



**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Report and Financial Statements  
For year ended 31 March 2024**

**Registered Housing Association No. HCB293  
Financial Conduct Authority No. 2509R(S)  
Scottish Charity No. SC042066**

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Report and Financial Statements for Year Ended 31 March 2024**

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## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Members and Advisers**

#### **Committee of Management**

Suzanne Harris (Chairperson)  
Aileen Hunter (Vice Chair)  
William Rice (Secretary)  
Councillor David Wilson  
Mareta Greig  
Jim Lennon  
Kelly-Ann Doherty  
Tracey Thompson  
Carol Crawford  
Councillor James Daisley  
Margaret Harper  
Lisa Dallas

#### **Key Management Personnel**

Lynne Griffin (Area Manager)  
Kevin Conneely (Technical Manager)  
Sharon Rowatt (Housing Manager)

#### **Registered Office**

14 Lothian Road  
Greenock  
PA16 0PG

#### **External Auditor**

RSM UK Audit LLP  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL

#### **Internal Auditor**

TIAA Ltd  
Brighton General Hospital  
A3 Elm Grove  
Brighton  
BN1 3EW

#### **Solicitors**

Patten and  
Prentice  
2 Ardgowan Square  
Greenock  
PA16 8PP

#### **Banker**

Bank of Scotland  
112 St James Crescent  
Edinburgh  
EH1 3AD

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Report of Committee of Management For year ended 31 March 2024**

The Committee of Management, ('The Committee'), presents its annual report and the audited financial statements for the year ended 31 March 2024.

#### **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.

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Report of Committee of Management (Continued) For year ended 31 March 2024**

#### **Financial Summary (continued)**

#### **Operating and Financial Review**

##### **Financial Summary**

This year Larkfield recorded total comprehensive income of £115k (2023: £246k. Restated from: £226k). Investments in the year to the housing stock included the replacement of all internal doors to 85 properties (2023: 56).

During the year, as part of an exercise across Link Group Limited, the Association reviewed and amended the accounting policies and estimates with respect to the depreciation of housing properties and related grant amortisation. The aim of this review was to ensure that the Association's policies were in harmony with the Group and to ensure that the depreciation charge more accurately reflects the usage and economic benefit of the assets. As a result, the housing properties depreciation, housing grants amortisation and reserves have been restated for 2023. More detailed information on these changes is given at note 18 of these financial statements.

In addition, a small number of bathrooms, kitchens and central heating systems were renewed. A total of 31 (2023: 29) adaptations were completed, 81 (2023: 211) Electrical Inspection Condition Records (EICR) were carried out and gas safety checks across all of Larkfield's stock were undertaken.

##### **Turnover**

Turnover of £2.2 million (2023: £2.1 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 2024 was 4.0% (2023: 2.6%)

##### **Estate Maintenance**

Larkfield acted as management agent to 570 (2023:574) owner-occupiers in the Larkfield area in the year to 31 March 2024. Invoices are issued to owner-occupiers to recover the costs of common maintenance works and services.

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Report of Committee of Management (Continued) For year ended 31 March 2024**

#### **Property Acquisitions**

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

#### **Financing and Liquidity**

Larkfield holds no loan facilities and cash balances of £1.2million (2023: 0.6million)

The Members of the Committee of Larkfield have considered and approved the budget for the year 2025, as well as the 5-year and 30-year financial plan commencing from 2024. 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. In this way Larkfield manages its borrowing arrangements to ensure that it is always able to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

Larkfield's operating activities has generated £1.1m (2023: £1.1m) in cash. Current assets have increased in year to £1.5m (2023: £1m). Furthermore, current liabilities have increased to £1.1m (2023: £0.9m) 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.

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Report of Committee of Management (Continued)  
For year ended 31 March 2024**

**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 2024 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. 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.

