judgements

a) Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Pension Liability

The Association participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Association has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Association and has therefore adopted this valuation method. Judgements relating to the benefits issue are included in Note 25.

Estimation Uncertainty

a) Rent Arrears - Bad Debt Provision

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

b) Life Cycle of Components

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

c) Useful life of properties, plant and equipment

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

d) Defined pension liability

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

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

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

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

				2025			2024
	Notes	Turnover	Operating costs	Operating surplus / (deficit)	Turnover	Operating costs	Operating surplus / (deficit)
		£	£	£	£	£	£
Affordable letting activities	3	5,392,902	4,450,421	942,481	5,088,858	4,514,445	574,413
Other Activities	4	65,582	112,865	(47,283)	95,289	118,579	(23,290)
Total		5,458,484	4,563,286	895,198	5,184,147	4,633,024	551,123

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

	General Needs Housing	Supported Housing	2025 Total	2024 Total
	£	£	£	£
Revenue from Lettings				
Rent receivable net of service charges	4,961,196	141,065	5,102,261	4,810,787
Service charges receivable	116,807	-	116,807	108,710
Gross income from rent and service charges	5,078,003	141,065	5,219,068	4,919,497
Less: Rent losses from voids	12,089	-	12,089	13,460
Income from rents and service charges	5,065,914	141,065	5,206,979	4,906,037
Grants released from deferred income	165,923	-	165,923	157,821
Revenue grants from Scottish Ministers	20,000	-	20,000	25,000
Total turnover from affordable letting activities	5,251,837	141,065	5,392,902	5,088,858
Management and maintenance administration costs	1,483,504	9,203	1,492,707	1,315,701
Service costs	139,135	-	139,135	124,238
Planned and cyclical maintenance, including major	468,175	17,023	485,198	686,872
Reactive maintenance costs	1,297,728	10,955	1,308,683	1,483,423
Bad Debts - rents and service charges	1,531	-	1,531	1,102
Depreciation of affordable let properties	981,839	41,328	1,023,167	903,109
Operating costs of affordable letting activities	4,371,912	78,509	4,450,421	4,514,445
Operating surplus on affordable letting activities	879,925	62,556	942,481	574,413
2024	595,501	(21,088)		

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

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

	Grants from Scottish Ministers	Other revenue grants	Other income	Total Turnover	Operating costs - bad debts	Other operating costs	Operating surplus / (deficit) 2025	Operating surplus / (deficit) 2024
	£	£	£	£	£	£	£	£
Wider role activities	-	-	33,800	33,800	-	55,906	(22,106)	3,055
Factoring	-	-	31,782	31,782	(287)	57,246	(25,177)	(22,978)
Contracted out services undertaken for registered social landlords	-	-	-	-	-	-	-	(3,367)
Total From Other Activities	-	-	65,582	65,582	(287)	113,152	(47,283)	(23,290)
2024	-	37,998	57,291	95,289	-	118,579	(23,290)	

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2025 £	2024 £
The Officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers and employees of the Association.		
Aggregate emoluments payable to Officers with emoluments greater than £60,000 (excluding pension contributions)	218,521	87,990
Pension contributions made on behalf on Officers with emoluments greater than £60,000	28,733	15,321
Emoluments payable to Chief Executive Officer (excluding pension contribut	93,230	87,990
Pension contributions paid on behalf of the Chief Executive Officer	16,241	15,321
Total emoluments payable to the Chief Executive Officer	109,471	103,311
Total emoluments paid to key management personnel	218,521	266,543

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

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

6. EMPLOYEE INFORMATION

	2025 No.	2024 No.
Average monthly number of full time equivalent persons employed during the year	19	21
Average total number of employees employed during the year	21	22
Staff costs were:	£	£
Wages and salaries	828,452	825,659
National insurance costs	66,929	73,018
Pension costs	117,933	98,181
Temporary, agency and seconded staff	47,002	2,324
	1,060,316	999,182

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2025	2024
	£	£
On bank loans and overdrafts	-	27,118
	<u>-</u>	<u>27,118</u>

8. SURPLUS FOR THE YEAR

	2025	2024
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	906,491	869,628
Auditors' remuneration - audit services	11,250	12,900
Operating lease rentals - other	<u>4,083</u>	<u>4,083</u>

9. CORPORATION TAX

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

10. OTHER FINANCE INCOME / (CHARGES)

	2025	2024
	£	£
Net interest on pension obligations	<u>(32,000)</u>	<u>(13,000)</u>

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Total £
COST			
At 1 April 2024	29,044,126	218,328	29,262,454
Additions	2,020,856	161,169	2,182,025
Disposals	(733,062)	-	(733,062)
At 31 March 2025	30,331,920	379,497	30,711,417
DEPRECIATION			
At 1 April 2024	11,774,792	-	11,774,792
Charge for Year	865,048	-	865,048
Disposals	(576,281)	-	(576,281)
At 31 March 2025	12,063,559	-	12,063,559
NET BOOK VALUE			
At 31 March 2025	18,268,361	379,497	18,647,858
At 31 March 2024	17,269,334	218,328	17,487,662

	2025		2024	
Expenditure on Existing Properties	Component replacement £	Improvement £	Component replacement £	Improvement £
Amounts capitalised	1,764,621	-	789,679	-
Amounts charged to the statement of comprehensive income	1,793,881	-	2,170,295	-

All land and housing properties are heritable.

