



**LARKFIELD HOUSING ASSOCIATION
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

**Registered Society and Financial Conduct Authority
Registration No: 2509R(S)**

Scottish Charity No: SC042066

The Scottish Housing Regulator No: HCB293

LARKFIELD HOUSING ASSOCIATION

CONTENTS

	Page
Association information	1
Report of the board of management	2 - 8
Board of management statement on internal financial controls	9
Statement of boards responsibilities under the co-operative and community benefit societies Act 2014 for a registered social landlord	10
Independent auditor's report	11 - 13
Report by the auditor to the members of Larkfield Housing Association on corporate governance matters	14
Statement of comprehensive income	15
Statement of financial position	16
Statement of changes in reserves	17
Statement of cash flows	18
Notes to the financial statements	19 - 34

LARKFIELD HOUSING ASSOCIATION

ASSOCIATION INFORMATION

Board Members	A Hunter J Lennon K Doherty T Thompson C Crawford M Harper W Rice L Dallas Councillor J Daisley
Secretary	W Rice
Registered office	14 Lothian Road Greenock PA16 0PG
Auditor	RSM UK Audit LLP Third Floor 2 Semple Street Edinburgh EH3 8BL
Internal auditor	TIAA Artillery House Fort Fareham Industrial Site Fareham PO14 1AH
Solicitors	Patten and Prentice 2 Ardgowan Square Greenock PA16 8PP

LARKFIELD HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT

FOR THE YEAR ENDED 31 MARCH 2025

The Committee of Management ('The Committee') presents its annual report and the audited financial statements for the year ended 31 March 2025.

Principal Activity

The principal activity of Larkfield Housing Association Limited ('Larkfield') is the provision of social housing. In doing so Larkfield aims to:

- Provide quality homes that are valued by our tenants.
- Deliver excellent services.
- Seek continuous improvement.
- Work in partnership to make a positive difference and help our communities thrive.
- Invest in and support our staff and Board members to achieve their full potential.
- Remain financially strong, sustainable and resilient.

Corporate Status

Larkfield is registered with the Financial Conduct Authority as a Cooperative and Community Benefit Society, the Office of the Scottish Charities Regulator (OSCR) as a Scottish charity and the Scottish Housing Regulator as a Registered Social Landlord. Larkfield is a member of the Link Group, where Link Group Limited (a Registered Social Landlord) is the parent company.

Group Structure

Larkfield joined Link Group Limited on 28 November 2006 as a wholly owned subsidiary. Although Larkfield became a wholly owned subsidiary of Link Group Limited, it retained its name, identity, and membership. There have been a range of benefits to Larkfield from this move including Larkfield having access to economies of scale for example in procurement and repairs and maintenance services, and also access to financial services and business support, and supporting the growth of its service provision.

Operating and Financial Review

Financial Summary

This year Larkfield recorded total comprehensive income of £429k (2024: £248k) Investments in the year to the housing stock included the replacement of all internal doors to 25 properties (2024: 85) and roofline replacement works to 7 properties.

In addition, a small number of bathrooms, kitchens and central heating systems were renewed. A total of 26 adaptations were completed (2024: 31), 24 Electrical Inspection Condition Records (EICR) were carried out (2024: 81) and gas safety checks across all of Larkfield's stock were undertaken.

LARKFIELD HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Turnover

Turnover of £2.4 million (2024: £2.2 million) mainly relates to the income from the letting of properties at affordable rents, the provision of common maintenance services to Larkfield owner-occupiers and the provision of local housing management and maintenance services to Link Housing Association Limited, in relation to its Inverclyde properties. It is Larkfield's policy to review annually the actual rent levels charged to ensure viability whilst also monitoring comparability and affordability levels. Tenants are charged rents on a twelve-monthly cycle. The Rent increase for 2025 was 6.25% (2024: 4%)

Estate Maintenance

Larkfield acted as management agent to 564 (2024:570) owner-occupiers in the Larkfield area in the year to 31 March 2025. Invoices are issued to owner-occupiers to recover the costs of common maintenance works and services.

Property Acquisitions

There were two property acquisitions during the financial year. The two properties were acquired from owner-occupiers in the Larkfield area.

Financing and Liquidity

Larkfield holds no loan facilities and cash balances of £2 million (2024: £1.2 million)

The Members of the Committee of Larkfield have considered and approved the budget for the year 2026, as well as the 5-year and 30-year financial plan commencing from 2025. Based on the evaluation of these plans, the Members of the Committee are of the view that Larkfield is solvent, viable and sustainable and therefore is a going concern.

Treasury Management

Larkfield has an active treasury management function, which operates in accordance with the Treasury Policy approved by its Committee.

Larkfield's operating activities have generated £0.9m (2024: £1.3m) in cash. Current assets have increased in year to £2.2m (2024: £1.5m). Furthermore, current liabilities have increased to £1.4m (2024: £1.2m) with the majority of the increase being Intergroup transactions with Link Housing Association due to the management of the Link Housing stock across the Inverclyde area.