KPI Indicator	Larkfield Performance 2023/24	Larkfield Target 2023/24	Larkfield Performance 2022/23
<b>Financial Health</b>			
% Rent due lost through properties being empty	0.5%	0.4%	0.5%
Gross rent arrears (all tenants) as a percentage of rent due	4.7%	4.2%	4.8%
<b>Service Quality</b>			
Average re-let time (calendar days)	47.9 days	25.0 days	48.7 days
Average length of time taken to complete emergency repairs	2.9 hours	4.0 hours	3.1 hours
Average length of time to complete non-emergency repairs	10.7 days	6.0 days	10.1 days
Percentage of reactive repairs carried out in the last year completed right first time	71.7%	90.0%	64.0%
% 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	76.5%	80.0%	76.5%
<b>Stock Quality</b>			
Percentage of stock meeting the Scottish Housing Quality Standard (SHQS) (RSL average)	94.1%	95.0%	92.3%
Percentage of properties meeting the Energy Efficiency Standard Social Housing (ESSH) (RSL average)	99.5%	100%	99.5%
<b>Access to housing &amp; Support</b>			
Percentage of new tenancies sustained for more than one year, by source of let	90.0%	90.0%	94.4%

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Report of Committee of Management (Continued) For year ended 31 March 2024**

#### **Members of Committee of Management**

The Members of the Committee of Management of Larkfield during the year to 31 March 2024 and subsequent up to the day of signing were as follows:

Chairperson	Suzanne Harris
Vice Chair	Aileen Hunter
Secretary	William Rice
Member	Cllr David Wilson
Member	Kelly-Ann Doherty
Member	Mareta Greig
Member	Jim Lennon
Member	Tracey Thompson
Member	Carol Crawford
Member	Margaret Harper
Member	James Daisley (appointed September 2023)
Member	Lisa Dallas (appointed September 2023)
Member	Lucie Phillips (resigned September 2023)
Member	Elizabeth McLean (resigned September 2023)
Member	John Scott (resigned September 2023)

#### **Future Developments**

Larkfield will continue with its policy of improving the quality of housing, housing services 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 RSLs.

Projects include the "Advice for All" project which provides tenants access to money and welfare benefit advice. In addition, the "Inverclyde Tenancy Support" project provides tenancy support and advice services for vulnerable tenants at risk of losing their home. The Energy Activators Project delivers fuel poverty advice and aims to reduce household energy consumption. 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.



## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Report of Committee of Management (Continued) For year ended 31 March 2024**

#### **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 (EESH) and (EESH 2) as set out by the Scottish Housing Regulator as well as the net zero targets set out by the Scottish Government.

#### **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 (2023: 281).

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.

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Report of Committee of Management (Continued) For year ended 31 March 2024**

#### **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.

#### **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 of its staff and holds the Scotland's Healthy Working Lives Silver Award. Larkfield is also recognised for the training and development of its staff and is accorded as part of the Link Group of companies with Investors in People (IIP) Gold Recognition status and Investors in Diversity and Investors in Young People status.

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Report of Committee of Management (Continued) For year ended 31 March 2024**

#### **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.

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Report of Committee of Management (Continued)  
For year ended 31 March 2024**

**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.

**Provision of information to the 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.

On behalf of the Committee of Management



Suzanne Harris – Chairperson

Date 27 August 2024

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Statement of Committee of Management's responsibilities under the Co-operative and Community Benefit Societies Act 2014 for a registered social landlord**

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

## LARKFIELD HOUSING ASSOCIATION LIMITED

### Committee of Management Statement on Internal Financial Controls For year ended 31 March 2024

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 2024. 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.

By order of the Committee of Management  
Suzanne Harris – Chairperson  
Date: 27 August 2024

Signed by:  
  
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## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LARKFIELD HOUSING ASSOCIATION LIMITED**

#### **Opinion**

We have audited the financial statements of Larkfield Housing Association Limited (the 'Association') for the year ended 31 March 2024 which comprise the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position, Statement of Cash Flows, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2024 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 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.

