

Registered number: SC168624

Charity number: SC025334

CASTLEHILL HOUSING TRUST

(A company limited by guarantee and not having share capital)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2026

**CASTLEHILL HOUSING TRUST
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026**

CONTENTS

	Pages
Legal and Administrative Information	1
Directors' Report	2-5
Statement of Directors' Responsibilities	6
Independent Auditor's Report to the Members and Trustees of Castlehill Housing Trust	7-10
Statement of Financial Activities	11
Statement of Comprehensive Income	12
Statement of Financial Position	13
Notes on the Financial Statements	14-25

CASTLEHILL HOUSING TRUST
LEGAL AND ADMINISTRATIVE INFORMATION

DIRECTORS AND TRUSTEES

The directors of the charitable company are its trustees for the purposes of charity law. The directors are as follows:

	Nominated by:	
Jennifer Stewart	Independent	Resigned 20 August 2025
Karen Wood	Independent	
David Lappin	Castlehill Housing Association	Resigned 30 June 2026
Paul King	Castlehill Housing Association	Resigned 27 October 2025
Nicola Shand	Castlehill Housing Association	
Mhorag Ewen	Castlehill Housing Association	
Becky Ewen	Castlehill Housing Association	
Isla Gray	Castlehill Housing Association	Appointed 1 July 2026
Val Culley	Independent	
Claire Reid	Independent	
Taru Kiiskinen	Independent	
William Wishart	Independent	Appointed 20 August 2025

Registered and Principal Office	4 Carden Place Aberdeen AB10 1UT
--	--

Registered Auditor	AAB Audit & Accountancy Limited Kingshill View Kingswells Aberdeen AB15 8PU
---------------------------	---

Bankers	Virgin Money Principal Branch Queen's Cross Aberdeen AB15 4XU
----------------	---

Solicitors	Burness Paull LLP 2 Marischal Square Broad Street Aberdeen AB10 1DQ
-------------------	---

CASTLEHILL HOUSING TRUST DIRECTORS' REPORT

The directors submit their report and the audited financial statements of the charitable company for the year ended 31 March 2026.

The directors confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Nature of governing document

Castlehill Housing Trust (the Trust) is a company limited by guarantee (company number SC168624) and recognised as a charity by the Office of the Scottish Charity Regulator (charity number SC025334). The charitable company is governed by its Articles of Association.

The Trust is a wholly owned subsidiary of Castlehill Housing Association (Industrial & Provident Society number MS 1670 R(S)) & recognised as a charity by the Scottish Charity Regulator (charity number SC013584).

Organisational structure

A board of directors of up to 11 members, who meet at least 4 times a year, administers the charity. A maximum of 6 members may be representatives of Castlehill Housing Association.

A manager is employed by the Trust's parent company, Castlehill Housing Association Ltd, to manage the operations of the charity with day to day activities being carried out by the member Housing Association.

Recruitment and appointment of directors

The powers for appointment and removal of Directors are set out in the company's articles of association.

The resignation and appointment of directors who are local authority councillors are as a result of local authority elections.

Prospective independent directors are proposed by an existing director at a minuted board meeting before the individual is approached, and their appointment is based on the candidate's expertise and suitability to the role.

The members have the power to review the composition of the Board at an Annual General Meeting or at an Extraordinary General Meeting, under Articles 55 to 58. Directors shall also vacate their office through disqualification as required under Article 59.

CASTLEHILL HOUSING TRUST
DIRECTORS' REPORT (continued)

Risk management

The directors have assessed the major risks to which the Trust is exposed, in particular those related to the operations and finance of the company and are satisfied that the systems are in place to manage the exposure to major risks.

Objectives and Activities

Castlehill Housing Trust was incorporated on 27 September 1996 with the primary objective of providing affordable, specialised housing for people who are unable to live independently in the community.

Initially the main focus of the Trust from its inception has been the NHS Grampian Hospital Resettlement Programme, the aim of which is to provide accommodation in the community for people living in long stay hospital care.

A further progression from this is to provide suitable family accommodation for those with a family member who have specialised requirements.

Currently the Trust has 45 individual properties of which 17 are shared living. In total there are 178 bed spaces.

The directors have agreed a vision statement to guide them in developing the future activities of the Trust: "Providing sustainable and adaptable homes for people with particular needs".

In order to achieve the objectives the charity has engaged with stakeholders to identify opportunities for development.