Key Performance Indicators (KPIs)

The table below highlights several important KPIs, of both a financial and non-financial nature. The majority show slight fluctuations between the performance and targeted performance for 2025 and Larkfield has not achieved all the targets. The average re-let time, average time to complete non-emergency repairs and the percentage of reactive repairs carried out right first time have all been adversely impacted as a result of the continuing challenging market conditions around materials and labour but have all improved on the prior year. Several void properties required significant repairs prior to re-let. Repairs completed later than our locally agreed timescales are classified as having not been carried out right first time, in line with technical guidance. KPIs still experience year on year improvement, with emergency repair completion, rent arrears and SHQS compliance improving within the year.

LARKFIELD HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

KPI Indicator	Larkfield Performance 2024/25	Larkfield Target 2024/25	Larkfield Performance 2023/24
Financial Health			
% Rent due lost through properties being empty	0.6%	0.4%	0.5%
Gross rent arrears (all tenants) as a percentage of rent due	4.2%	4.2%	4.7%
Service Quality			
Average re-let time (calendar days)	45.8 days	35.0 days	47.9 days
Average length of time taken to complete emergency repairs	3.1 hours	4.0 hours	2.9 hours
Average length of time to complete non-emergency repairs	9.5 days	6.0 days	10.7 days
Percentage of reactive repairs carried out in the last year completed right first time	72.5%	90.0%	71.7%
% Anti-Social Behaviour cases reported and resolved	100%	95.0%	100%
Percentage of tenants who feel the rent for their property represents value for money	78.2%	80.0%	76.5%
Stock Quality			
Percentage of stock meeting the Scottish Housing Quality Standard (SHQS) (RSL average)	94.9%	95.0%	94.1%
Percentage of properties meeting the Energy Efficiency Standard Social Housing (EESH) (RSL average)	99.5%	100%	99.5%
Access to housing & Support			
Percentage of new tenancies sustained for more than one year, by source of let	90.6%	90.0%	90.0%

LARKFIELD HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Members of the Committee of Management

The Members of the Committee of Management of Larkfield during the year to 31 March 2025 and subsequent up to the day of signing were as follows:

S Harris	(Resigned March 2025)
A Hunter	
M Greig	(Resigned May 2025)
J Lennon	
K Doherty	
T Thompson	
C Crawford	
M Harper	
W Rice	
L Dallas	
Councillor J Daisley	
Councillor D Wilson	(Resigned September 2024)

Future Developments

Larkfield will continue with its policy of improving the quality of housing, housing services, housing options and community regeneration within its area of activity, working with its existing and new partners. In the coming year we will continue to consolidate Larkfield's position within Link Group Limited, developing relationships and opportunities for the sharing of central services, specialist services, experience and providing value for money for our tenants.

Charitable Donations and Community Involvement

Larkfield is actively involved in community regeneration activities as well as community safety and continues to promote community regeneration projects through a partnership approach with both Link Group Limited and local Registered Social Landlords.

Projects include the "Advice for All" project which provides tenants access to money and welfare benefit advice. In addition, the "Help on Managing Everything" Tenancy support project provides tenancy support and advice services for vulnerable tenants at risk of losing their home. Larkfield also provides support to "Inverclyde Starter Packs" which assists new tenants to set up and sustain their tenancy, providing packs of essential household items and local voluntary groups.

Maintenance Policies

Programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. Larkfield has a long-term programme of major repairs to cover works as they fall due, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties which have come to the end of their economic lives.

Larkfield owns 18 "Atholl steel" framed flats, in mixed tenure blocks, and two properties with electric heating systems which do not meet the Scottish Housing Quality Standard. These are reported to the Scottish Housing Regulator, through Larkfield's Annual Return on the Charter and recorded as "in abeyance" works. Larkfield is also working to achieve the additional obligations in the Energy Efficiency Standard for Social Housing (ESSH) and (ESSH 2) as set out by the Scottish Housing Regulator as well as the net zero targets set out by the Scottish Government.

LARKFIELD HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Services

Larkfield aims to deliver high quality services, setting a goal of achieving continuous improvement in service delivery and aiming to deliver all targets in progressing major repairs programmes.

Larkfield has continued to complete a programme of adaptations to existing properties, to meet the specific and changing needs of tenants. Larkfield now provides management services for 408 properties within Inverclyde on behalf of Link Housing Association Limited (2024: 408).

We will also work with colleagues across the Link Group Limited to look at new ways of working across our business operations to support sustainable services and assets.

Creditor Payment Policy

Larkfield's policy concerning the payment of its trade payables complies with the Confederation of British Industry guidelines.

Internal Financial Control

The Committee is responsible for establishing and maintaining Larkfield's system of internal controls. Internal control systems are designed to meet the particular needs of Larkfield and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the Committee of Management has established with a view to providing effective internal financial control are detailed on the Committee of Management Statement on Internal Financial Controls.