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LARKFIELD HOUSING ASSOCIATION LIMITED (Continued)**

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Committee is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

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

#### **Matters on which we are required to report by exception**

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

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of the Committee**

As explained more fully in the Committee of Management's responsibilities statement set out on page 11 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



## LARKFIELD HOUSING ASSOCIATION LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LARKFIELD HOUSING ASSOCIATION LIMITED (Continued)

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Housing SORP 2018, the Housing (Scotland) Act 2010 and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019 and the Co-operative and Community Benefit Societies Act 2014. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LARKFIELD HOUSING ASSOCIATION LIMITED (Continued)**


The most significant laws and regulations that have an indirect impact on the financial statements are the Scottish Housing Regulator's Regulatory Framework (published 2019) and the Housing (Scotland) Acts 2006 and 2014. 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 revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. For management override of controls, the audit procedures 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 revenue recognition, the audit procedures included but were not limited to performing substantive analytics over rental income and detailed testing of other income streams, 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. 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, Statutory Auditor  
Chartered Accountants  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL

Date:.....30/08/24.....

## LARKFIELD HOUSING ASSOCIATION LIMITED

### Report by the Auditor to the Members of Larkfield Housing Association Limited on Corporate Governance Matters


In addition to our audit of the Financial Statements, we have reviewed your statement on page 12 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. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

#### Opinion

In our opinion the Statement on Internal Financial Control on page 11 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.



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

Date: 30/08/24.....

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Statement of Comprehensive Income  
For year ended 31 March 2024**

	Notes	2024 £'000	2023 Restated £'000
Turnover	2/18	2,249	2,077
Less: Operating expenditure	2/18	<u>(1,719)</u>	<u>(1,673)</u>
<b>Operating surplus</b>	2	530	404
Interest receivable		2	1
Interest and financing costs		<u>(2)</u>	<u>(120)</u>
<b>Surplus on ordinary activities before taxation</b>		530	285
Taxation		<u>-</u>	<u>-</u>
<b>Surplus for the year</b>		530	285
Remeasurement of the defined benefit pension liability	10	(282)	(39)
<b>Total comprehensive income for the year</b>		<u><u>248</u></u>	<u><u>246</u></u>

All activities relate to continuing activities within the year.

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Statement of Changes in Reserves  
For year ended 31 March 2024**

	Share Capital £000	Revenue Reserve £000	2024 Total £000	2023 Total £000
<b>Balance as at 1 April</b>	-	7,843	7,843	7,427
<i>Prior Period Adjustment (see Note 25)</i>	-	-	-	170
<b>Balance as at 1 April - Restated</b>	-	7,843	7,843	7,597
Issue of shares	-	-	-	-
Cancellation of shares	-	-	-	-
Surplus from Statement of Comprehensive Income	-	530	530	285
Remeasurement of the defined benefit pension liability	-	(282)	(282)	(39)
<b>Balance as at 31 March</b>	-	8,091	8,091	7,843

The notes on pages 22 to 44 form part of these financial statements.

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Statement of Financial Position  
As at 31 March 2024**

	Notes	2024 £'000	2023 Restated £'000
<b>Non-current assets</b>			
Tangible Fixed Assets			
Housing properties	5/18	8,551	8,051
Other fixed assets	5	74	85
		<u>8,625</u>	<u>8,136</u>
<b>Current assets</b>			
Receivables	6	221	441
Cash and cash equivalents		<u>1,290</u>	<u>552</u>
		1,511	993
Payables: Amounts falling due within one year	7	<u>(1,235)</u>	<u>(932)</u>
<b>Net current assets</b>		<u>276</u>	<u>61</u>
<b>Total assets less current liabilities</b>		8,901	8,197
Deferred income	8/18	(528)	(354)
Defined benefit pension (liability)/asset	10	(282)	-
<b>Net assets</b>		<u>8,091</u>	<u>7,843</u>
Share capital		-	-
Revenue reserve	18	8,091	7,843
<b>Total capital and reserves</b>		<u>8,091</u>	<u>7,843</u>

Approved and authorised for issue by the Board of Management on 21 August 2024 and signed on its behalf on 27 August 2024 by:

Suzanne Harris – Chairperson



William Rice – Secretary



Aileen Hunter – Vice Chair



The notes on page 22 to 44 form part of these financial statements

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Statement of Cash Flows  
For year ended 31 March 2024**