The company's main sources of funding are obtained from The Scottish Government, Local Authorities and private borrowings. Opportunities to develop the company's portfolio of affordable and specialised housing are assessed on a needs basis and no project is undertaken unless it is financially viable.

ACHIEVEMENTS AND PERFORMANCE

We have a good working relationship with the three local authorities in which we operate and we have void loss/nomination agreements in place. We meet bi-annually with all Care Providers to discuss property issues and any tenancy / needs concerns. We have a healthy planned maintenance programme in place to improve facilities within a number of our properties. We are considering a planned programme of reconfiguration of some of our shared living environments to meet evolving needs.

FINANCIAL REVIEW

The results for the year are set out in the Statement of Financial Activities on page 11 and the Statement of comprehensive income on page 12. The Directors of the Company are of the opinion that the state of affairs of the Trust as shown on the Statement of financial position on page 13 is satisfactory.

CASTLEHILL HOUSING TRUST
DIRECTORS' REPORT (continued)

FINANCIAL REVIEW (continued)

The surplus for the year was £355,564 (2025: £38,903). A net amount of £37,917 has been transferred to (2025 - £487,741) designated reserves.

The unrestricted reserves are made up of a general reserve of £3,782,538 (2025 - £3,464,891) and designated reserves of £1,193,355 (2025 - £1,155,438).

Investments

The policy of the Trust in the investment of cash is to achieve a satisfactory return while minimising risk. The overriding principle is to minimise risk rather than maximise return.

Loan funding

The long term loans of the Trust total £464,895 at 31 March 2026.

Reserves

It is the policy of the Trust to maintain three unrestricted funds, two of which are designated for specific purposes.

The general reserve represents those funds not tied up in designated funds. The Trust's policy is to maintain the general reserve at a level which equates to between three to six months unrestricted expenditure, which equates to between £250,000 and £500,000 of free reserves. This will provide sufficient funds to cover management and administration costs during any temporary interruption to the Trust's activities. The balance on the general reserve at 31 March 2026 was £3,782,538. The Board intends to monitor the general reserve annually to ensure the reserve remains at a satisfactory level.

The major repairs reserve has been designated by the Board to fund future planned maintenance - the appropriate level of this reserve has been determined from previous 25-year life cycle cost projections. Regular inspections of the Trust's properties also contribute to planned maintenance. The Board approved £310,000 to be transferred to this fund from general reserves during year ended 31 March 2026. The balance on the reserve at 31 March 2026 was £668,272 which the Board considers to be sufficient to fund major repairs budgeted to be made up to 31 March 2027.

The services reserve has been designated to fund the replacement of specialised equipment provided by the Trust to tenants and charged to tenants through a service charge. The specialised equipment is included with the houses for letting costs in the balance sheet. The amount transferred annually to this reserve is equivalent to the surplus of the service charge income over costs incurred.

PLANS FOR FUTURE PERIODS

We will continue to work in partnership with our local Adult Health and Social Care Partners in both the public and third sector. We are ensuring that our housing stock meets the changing needs of our current tenants and leaseholders. In the current economic climate, we are prioritising our planned upgrade programme of kitchens, bathrooms and window replacements. Our shared living properties are requiring more investment to ensure they are fit for purpose. We are working with Care Providers to prioritise components that would be classed as environmental issues in their Care Inspectorate report which relate to concerns over infection control/hygiene such as lack of preparatory services / condition of shared bathrooms.

CASTLEHILL HOUSING TRUST
DIRECTORS' REPORT (continued)

PLANS FOR FUTURE PERIODS (continued)

Castlehill's Property Services are currently conducting detailed surveys on all the Trust properties to inform our Strategy. We are working with our board outwith our usual quarterly meetings to develop a Strategy for the upcoming years considering changing aspirations and priorities for reconfiguration. We have now sold the property that we discussed on our previous report, and the monies generated from the sale have been ring fenced within designated reserves for a specific project as per our new strategy.

The Trust continues to work collaboratively with our parent company Castlehill Housing Association, to ensure our current property portfolio meets the evolving needs of our current tenants and applicants of the future.

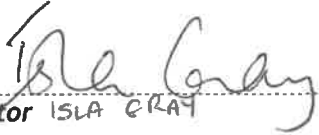
PROVISION OF INFORMATION TO AUDITOR

As far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware and we have taken all the steps that we ought to have taken as directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

AAB Audit & Accountancy Limited have expressed their willingness to continue in office and a resolution proposing their re-appointment will be submitted at the annual general meeting.