Risk Management Policy

The Committee has a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks Larkfield faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Committee has reviewed the adequacy of Larkfield's current internal controls. Larkfield's key risks are aligned with the Link Group Strategic Risk Register.

Larkfield has set policies on internal controls which cover the following:

- Type of risks Larkfield faces.
- Level of risks which it regards as acceptable.
- Probability of the risks concerned materialising.
- Larkfield's ability to reduce the incidents and impact on the business of risks that do materialise; and the costs of operating controls relative to the benefit obtained.
- Responsibility of management to implement the Committee of Management's policies and to identify and evaluate risks for their consideration.
- Responsibility of employees regarding internal control as part of their accountability for achieving objectives.
- Implementation of the control system into Larkfield's operations ensuring integration into the culture of Larkfield.
- Development of systems to respond quickly to evolving risks arising from factors within Larkfield and to changes in the external environment.
- Implementation of procedures for reporting failings immediately to appropriate levels of management and the Committee of Management together with details of corrective action being undertaken.

LARKFIELD HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Employee Involvement and Health & Safety

Larkfield encourages employee involvement in all major initiatives and holds an annual review day for staff and the Committee to agree its objectives. A health and safety sub-committee meets four times per year consisting of both staff and Committee members.

Larkfield is recognised as promoting the health and wellbeing of its staff and is also recognised for the training and development of its staff. Larkfield is also recognised, as part of the Link Group of companies, with gold level accreditation for Investors in People and Investors in Young People and silver level accreditation for Investing in Wellbeing.

Management Structure

The Committee of Management has overall responsibility for Larkfield and there is a formal schedule of matters specifically reserved for decision by the Committee. The management structure is comprised of the Area Manager, the equivalent of the Chief Executive Officer, with senior management supporting the Area Manager, namely the Housing Manager and the Technical Manager.

Quality and Integrity of Personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are an essential part of the control environment, and the ethical standards expected are communicated through the Area Manager. All personnel are bound by the Link Group Limited Code of Conduct. Annual appraisals are performed, and areas of development are identified. Larkfield applies EVH tables for salary grades and this is assessed annually as part of the appraisal process.

Budgetary Process

Each year the Committee approves the annual budget and rolling five-year strategic plan. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure, and treasury management.

Rental Income

Larkfield's Rental Policy and actual rent levels will be kept under annual review to monitor comparability and affordability levels.

Business Outlook

Larkfield is continuing with a programme of major investment in its housing stock, which ensures Larkfield meets its statutory and contractual obligations regarding tenants, funders and regulators. This includes both carrying out major repairs and considering whether there are any opportunities to build or acquire new housing stock (in partnership with Link Group Limited) to meet the changing requirements of tenants in the future. Larkfield has updated its stock condition information to ensure that the long-term financial planning reflects the future investment requirements.

Employees with Disabilities

Applications for employment by employees with disabilities are given full and fair consideration for all vacancies in accordance with their aptitudes and abilities.

Auditor

In accordance with section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and RSM UK Audit LLP will therefore continue in office.

Statement of disclosure to auditor

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

LARKFIELD HOUSING ASSOCIATION

REPORT OF THE BOARD OF MANAGEMENT (CONTINUED) *FOR THE YEAR ENDED 31 MARCH 2025*

On behalf of the Committee of Management



.....
A Hunter

Chairperson

Date: 27 August 2025

LARKFIELD HOUSING ASSOCIATION

BOARD OF MANAGEMENT STATEMENT ON INTERNAL FINANCIAL CONTROLS FOR THE YEAR ENDED 31 MARCH 2025

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

- The reliability of financial information used within Larkfield Housing Association or for publication;
- The proper authorisation and recording of transactions;
- The maintenance of proper accounting records; and
- The safeguarding of assets (against unauthorised use or disposition).

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

- Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of Larkfield Housing Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared regularly which allow the Committee of Management and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures from the Committee of Management members;
- The Committee of Management reviews reports from its Area Manager, staff and from the internal auditor and external auditor to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing Larkfield Housing Association; and
- Formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Committee of Management has continued to review the system of internal financial control in Larkfield Housing Association during the year ended 31 March 2025. No weaknesses were found in the internal financial controls, which could result in material losses, contingencies, or uncertainties which require disclosure in the financial statements, or in the external auditor's report on the financial statements.



.....
A Hunter
Chairperson

Date: 27 August 2025

LARKFIELD HOUSING ASSOCIATION

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

FOR THE YEAR ENDED 31 MARCH 2025

The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Committee of Management to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period. In preparing these financial statements, the Committee of Management 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; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business.