	Notes	2024 £'000	2023 Restated £'000
<b>Net cash inflow from operating activities</b>	13	1,346	1,115
<b>Cash flow from investing activities</b>			
Acquisition and construction of properties		(826)	(546)
Purchase of other fixed assets		-	-
Grants received		219	124
Interest received on cash and cash equivalents		2	1
<b>Net cash outflow from investing activities</b>		<u>(605)</u>	<u>(421)</u>
<b>Cash flow from financing activities</b>			
Interest paid on loans		(3)	(120)
Loan principal repayments		-	(2,500)
<b>Net cash outflow from financing</b>		<u>(3)</u>	<u>(2,620)</u>
<b>(Decrease)/Increase in cash</b>		738	(1,926)
Opening Cash and Cash Equivalents		552	2,478
<b>Closing Cash and Cash Equivalents</b>		<u>1,290</u>	<u>552</u>

The notes on page 22 to 44 form part of these financial statements

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Notes to the Financial Statements For the year ended 31 March 2024**

#### **1. Principal Accounting Policies**

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

##### **(a) Basis of preparation**

The financial statements are prepared under the historical cost convention and on a going concern basis.

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). All values are stated in Sterling and are displayed in £'000, unless stated otherwise. All values had previously been stated in £.

##### **(b) Going Concern**

The Committee of Management anticipates that a surplus will be generated in the year to 31 March 2024 and the year to 31 March 2025. 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 2023/24 and the medium-term financial position as detailed in the 5 year financial plan, including changes arising from the economic environment with inflation and interest higher than the past few years, 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.

##### **(c) 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.



**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statements (continued)  
For the year ended 31 March 2024**

**1. Principal Accounting Policies**

**(d) Housing 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. No depreciation is charged in the year of capitalisation/acquisition of all Housing assets and 1 full year's depreciation in the year of disposal. This is a change in accounting policy from charging a full year's depreciation in the first year and none in the year of disposal. See details in note 18.

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. Economic useful lives were reviewed and amended in the year to ensure that they align with the Group and to better reflect the actual use of the asset in line with the planned asset management plan. The following components and useful lives have been identified by the Group:

	<u>Original estimate</u>	<u>Revised estimate</u>
Land	Not depreciated	Not depreciated
Structure	50 years	65 years
Smoke Detectors	10 years	10 years
Kitchen	15 years	15 years
Windows	30 years	30 years
Bathrooms	25 years	30 years
Rewiring	40 years	40 years
Doors	30 years	30 years
Boilers	12 years	15 years
Pipework	24 years	40 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.

Works to existing properties, which fail to meet the above criteria, are charged to the statement of comprehensive income.

## LARKFIELD HOUSING ASSOCIATION LIMITED

### Notes to the Financial Statements (continued) For the year ended 31 March 2024

#### 1. Principal Accounting Policies (continued)

##### (e) Other fixed assets

A full year's depreciation is charged in the year of capitalisation/acquisition of Other Fixed Assets and no depreciation charged in the year of disposal.

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

##### (f) 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.

##### g) Pension

###### 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

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Notes to the Financial Statements (continued) For the year ended 31 March 2024**

#### **1. Principal Accounting Policies (continued)**

##### **Defined Benefit Scheme (continued)**

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.

##### **(h) 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.

##### **(i) 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.

##### **(j) Sale of housing properties**

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale.

##### **(k) 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.

## LARKFIELD HOUSING ASSOCIATION LIMITED

### Notes to the Financial Statements (continued) For the year ended 31 March 2024

#### 1. Principal Accounting Policies (continued)

##### (i) 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 assets and financial liabilities are recognised when Larkfield becomes a party to the contractual provisions of the instrument and are offset only when Larkfield currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

##### Financial assets

###### *Receivables*

Amounts 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 non-receipt of receivables (bad debt) is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Bad debt 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 profit or loss.

##### Financial liabilities

###### *Payables*

Amounts which are 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 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.