The depreciation charge on housing properties as shown above differs from that per Note 3 due to accelerated depreciation on component replacements.

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Computer Equipment £	Total £
COST				
At 1 April 2024	646,311	100,610	398,107	1,145,028
Additions	-	847	3,192	4,039
Eliminated on disposals	-	-	-	-
At 31 March 2025	646,311	101,457	401,299	1,149,067
DEPRECIATION				
At 1 April 2024	522,297	83,860	364,216	970,373
Charge for year	21,544	5,019	14,880	41,443
Eliminated on disposals	-	-	-	-
At 31 March 2025	543,841	88,879	379,096	1,011,816
NET BOOK VALUE				
At 31 March 2025	102,470	12,578	22,203	137,251
At 31 March 2024	124,014	16,750	33,891	174,655

12. RECEIVABLES

	2025 £	2024 £
Gross arrears of rent and service charges	70,208	82,055
Less: Provision for doubtful debts	(36,601)	(41,165)
<i>Net arrears of rent and service charges</i>	33,607	40,890
Social housing grant receivable	-	327,127
Other receivables	80,437	28,587
	114,044	396,604

13. CURRENT ASSET INVESTMENTS

	2025 £	2024 £
Short term deposits	3,711,657	3,591,035
	3,711,657	3,591,035

14. CASH AND CASH EQUIVALENTS

	2025 £	2024 £
Cash at bank and in hand	1,927,208	1,761,813
	1,927,208	1,761,813

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025
NOTES TO THE FINANCIAL STATEMENTS (continued)

15.	PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR	2025	2024
		£	£
	Bank loans	-	47,868
	Trade payables	171,288	226,071
	Rent received in advance	203,919	209,037
	Other taxation and social security	18,955	23,225
	Other payables	3,526	18,983
	Accruals and deferred income	347,813	192,309
		<u>745,501</u>	<u>717,493</u>

At the balance sheet date there were pension contributions outstanding of £nil (2024 - £14,786).

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

16. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

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

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

The last valuation of the Scheme was performed as at 30 September 2021 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £1,173m. The valuation revealed a shortfall of assets compared with the value of liabilities of £27m (equivalent to a past service funding level of 98%).

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

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

	2025	2024
	£	£
Fair value of plan assets	4,585,000	4,827,000
Present value of defined benefit obligation	5,247,000	5,501,000
Surplus / (deficit) in plan	(662,000)	(674,000)
Unrecognised surplus	-	-
Defined benefit asset / (liability) to be recognised	(662,000)	(674,000)

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

16. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2025	2024
	£	£
Defined benefit obligation at the start of period	5,501,000	5,302,000
Current service cost	66,000	58,000
Expenses	9,000	8,000
Interest expense	267,000	256,000
Actuarial losses (gains) due to scheme experience	236,000	116,000
Actuarial losses (gains) due to changes in demographic assumptions	-	(32,000)
Actuarial losses (gains) due to changes in financial assumptions	(661,000)	(18,000)
Benefits paid and expenses	(171,000)	(189,000)
Defined benefit obligation at the end of period	5,247,000	5,501,000

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

	2025	2024
	£	£
Fair value of plan assets at start of period	4,827,000	5,030,000
Interest income	235,000	243,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(417,000)	(352,000)
Contributions by the employer	111,000	95,000
Benefits paid and expenses	(171,000)	(189,000)
Fair value of plan assets at the end of period	4,585,000	4,827,000

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2025 was £(182,000) (2024 - (£109,000)).

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

16. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2025	2024
	£	£
Current service cost	66,000	58,000
Expenses	9,000	8,000
Net interest expense	32,000	13,000
Defined benefit costs recognised in statement of comprehensive income	107,000	79,000

Defined benefit costs recognised in the other comprehensive income

	2025	2024
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	(417,000)	(352,000)
Experience gains and losses arising on plan liabilities - gain /(loss)	(236,000)	(116,000)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	-	32,000
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	661,000	18,000
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	8,000	(418,000)

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE FINANCIAL STATEMENTS (continued)

16. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2025	2024	2023
	£	£	£
Absolute Return	-	217,000	68,000
Alternative Risk Premia	-	174,000	29,000
Corporate Bond Fund	-	-	7,000
Credit Relative Value	-	170,000	192,000
Distressed Opportunities	-	178,000	155,000
Emerging Markets Debt	-	85,000	39,000
Fund of Hedge Funds	8,000	(2,000)	10,000
Global Equity	531,000	555,000	133,000
Infrastructure	1,000	462,000	542,000
Insurance-Linked Securities	17,000	30,000	140,000
Liability Driven Investment	1,291,000	1,745,000	2,130,000
Long Lease Property	2,000	36,000	169,000
Net Current Assets	6,000	6,000	11,000
Over 15 Year Gilts	4,000	4,000	-
Real Assets	547,000	-	-
Private Debt	-	194,000	225,000
Property	227,000	204,000	209,000
Risk Sharing	-	290,000	367,000
Secured Income	106,000	161,000	336,000
Opportunistic Illiquid credit	-	192,000	222,000
Private Credit	572,000	-	-
Investment Grade Credit	210,000	-	-
Credit	195,000	-	-
Liquid alternatives	844,000	-	-
Cash	-	1,000	25,000
High Yield	-	-	-
Opportunistic Credit	24,000	125,000	21,000
Total Assets	4,585,000	4,827,000	5,030,000
Key Assumptions			
Discount Rate	5.8%	4.9%	4.9%
Inflation (RPI)	3.1%	3.2%	3.2%
Inflation (CPI)	2.8%	2.8%	2.8%
Salary Growth	3.8%	3.8%	3.8%

	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance
Allowance for commutation of pension for cash at retirement			

The mortality assumptions adopted at 31 March 2025 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2025	20.2
Female retiring in 2025	22.7
Male retiring in 2045	21.5
Female retiring in 2045	24.2

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

17. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Total £
Capital grants received			
At 1 April 2024	5,947,602	1,662,276	7,609,878
Additions in the year	119,214	122,500	241,714
Eliminated on disposal	-	-	-
At 31 March 2025	<u>6,066,816</u>	<u>1,784,776</u>	<u>7,851,592</u>
Amortisation			
At 1 April 2024	2,212,219	678,323	2,890,542
Amortisation in year	119,020	46,901	165,921
At 31 March 2025	<u>2,331,239</u>	<u>725,224</u>	<u>3,056,463</u>
Net book value			
At 31 March 2025	<u>3,735,577</u>	<u>1,059,552</u>	<u>4,795,129</u>
At 31 March 2024	<u>3,735,383</u>	<u>983,953</u>	<u>4,719,336</u>

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

	2025 £	2024 £
Amounts due within one year	170,690	157,821
Amounts due in more than one year	<u>4,624,439</u>	<u>4,561,515</u>
	<u>4,795,129</u>	<u>4,719,336</u>

18. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2025 £	2024 £
At 1 April	112	115
Issued in year	5	12
Cancelled in year	<u>(12)</u>	<u>(15)</u>
At 31 March	<u>105</u>	<u>112</u>

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

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

19. CASH FLOWS

Reconciliation of net cash flow to movement in net funds

	2025	2024
	£	£
Increase / (decrease) in cash	165,395	(485,994)
Change in liquid resources	120,622	104,549
Cashflow from change in net debt	47,868	571,443
Movement in net funds in the year	333,885	189,998
Net funds at 1 April	5,304,980	5,114,982
Net funds at 31 March	5,638,865	5,304,980

	At 01 April 24	Cashflows	Other Changes	At 31 March 25
	£	£	£	£
Cash and cash equivalents	1,761,813	165,395	-	1,927,208
	1,761,813	165,395	-	1,927,208
Liquid resources	3,591,035	120,622	-	3,711,657
Debt: Due within one year	(47,868)	47,868	-	-
Due after more than one year	-	-	-	-
Net funds	5,304,980	333,885	-	5,638,865

20. CAPITAL COMMITMENTS

	2025	2024
	£	£
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	210,323	91,777

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

21. COMMITMENTS UNDER OPERATING LEASES

At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-

	2025	2024
	£	£
Other		
Expiring in the next year	2,545	4,083
Expiring later than one year and not later than five years	-	3,155

22. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 10 Field Road, Faifley, Clydebank, G81 5BX.

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

KNOWES HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025 NOTES TO THE FINANCIAL STATEMENTS (continued)

23. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2025 No.	2024 No.
General needs - Built by Association	114	114
General Needs - Purchased by Association	944	941
Supported housing	1	1
	<u>1,059</u>	<u>1,056</u>

24. RELATED PARTY TRANSACTIONS

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

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

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

	2025 £	2024 £
Rent received from tenants on the Management Committee and their close family members	<u>10,023</u>	<u>5,606</u>
Factoring charges received from factored owners on the Management Committee and their close family members	<u>45</u>	<u>85</u>
Members of the Management Committee who are tenants	2	1
Members of the Management Committee who are owner occupiers	-	-
Members of the Management Committee who are local councillors	<u>1</u>	<u>1</u>

25. CONTINGENT LIABILITY

We have been notified by the Trustee of the Scheme that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before the end of 2025 at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time. No adjustment has been made in these financial statements in respect of this potential issue.