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

- Safeguarding assets
- Taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Committee is responsible for the keeping of proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Association. The Committee of Management must ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. The Scottish Housing Regulator's standards of governance and financial management for Registered Social Landlords must be followed. The Committee of Management is responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

LARKFIELD HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LARKFIELD HOUSING ASSOCIATION

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2025 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

LARKFIELD HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LARKFIELD HOUSING ASSOCIATION (CONTINUED)

Matters on which we are required to report by exception

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

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

Responsibilities of the Committee

As explained more fully in the Committee's responsibilities statement set out on page 10, the Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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

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

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

LARKFIELD HOUSING ASSOCIATION

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LARKFIELD HOUSING ASSOCIATION (CONTINUED)

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

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

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

The most significant laws and regulations that have an indirect impact on the financial statements are the Housing (Scotland) Acts 2006 and 2014, the Co-operative and Community Benefit Societies Act 2014, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), the Scottish Housing Regulator's regulatory framework, employment legislation, and data protection regulations. We performed audit procedures to inquire of management whether the Association is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and income recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates. For income recognition, the audit procedures included but were not limited to performing substantive testing of other income, through agreement to relevant source documentation, focusing on the existence and valuation of income recognised.

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

Use of our report

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

RSM UK Audit LLP

RSM UK Audit LLP

Date: 29/08/25

**Chartered Accountants
Statutory Auditor**

Third Floor
2 Semple Street
Edinburgh
EH3 8BL

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

LARKFIELD HOUSING ASSOCIATION

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

In addition to our audit of the Financial Statements, we have reviewed your statement on page 9 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 9 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

RSM UK Audit LLP

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

Date: 29/08/25

LARKFIELD HOUSING ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £'000	2024 £'000
Income	3	2,413	2,249
Operating expenditure		(1,972)	(1,719)
Operating surplus		441	530
Interest receivable and similar income		2	2
Interest payable and similar expenses		(32)	(2)
Surplus before taxation		411	530
Tax on surplus		-	-
Surplus for the financial year		411	530
Other comprehensive income			
Actuarial gain/(loss) on defined benefit pension schemes		18	(282)
Total comprehensive income for the year		429	248

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

LARKFIELD HOUSING ASSOCIATION

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2025

		2025		2024	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Housing properties	8		8,500		8,551
Other fixed assets	9		63		74
			<u>8,563</u>		<u>8,625</u>
Current assets					
Debtors	10	207		221	
Cash at bank and in hand		2,020		1,290	
		<u>2,227</u>		<u>1,511</u>	
Creditors: amounts falling due within one year	11	(1,388)		(1,235)	
Net current assets			<u>839</u>		<u>276</u>
Total assets less current liabilities			<u>9,402</u>		<u>8,901</u>
Creditors: amounts falling due after more than one year			(604)		(528)
Net assets excluding pension liability			<u>8,798</u>		<u>8,373</u>
Defined benefit pension liability	13		(278)		(282)
Net assets			<u><u>8,520</u></u>		<u><u>8,091</u></u>
Reserves					
Revenue reserve			<u>8,520</u>		<u>8,091</u>
Total capital and reserves			<u><u>8,520</u></u>		<u><u>8,091</u></u>

The notes on pages 19 to 34 form part of these financial statements.

Approved and authorised for issue by the Committee of Management on 20 August 2025 and are signed on its behalf on 27 August 2025 by:



.....
A Hunter
Chairperson



.....
M Harper
Vice Chair



.....
W Rice
Secretary

LARKFIELD HOUSING ASSOCIATION

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 MARCH 2025

	Income and expenditure £'000
Balance at 1 April 2023	7,843
	<hr/>
Year ended 31 March 2024:	
Surplus	530
Other comprehensive income:	
Actuarial losses on defined benefit plans	(282)
	<hr/>
Total comprehensive income	248
	<hr/>
Balance at 31 March 2024	8,091
	<hr/>
Year ended 31 March 2025:	
Surplus	411
Other comprehensive income:	
Actuarial gains on defined benefit plans	18
	<hr/>
Total comprehensive income	429
	<hr/>
Balance at 31 March 2025	8,520
	<hr/> <hr/>

The notes on pages 19 to 34 form part of these financial statements.

LARKFIELD HOUSING ASSOCIATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £'000	£'000	2024 £'000	£'000
Cash flows from operating activities					
Cash generated from operations	18		930		1,346
Interest paid			(18)		-
Net cash inflow from operating activities			912		1,346
Investing activities					
Purchase of tangible fixed assets		(293)		(826)	
Proceeds from disposal of tangible fixed assets		25		-	
Grants received		84		219	
Interest received		2		2	
Net cash used in investing activities			(182)		(605)
Financing activities					
Interest paid		-		(3)	
Net cash used in financing activities			-		(3)
Net increase in cash and cash equivalents			730		738
Cash and cash equivalents at beginning of year			1,290		552
Cash and cash equivalents at end of year			2,020		1,290

The notes on pages 19 to 34 form part of these financial statements.