Signed on behalf of the Board of Directors


.....
Director ISLA GRAY

12 August 2026
Date

CASTLEHILL HOUSING TRUST
DIRECTORS' RESPONSIBILITIES STATEMENT

The directors (who are also trustees of Castlehill Housing Trust) for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the directors to prepare the financial statements for each year.

Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the company and of the incoming resources and application of resources of the company for that period. In preparing these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles of the Charities SORP;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CASTLEHILL HOUSING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CASTLEHILL HOUSING TRUST

Opinion

We have audited the financial statements of Castlehill Housing Trust for the year ended 31 March 2025 which comprise Statement of Financial Activities, Statement of Comprehensive Income, Statement of Financial Position and notes to the financial statements, 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 charitable company's affairs as at 31 March 2025 and of its incoming resources and application of resources 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included 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.

CASTLEHILL HOUSING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CASTLEHILL HOUSING TRUST

Other information (continued)

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.

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charitable company 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 and the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept; 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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 6, the trustees (who are also the directors of the charitable company for the purposes 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

CASTLEHILL HOUSING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CASTLEHILL HOUSING TRUST

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.

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

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

The laws and regulations we considered in this context were the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

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

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

Our audit procedures to respond to these risks included:

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

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

CASTLEHILL HOUSING TRUST

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF
CASTLEHILL HOUSING TRUST**

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.



Andrew Shaw (Senior Statutory Auditor)

For and on behalf of

AAB Audit & Accountancy Limited

Statutory Auditor

Kingshill View

Prime Four Business Park

Kingswells

Aberdeen

AB15 8PU

13 August 2026

CASTLEHILL HOUSING TRUST
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2026

	Note	General funds £	Designated Funds £	Restricted funds £	Total 2026 £	General Funds £	Designated funds £	Restricted funds £	Total 2025 £
INCOMING RESOURCES									
Incoming resources from charitable activities	3	1,057,420	-	119,102	1,176,522	1,050,593	-	119,102	1,169,695
Incoming resources from generated funds			-	-			-	-	
Investment income	4	45,515	-	-	45,515	61,583	-	-	61,583
Gain on Sale		314,820	-	-	314,820	-	-	-	-
TOTAL INCOMING RESOURCES		1,417,755	-	119,102	1,536,857	1,112,176	-	119,102	1,231,278
Grants capitalised			-	-			-	-	
NET INCOMING RESOURCES									
RESOURCES		1,417,755	-	119,102	1,536,857	1,112,176	-	119,102	1,231,278
RESOURCES EXPENDED									
Cost of charitable activities		-	-	-	-	-	-	-	-
Provision of accommodation	6	1,054,204	-	119,102	1,173,306	1,065,881	-	119,102	1,184,983
Governance costs	6	1,054,204	-	119,102	1,173,306	1,065,881	-	119,102	1,184,983
		7,987	-	-	7,987	7,392	-	-	7,392
TOTAL RESOURCES EXPENDED		1,062,191	-	119,102	1,181,293	1,073,273	-	119,102	1,192,375
Movement in total funds for the year		355,564	-	-	355,564	38,903	-	-	38,903
Total funds brought forward		3,464,891	1,155,438	-	4,620,329	3,913,729	667,697	-	4,581,426
		(37,917)	37,917	-	-	(487,741)	487,741	-	-
Transfer between funds									
Total funds carried forward	17	3,782,538	1,193,355	-	4,975,893	3,464,891	1,155,438	-	4,620,329

CASTLEHILL HOUSING TRUST
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2026

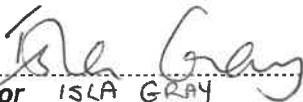
	Notes	2026 £	2025 £
INCOME			
Grant Released from Deferred Income	3	119,102	119,102
Lease income	3	1,057,420	1,050,593
		1,176,522	1,169,695
EXPENDITURE			
Net operating costs	7	(1,148,968)	(1,151,486)
OPERATING SURPLUS		27,554	18,209
Gain on sale of fixed assets	5	314,820	-
Surplus on operating activities before Interest		342,374	18,209
Interest receivable	4	45,515	61,583
Interest payable	8	(32,325)	(40,889)
SURPLUS FOR THE YEAR		355,564	38,903

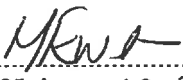
The company has made no gains or losses other than as reported above.