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Association information

Larkfield Housing Association is incorporated under the Co-operative and Community Benefit Societies Act 2014, registered number 2509R(S), and is registered by the Financial Conduct Authority. Larkfield is a Public Benefit Entity incorporated in Scotland. The registered address is 14 Lothian Road, Greenock, PA16 0PG.

1.1 Basis of Preparation

These financial statements are prepared in accordance with the applicable accounting standards and statements of recommended practice. They comply with the requirements of the Determination of Accounting Requirements 2019 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2018 (SORP 2018) and Financial Reporting Standard 102 (FRS 102).

The financial statements are prepared in sterling, which is the functional currency of the association. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Committee of Management anticipates that a surplus will be generated in the year to 31 March 2026. Larkfield Housing Association has a healthy cash balance and reasonable net current asset position and thus the Committee of Management is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. The Committee of Management, after reviewing Larkfield's budgets for 2025/26 and the medium-term financial position as detailed in the 5-year and 30-year business plan, including continued challenges arising from the economic environment with inflation and interest remaining high, are of the opinion that, taking account of severe but plausible downsides, Larkfield will have sufficient funds to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements.

The Committee of Management therefore continue to adopt the going concern basis in preparing the annual financial statements.

1.3 Turnover

Turnover relates to the income from the letting of properties at affordable rents, together with revenue grants from the Scottish Government, Local Authorities and other organisations and is recognised when it falls due.

Monies charged and received from owner occupiers for common feu maintenance is credited into the income and expenditure account within the accounting period in which it is charged.

1.4 Tangible fixed assets

Housing properties, land and buildings

Housing properties are properties for the provision of social housing or otherwise to provide social benefit and are principally properties available for rent. Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Depreciation

Properties are stated at historical cost less accumulated depreciation. Each property has been split between its major component parts which are depreciated on a straight-line basis over their expected economic useful life. No depreciation is charged in the year of capitalisation/acquisition of all Housing assets, one full year of depreciation is charged in the year of disposal.

The estimated economic useful lives of housing assets are reviewed regularly to ensure they remain reflective of when each component is expected to be replaced within the asset management plan. The following major components and useful lives have been identified by the Group and agreed by the Committee as follows:

Land	Not depreciated
Structure	Over 65 years
Re-wiring	Over 40 years
Windows / Doors	Over 30 years
Bathrooms	Over 30 years
Pipe work	Over 40 years
Kitchen	Over 15 years
Boilers	Over 15 years
Smoke detectors	Over 10 years

Works to existing properties will generally be capitalised under the following circumstances:

- Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life is replaced or restored, or material reduction in future maintenance costs, or
- where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

Where works carried out do not meet the above criteria, they are expensed in the Statement of Comprehensive Income.

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

Other fixed assets

Other fixed assets are stated at cost less accumulated depreciation. A full year's depreciation is charged in the year of acquisition, but no charge is made in the year of disposal. Depreciation is charged at rates estimated to write off costs less the estimated residual value over the expected useful life, as follows:

Office Premises	4% straight line
Furniture and Fittings	25% reducing balance
Office Equipment	25% reducing balance

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, Larkfield estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Statement of Comprehensive Income

1.6 Provisions

Larkfield recognises provisions when: there is a present legal or constructive obligation because of past events; it is probable that an outflow of resource will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

1.7 Apportionment of management expenses

Direct employee administration and operating costs have been apportioned to the income and expenditure account on the basis that they are directly engaged in each of the operations dealt with in those accounts.

1.8 Taxation

Larkfield is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2012 and therefore meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is considered to be exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Financial instruments

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

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

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

Basic financial assets

Trade and other receivables

Receivables which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade receivables are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade receivable constitutes a financing transaction, the receivable is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of receivables is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade receivable over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the Income and Expenditure Account.

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Derecognition of financial assets

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in surplus or deficit, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Classification of financial liabilities

Trade Payables

Trade payables payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade payable constitutes a financing transaction, the payable is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Derecognition of financial liabilities

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

1.10 Retirement benefits

Defined Contribution Scheme

Larkfield participates in the Scottish Housing Association Pension Scheme (SHAPS) Defined Contribution pension scheme. Contributions are charged to the Statement of Comprehensive Income to spread the cost of pensions over the employees' working lives with Larkfield.

Defined Benefit Scheme

Larkfield participates in the Scottish Housing Association's Pension scheme (SHAPS), a multi-employer pension scheme which provides benefits to non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK. The scheme is classified as a 'last man standing' arrangement. Therefore, Larkfield is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

The SHAPS defined benefit liability is valued in these financial statements by an independent actuary. The assumptions used are reviewed by the Committee of Management and considered appropriate. Assumptions include estimates of mortality, salary inflation, inflation and discount rates. There are also judgements in respect of the allocation of assets and liabilities in SHAPS as a multi-employer pension scheme.

1.11 Value added tax

Larkfield is part of the Link Group Limited VAT group and therefore registered for VAT. However, a large proportion of the income, namely rents, is exempt for VAT purposes and therefore gives rise to a partial exemption calculation. Expenditure as a result is shown inclusive of VAT.

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.12 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 as income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account 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.

Non-government grants are accounted for using the performance method, as outlined in Section 34 of Financial Reporting Standard 102 and the SORP 2018. Non-government grants are recognised as income when the performance conditions have been met.

2 Judgements and key sources of estimation uncertainty

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Housing Properties

Larkfield's property assets are judged by management to be social housing and are accounted for at cost less depreciation and impairments.

Components and Depreciation

Estimation has been applied in apportioning the cost of housing properties between constituent components and in determining the depreciation rates which have been deemed to be appropriate for the class of asset or asset component.

Receivables

Debtor recoverability is considered throughout the year and appropriate provisions set aside in the financial statements where required.

Defined Benefit Pension Obligation

Management's estimate of the defined benefit obligation is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the liability and the annual defined benefit expenses (as analysed in Note 13).

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

3 Particulars of turnover, operating costs and operating surplus/(deficit)

	2025 Turnover	2025 Operating costs	2025 Operating surplus/ (deficit)	2024 Operating surplus/ (deficit)
	£'000	£'000	£'000	£'000
Affordable letting activities (note 3a)	2,271	(1,859)	412	511
Other activities (note 3b)	142	(113)	29	19
Total 2025	2,413	(1,972)	441	530
Total 2024	2,249	(1,719)	530	

3(a) Particulars of turnover, operating costs and operating surplus/(deficit) from affordable letting activities

	General Needs housing £'000	2024 Total £'000
Revenue from rent and service charges		
Rent receivable net of service charges	2,265	2,112
Gross income from rent and service charges	2,265	2,112
Less voids	(32)	(43)
Net income from rents and service charges	2,233	2,069
Revenue grants		
Grants released from deferred income	8	5
Revenue grants from Scottish Ministers	26	25
Other revenue grants	4	13
Total turnover from affordable letting activities	2,271	2,112
Expenditure		
Management and maintenance administration costs	(825)	(777)
Service costs	1	-
Planned and cyclical maintenance including major repair costs	(185)	(216)
Reactive maintenance costs	(523)	(252)
Bad debts – rents and service charges	17	(32)
Depreciation of affordable let properties	(319)	(285)
Loss on disposal of components	(25)	(39)
Operating costs for affordable letting activities	(1,859)	(1,601)
Operating surplus for affordable letting activities 2025	412	511

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

3 Particulars of turnover, operating costs and operating surplus/(deficit) (Continued)

3(b) Particulars of turnover, operating costs and operating surplus/(deficit)

	Other Income 2025 £'000	Total Turnover 2025 £'000	Other operating Costs 2025 £'000	Operating Surplus/ (Deficit) 2025 £'000	Operating Surplus/ (Deficit) 2024 £'000
Wider role activities	-	-	(18)	(18)	(21)
Factoring	49	49	(12)	37	35
Contracted out services undertaken for other RSLs	93	93	(83)	10	5
Total from other activities in the year	142	142	(113)	29	19
Total from other activities in the prior year	137	137	(118)	19	

4 Auditor's remuneration

	2025 £'000	2024 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	12	18

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2025 Number	2024 Number
Average employees during the year	13	14
Average full time equivalent during the year	11	12

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2025 £'000	2024 £'000
Wages and salaries	484	462
Social security costs	53	51
Pension costs	45	43
	<u>582</u>	<u>556</u>
Agency staff costs	-	-
	<u>-</u>	<u>-</u>

6 Key Management Personnel

Emoluments payable to the Area Manager:

	2025 £'000	2024 £'000
Remuneration for qualifying services	77	73
Company pension contributions to defined contribution schemes	9	9
	<u>86</u>	<u>82</u>

Key management personnel include the Area Manager (the CEO equivalent), the Technical Manager and the Housing Manager. The total emoluments for key management personnel, excluding pension, for the year was £203,574 (2024: £191,794). The total pension for key management personnel was £16,227 (2024: £15,052).

The number of key management personnel during the year, whose total emoluments (including pension contributions) were over £60,000 were as follows:

	2025 Number	2024 Number
£70,000 - £79,999	<u>1</u>	<u>1</u>

7 Housing Units in Management

	2025	2024
Housing accommodation for letting	<u>396</u>	<u>394</u>

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

8 Fixed assets - Housing properties

	Housing properties held for lettings £'000
Cost	
At 1 April 2024	13,180
Additions	293
Disposals	(48)
At 31 March 2025	13,425
Depreciation and impairment	
At 1 April 2024	4,629
Depreciation charged in the year	319
Eliminated in respect of disposals	(23)
At 31 March 2025	4,925
Carrying amount	
At 31 March 2025	8,500
At 31 March 2024	8,551

All land and buildings are wholly owned by Larkfield Housing Association Limited. Included in the net book value of housing properties held for letting is £1,271,228 (2024: £1,257,976) in respect of land which is not being depreciated.