CASTLEHILL HOUSING TRUST
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 MARCH 2026

	Notes	2026 £	2025 £
FIXED ASSETS			
Land and Buildings	11	6,427,400	6,595,958
CURRENT ASSETS			
Debtors	13	56,956	64,706
Cash at Bank		2,297,804	2,137,595
		<u>2,354,760</u>	<u>2,202,301</u>
CREDITORS: amounts falling due within one year	14	<u>(370,413)</u>	<u>(533,821)</u>
NET CURRENT ASSETS		<u>1,984,347</u>	<u>1,668,480</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,411,747</u>	<u>8,264,438</u>
CREDITORS: amounts falling due after more than one year	15	<u>(3,435,854)</u>	<u>(3,644,109)</u>
NET ASSETS		<u>4,975,893</u>	<u>4,620,329</u>
UNRESTRICTED INCOME FUNDS			
General	17	3,782,538	3,464,891
Designated	18	1,193,355	1,155,438
TOTAL FUNDS		<u>4,975,893</u>	<u>4,620,329</u>

Signed on behalf of the board of directors


 Director ISLA GRAY


 Director MHORAG EWEN

12 August 2026
 Date

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026

1. General Information

Castlehill Housing Trust is a private company limited by guarantee incorporated in Scotland. The registered office is 4 Carden Place, Aberdeen, AB10 1UT. The principal activity of the company is to provide affordable specialist housing for people who are unable to live independently in the community.

2. Accounting Policies

(a) Basis of financial statements preparation.

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS102) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Companies Act 2006.

Castlehill Housing Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

(b) Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Incoming Resources

(i) Donations

Donations, including donations in kind, are credited to income in the year in which they are receivable.

(ii) Lease income

Lease income represents rental and service charge income receivable net of voids.

(iii) Revenue grants

Where a grant is paid as a contribution towards revenue expenditure, it is included in turnover in the year to which they relate. Income from grants is recognised when there is evidence of entitlement to the grant, receipt is probable and its amount can be measured reliably.

(iv) Intangible income

Intangible income, which comprises donated services being the provision of directors and other individuals to attend management meetings, has not been recognised in the Statement of Financial Activities as it has not been possible to obtain estimates of the financial cost borne by the donors.

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

2. Accounting Policies (continued)

(d) Resources Expended

Liabilities are recognised when the charity has an obligation to make a payment to a third party. Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT.

Expenditure is directly attributed to the relevant category within the Statement of Financial Activities where practical. Other expenditure is allocated on a pro-rata basis determined by the directors.

(e) Tangible fixed assets - housing properties

Housing properties are stated at historical cost. This cost includes:

- Cost of acquiring land and buildings
- Development expenditure
- Interest charged on the development loans used to finance the scheme
- Directly attributable costs of administration of acquisition and development

Depreciation is charged on a straight line basis over the remaining expected useful life of the property. All properties are assumed to have a useful economic life of 50 years.

Properties (excluding land) are depreciated at 2% p.a. on original cost.

(f) Capital Grants

Where grant is received from government and other bodies as a contribution towards capital cost of housing schemes, it is recognised (as income using the performance model in accordance with the SORP). Prior to satisfying the performance conditions (e.g. on completion of new build properties), such grants are held as deferred income on the statement of financial position.

(g) Taxation

The company is recognised by HM Revenue and Customs as a charity and as a consequence of the tax reliefs available in relation to current year income is not liable to taxation.

(h) Lease Commitments

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

2. Accounting Policies (continued)

(i) Funds

Funds held by the charity comprise:

Restricted fund:

A restricted fund is used for amounts received from sponsoring organisations, which have been earmarked for specific purposes by the donor. There was no such fund at the year end.

Unrestricted funds:

- **General**
This fund is expendable at the discretion of the Directors in furtherance of the objects of the Trust.
- **Designated**
This fund represents funds earmarked for future major repairs and to fund the replacement of specialist equipment. The Trust maintains its properties in a state of repair, which at least maintains their residual value in prices prevailing at the time of acquisition and construction. Provision is made for such future expenditure.

The amount transferred annually to the services reserve is equivalent to the surplus of service income over costs incurred in the provision of services and replacement of equipment.