Capitalised component replacements and enhancements during the year were £127,000 (2024: £460,000) where component replacements and enhancements expensed in the year were £185,000 (2024: £216,000) making total works expenditure on housing properties for the year £312,000 (2024: £676,000).

9 Fixed assets - Other

	Heritable office property £'000	Plant and equipment £'000	Total £'000
Cost			
At 1 April 2024 and 31 March 2025	248	40	288
Depreciation and impairment			
At 1 April 2024	177	37	214
Depreciation charged in the year	10	1	11
At 31 March 2025	187	38	225
Carrying amount			
At 31 March 2025	61	2	63
At 31 March 2024	71	3	74

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

10 Trade and other receivables

	2025 £'000	2024 £'000
Amounts falling due within one year:		
Arrears of rent and service charges	143	138
Less: payment plan adjustments	(10)	(7)
Less: provision for bad and doubtful debts	(43)	(51)
Net rental debtors	90	80
Trade receivables	62	34
Prepayments and accrued income	54	108
Other debtors	1	(1)
	<u>207</u>	<u>221</u>

11 Creditors: amounts falling due within one year

	2025 £'000	2024 £'000
Rent and service charges in advance	143	138
Trade creditors	1	4
Amounts owed to group undertakings	1,154	981
Pension contributions payable	1	-
Other creditors	18	18
Accruals and deferred income	71	94
	<u>1,388</u>	<u>1,235</u>

12 Government grants

	2025 £'000	2024 £'000
Social housing grants		
At 1 April 2024	528	354
Additions in the year	84	179
Amortised in the year	(8)	(5)
At 31 March 2025	<u>604</u>	<u>528</u>
	<u>2025 £'000</u>	<u>2024 £'000</u>
Social housing grants ageing		
Due in one year	10	5
Due in 2 - 4 years	29	15
Due in 5 years +	565	508
	<u>604</u>	<u>528</u>

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

13 Retirement benefit schemes

	2025 £'000	2024 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	45	43

Larkfield participates in the SHAPS defined contribution scheme as at 31 March 2025.

Larkfield also participates in the SHAPS defined benefit scheme. This is a multi-employer pension scheme which provides benefits to non-associated participating employers. The scheme is classed as a defined benefit scheme in the UK.

Larkfield Housing Association Limited offers all staff membership to the SHAPS Defined Contribution scheme, with employer contribution rates of 6%, 9% or 12% of pensionable salaries. As at the balance sheet date, there were 12 active members (2024: 10) of the Defined Contribution Scheme employed by Larkfield Housing Association Limited. Employer contributions totalled £45,193 (2024 £43,426).

Defined benefit schemes

The company participates in the Scottish Housing Associations' 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 pension schemes in the UK.

Valuation

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

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

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

The latest accounting valuation was carried out with an effective date of 30 September 2024. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2025 to 28 February 2026 inclusive.

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

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

13 Retirement benefit schemes

(Continued)

	2025	2024
<i>Key assumptions</i>	%	%
Discount rate	5.50	4.80
Salary growth	3.10	3.10
Inflation (RPI)	3.20	3.40
Inflation (CPI)	2.80	2.95
Allowance for cash commutation	75% of maximum allowance	75% of maximum allowance
	=====	=====
<i>Mortality assumptions</i>	2025	2024
Assumed life expectations on retirement at age 65:	Years	Years
Retiring today		
- Males	20.2	20.2
- Females	22.7	22.7
	=====	=====
Retiring in 20 years		
- Males	21.5	21.4
- Females	24.2	24.1
	=====	=====

The mortality assumptions adopted at 31 March 2025 imply the life expectancies shown above.

<i>Amounts recognised in the profit and loss account</i>	2025	2024
<i>Costs/(income):</i>	£'000	£'000
Net interest on net defined benefit liability/(asset)	14	(1)
Other costs and income	3	3
	=====	=====
Total costs	17	2
	=====	=====
<i>Amounts recognised in other comprehensive income</i>	2025	2024
<i>Costs/(income):</i>	£'000	£'000
Actual return on scheme assets	(205)	70
Less: calculated interest element	(74)	(76)
	=====	=====
Return on scheme assets excluding interest income	(279)	(6)
Actuarial changes related to obligations	297	(286)
Effect of changes in the amount of surplus that is not recoverable	-	10
	=====	=====
Total costs/(income)	18	(282)
	=====	=====

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

13 Retirement benefit schemes

(Continued)

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

	2025 £'000	2024 £'000
Liabilities/(assets):		
Present value of defined benefit obligations	(1,608)	(1,846)
Fair value of plan assets	1,330	1,564
Deficit in scheme	(278)	(282)

Movements in the present value of defined benefit obligations

	2025 £'000
Liabilities at 1 April 2024	1,846
Benefits paid	(32)
Actuarial gains and losses	(297)
Interest cost	88
Other	3
At 31 March 2025	1,608

Movements in the fair value of plan assets

	2025 £'000
Fair value of assets at 1 April 2024	1,564
Interest income	74
Return on plan assets (excluding amounts included in net interest)	(279)
Benefits paid	(32)
Contributions by the employer	3
At 31 March 2025	1,330

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2025 was £205,000 (2024 - £70,000).

LARKFIELD HOUSING ASSOCIATION

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

13 Retirement benefit schemes

(Continued)

	2025 £'000	2024 £'000
<i>Fair value of plan assets</i>		
Global Equity	154	180
Absolute Return	-	70
Distressed Opportunity	-	58
Credit Relative Value	-	55
Currency Hedging	2	(1)
Insurance Linked Securities	5	10
Risk Sharing	-	94
Emerging Markets Debt	-	27
Liquid Alternatives	245	-
Long Lease Property	-	12
Property	66	66
Infrastructure	-	150
Private Equity	1	-
Real Assets	159	-
Private Credit	166	-
Credit	57	-
Investment Grade Credit	61	-
Alternative Risk Premia	-	56
Liability Driven Instruments	374	566
Opportunistic Illiquid Credit	-	62
Private Debt	-	63
Secured Income	31	52
Net Current Assets	2	2
Cash	7	42
	<u>1,330</u>	<u>1,564</u>

14 Share Capital

	2025 £	2024 £
Shares of £1 fully paid and issued as at 1 April	111	106
Shares issued during the year	-	31
Shares cancelled during year	(27)	(26)
At 31 March 2025	<u>84</u>	<u>111</u>

The company is limited by guarantee, not having a share capital and consequently the liability of members is limited, subject to an undertaking by each member to contribute to the net assets or liabilities of the company on winding up such amounts as may be required not exceeding £1.

LARKFIELD HOUSING ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

15 Financial commitments, guarantees and contingent liabilities

The Association has been notified by the Trustee of the Scheme that it has performed a review comparing the benefits provided to scheme members over recent years with the requirements of the Scheme documentation. Due to uncertainty as to the effect of some benefit changes, the Trustee has been advised by lawyers to seek clarification from the Court on potential changes to the pension liability.

It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the ongoing Court process is known (expected to be late 2025), it is not possible to calculate the impact on the liabilities of this issue with any accuracy, particularly on an individual employer basis, for the purposes of the 31 March 2025 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

The Board are aware that the Court of Appeal has upheld the decision in the Virgin Media vs NTL Pension Trustees II Limited case. The decision puts into question the validity of any amendments made in respect of the rules of a contracted-out pension scheme between 6 April 1997 and 5 April 2016. The judgment means that some historic amendments affecting s.9(2B) rights could be void if the necessary actuarial confirmation under s.37 of the Pension Schemes Act 1993 was not obtained.

On the 5 June 2025, the Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written confirmation that historical benefit changes met the necessary standards. However, details of the legislation have not been announced. Subject to the entity being able to comply with the legislation and the pension scheme obtaining the required written actuarial confirmation, the Board do not expect the valuation of the scheme liabilities to change.

16 Related party transactions

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

As at 31 March 2025 five (2024: seven) members of the Committee were tenants and one owned a property which benefits from property management services performed by Larkfield Housing Association. The tenancies of those Committee members who were tenants during the year are on normal commercial terms and they cannot use their position to their advantage. The transactions made with the related public entities are made at arm's length, on normal commercial terms and these Committee members cannot use their position to their advantage.

As a wholly owned subsidiary of Link Group Limited, Larkfield Housing Association is exempt from the requirements of FRS 102 to disclose details of transactions with other members of the group headed by Link Group Limited.

	2025 £'000	2024 £'000
Rent received from tenants on the committee	28	27
Tenants and owner Committee member arrears as at 31 March	-	1
	==	==

17 Ultimate parent organisation

The entity's parent Cooperative and Community Benefit Society (CCBS) at the balance sheet date was Link Group Limited, a CCBS registered with the Financial Conduct Authority, registration no 1481 (R) S. Link Group Limited exercises dominant control through its ability to control the majority of the membership of the Committee of Management.

LARKFIELD HOUSING ASSOCIATION

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

18 Cash generated from operations

	2025 £'000	2024 £'000
Surplus for the year after tax	411	530
Adjustments for:		
Finance costs	32	3
Investment income	(2)	(2)
(Gain)/loss on disposal of tangible fixed assets	-	10
Depreciation and impairment of tangible fixed assets	330	324
Government grants utilised in the year	(8)	(5)
Movements in working capital:		
Decrease in debtors	14	181
Increase in creditors	153	305
Cash generated from operations	<u>930</u>	<u>1,346</u>

19 Analysis of changes in net funds

	1 April 2024 £'000	Cash flows £'000	31 March 2025 £'000
Cash at bank and in hand	<u>1,290</u>	<u>730</u>	<u>2,020</u>