(j) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

(k) Creditors

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

(l) Cash and cash equivalents

Cash comprises cash in hand and deposits repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying value.

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

2. Accounting Policies (continued)

(m) Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

Financial assets that are measured at cost and amortised at cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

(n) Provisions

The company only provides for liabilities at the year end where there is a legal or constructive obligation incurred which will likely result in the outflow of resources.

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

3. Income Resources from Charitable Activities

	2026 £	2025 £
Provision of accommodation:		
Lease income	1,057,420	1,050,593
Property grants released	119,102	119,102
	<u>1,176,522</u>	<u>1,169,695</u>

4. Investment Income

	2026 £	2025 £
Bank Interest receivable	<u>45,515</u>	<u>61,583</u>

5. Gain on sale

On 27 March 2026, Castlehill Housing Trust sold a property at 4 Rosemount Terrace, Aberdeen. The net proceeds from the sale of the property was £316,578 which gave rise to a gain on sale of £314,820.

6. Resources Expended

	Cost of charitable activities £	Governance £	2026 £	2025 £
Provision of accommodation:				
Property, management and administration costs	1,155,994	-	1,155,994	1,175,969
Printing, stationery and office	176	-	176	557
Audit	-	7,987	7,987	7,392
Legal and professional	9,324	-	9,324	4,830
Bank charges	164	-	164	161
Insurance	7,999	-	7,999	7,607
Bad debts	(351)	-	(351)	(4,141)
	<u>1,173,306</u>	<u>7,987</u>	<u>1,181,293</u>	<u>1,192,375</u>

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

7. Net Operating Costs

	2026 £	2025 £
Legal and professional	9,324	4,830
Auditor's remuneration	7,987	7,392
Day to day maintenance	229,318	196,862
Cyclical maintenance	52,411	15,284
Planned maintenance	279,083	337,736
Depreciation	166,800	166,800
Bad debts	(351)	(4,141)
Service costs	144,450	162,994
Property, management and administration costs	259,946	263,729
Total	<u>1,148,968</u>	<u>1,151,486</u>

8. Interest Payable and Similar Charges

	2026 £	2025 £
On loans from banks payable wholly or partly in more than five years by instalments	<u>32,325</u>	<u>40,889</u>

9. Staff Costs and Employees

The Trust does not directly employ any staff. Management services are provided by the staff of Castlehill Housing Association Limited, the Trust's parent company.

10. Directors' Emoluments

None of the Directors received any emoluments during the year (2025: £nil).

During the year travel expenses of £15 (2025: £nil) were paid to the trustees.

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

11. Tangible Fixed Assets

	Houses for letting	Houses under construction	Total
COST			
1 April 2025	10,150,020	-	10,150,020
Disposals	(2,851)	-	(2,851)
31 March 2026	<u>10,147,169</u>	<u>-</u>	<u>10,147,169</u>
DEPRECIATION			
At 1 April 2025	3,554,062	-	3,554,062
Charge for the year	166,800	-	166,800
Disposals	(1,093)	-	(1,093)
At 31 March 2026	<u>3,719,769</u>	<u>-</u>	<u>3,719,769</u>
Net book values at:			
31 March 2026	<u>6,427,400</u>	<u>-</u>	<u>6,427,400</u>
31 March 2025	<u>6,595,958</u>	<u>-</u>	<u>6,595,958</u>

12. Grants

	2026 £	2025 £
Deferred grant at beginning of year	3,297,197	3,416,299
Release of deferred grant in year	<u>(119,102)</u>	<u>(119,102)</u>
Balance at end of year	<u>3,178,095</u>	<u>3,297,197</u>
Included in accounts as follows:		
Creditors: amounts due within one year (Note 14)	119,102	119,102
Creditors: amounts due after more than one year (Note 15)	<u>3,058,993</u>	<u>3,178,095</u>
	<u>3,178,095</u>	<u>3,297,197</u>

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

13. Debtors

	2026 £	2025 £
Rental debtors	31,259	35,069
Less: Provision for bad debts	(11,780)	(12,523)
Amounts owed from parent company	6,337	-
Other debtors	31,140	42,160
	<u>56,956</u>	<u>64,706</u>

14. Creditors: *amounts falling due within one year*

	2026 £	2025 £
Bank loans (Note 15)	86,786	80,063
Trade creditors	27,418	-
Amounts owed to parent company	-	8,385
Deferred grant income	119,102	119,102
Accruals and deferred income	137,107	326,271
	<u>370,413</u>	<u>533,821</u>

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

	2026 £	2025 £
Deferred grant income	3,058,993	3,178,095
Bank loans for completed schemes	376,861	466,014
	<u>3,435,854</u>	<u>3,644,109</u>

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

15. Creditors: *amounts falling due after more than one year (continued)*

Bank loans for completed schemes

	2026 £	2025 £
Repayable as follows:		
In one year or less	86,786	80,063
Between one and two years	91,980	85,655
Between two and five years	182,551	233,930
In five years or more	103,578	148,301
	464,895	547,949
Less: amounts falling due within one year	(86,786)	(80,063)
Less: loan arrangement fee	(1,248)	(1,872)
	376,861	466,014

Amounts of loans outstanding per lender at the year end are as follows:

Royal Bank of Scotland plc	£297,970
Cooperative Bank Plc	£166,925

The loan terms range between 20 and 30 years.

Interest rates prevailing during 2025-26 for fixed rate loans were as follows:

Royal Bank of Scotland plc	6.05%
----------------------------	-------

At the year end approximately 64% of the loan balances were on fixed rate arrangements.

Interest rates prevailing during 2025-26 for varied rate loans were as follows:

Cooperative Bank Plc	3.125% above base
----------------------	-------------------

Loans are secured by specific charges on certain of the Trust's properties. A second ranking security is held by Aberdeenshire Council over certain properties.

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

16. Share Capital

The charity is a company limited by guarantee and has no share capital. The members' liability in the event of winding up does not exceed £1 per member.

17. Unrestricted Funds

	General funds £	Designated Funds £	Total £
At 31st March 2025	3,464,891	1,155,438	4,620,329
Movement in funds for the year	355,564	-	355,564
Transfer of amount designated for future major repairs to general funds	(30,917)	30,917	-
Transfer of amount designated for service costs to general funds	(7,000)	7,000	-
At 31 March 2026	3,782,538	1,193,355	4,975,893

18. Designated Funds

	Services £	Repairs £	Total £
At 31 March 2025	518,083	637,355	1,155,438
Transfer from general funds	7,000	310,000	317,000
Transfer to general funds	-	(279,083)	(279,083)
At 31 March 2026	525,083	615,861	1,140,944

The purpose of the services designated funds is to fund the replacement of specialist equipment provided by the Trust to tenants.

The purpose of the major repair designated reserve is to fund future planned maintenance at the appropriate level.

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

19. Analysis of Net Assets Between Funds

	Restricted Funds £	Unrestricted funds General £	Designated £	Total funds £
Land and buildings at net book value	3,178,095	3,249,305	-	6,427,400
Grants received	(3,178,095)	-	-	(3,178,095)
	-	3,249,305	-	3,249,305
Net current assets/(liabilities)	-	910,094	1,193,355	2,103,449
Creditors falling due after one year	-	(376,861)	-	(376,861)
	-	3,782,538	1,193,355	4,975,893

20. Related Party Transactions

The Trust is a wholly controlled subsidiary of Castlehill Housing Association Limited.

Details of transactions with Castlehill Housing Association included in the Trust's accounts for 2026 are as follows:

	£
Lease costs	23,080
Repair recharges	156,363
Management charge	175,000
Recharges to parent company	(3,973)
Total	350,470
Total due from Castlehill Housing Association at 31 March 2026	6,337

21. Contingent Liabilities

Special Needs Capital Grants provided by the Scottish Government have the sole purpose of funding schemes for people with special needs. If the conditions attached to the grant are breached then the grant is repayable to the Scottish Government.

Of the total grant, as disclosed in Note 12, £1,471,454 relates to Special Needs Capital Grants subject to repayment to The Scottish Housing Regulator in the event of breach of conditions.

CASTLEHILL HOUSING TRUST
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2026 (continued)

22-. Contracted expenditure commitments

	2026	2025
	£	£
Expenditure that has been contracted for but not provided for in the financial statements	-	57,535
	<u>-</u>	<u>57,535</u>
	2026	2025
	£	£
The Association expects its contracted expenditure to be financed as follows:		
Loan finance	-	-
Grant	-	-
Own reserves	-	57,535
	<u>-</u>	<u>57,535</u>
	<u>-</u>	<u>57,535</u>