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Notes to the Financial Statements (continued) For the year ended 31 March 2024**

#### **1. Principal Accounting Policies (continued)**

##### **Derecognition of financial assets and liabilities**

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

##### **(n) 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.

##### **(o) 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. Amortisation on social housing grants is credited in line with the depreciation charged on those assets. The policy in respect of housing assets was changed in the year from a full year of depreciation/amortisation in the year of acquisition and none in the year of disposal, to none in the year of acquisition and a full year in the year of disposal (see note 18).

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.

##### **(p) Judgements in Applying Policies 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

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Notes to the Financial Statements (continued) For the year ended 31 March 2024**

#### **1. Principal Accounting Policies (continued)**

##### **Housing Properties**

Larkfield's property assets are judged by management to be social housing and are accounted for at cost less depreciation and impairments (see Note 5).

##### **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. During the year, the accounting policy for charging depreciation was amended to charge a full year in the final year and no depreciation in the year of capitalisation/acquisition - see note 18 for more detail. Useful economic lives of housing assets were also reviewed in the year and where appropriate, amended to reflect current expectations

##### **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 10).

**LARKFIELD HOUSING ASSOCIATION LIMITED****Notes to the Financial Statements (continued)  
For the year ended 31 March 2024****2. Particulars of Turnover, Operating Costs and Operating Surplus**

	Turnover	Operating Costs	2024 Operating Surplus/ (Loss)	2023 Operating Surplus/ (Loss) Restated
<b>Affordable lettings activities</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Affordable lettings activities (note 3)	2,112	(1,601)	511	406
Other activities (note 4)	137	(118)	19	(2)
<b>Total 2024</b>	<u>2,249</u>	<u>(1,719)</u>	<u>530</u>	<u>404</u>
<b>Total 2023 Restated</b>	<u>2,077</u>	<u>(1,673)</u>	<u>404</u>	

The income above relates solely to income from General Needs Housing. There is no income in relation to Supported Housing or Shared Ownership.

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statements (continued)  
For the year ended 31 March 2024**

<b>3. Particulars of turnover, operating costs and operating surplus from affordable letting activities</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>Restated £'000</b>
<b>Revenue from lettings</b>		
Rent receivable net of service charges	2,112	2,010
<b>Gross income from rents and service charges</b>	2,112	2,010
Less voids	(43)	(32)
<b>Net income from rents and service charges</b>	2,069	1,978
Grants released from deferred income	5	(3)
Revenue grants from Scottish Ministers	25	20
Other operating income	13	1
<b>Total turnover from social letting activities</b>	2,112	1,996
<b>Expenditure</b>		
Management and maintenance administration costs	777	682
Service Costs	-	10
Planned cyclical maintenance including major repairs	216	175
Reactive maintenance costs	252	353
Bad debts – rents and service charges	32	(3)
Depreciation of affordable let properties	285	333
Loss on disposal of components	39	40
<b>Operating Costs for social letting activities</b>	1,601	1,590
<b>Operating Surplus/(Deficit) on affordable letting activities 2024 Restated</b>	511	406

All income and expenditure relates to general needs housing.



## LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements (continued)  
For the year ended 31 March 2024

## 4. Particulars of Turnover, Cost of Sales, Operating Costs and Operating Surplus from Other Activities

	Other income 2024 £'000	Other operating costs 2024 £'000	Operating Surplus 2024 £'000	Operating Surplus 2023 £'000
Wider role activities	6	(27)	(21)	(16)
Factoring	44	(9)	35	10
Contracted out services undertaken for RSLs	87	(82)	5	4
<b>Total from other activities 2024</b>	<u>137</u>	<u>(118)</u>	<u>19</u>	<u>(2)</u>
<b>Total from other activities 2023</b>	<u>81</u>	<u>(83)</u>	<u>(2)</u>	

## LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements (continued)  
For the year ended 31 March 2024

## 5. Tangible Fixed Assets

	Housing properties held for letting £'000	Heritable office property £'000	Plant & equipment £'000	Total £'000
<b>Cost</b>				
At 1 April 2023 original	12,407	248	40	12,695
Prior period adjustment (Note 18)	5	-	-	5
At 1 April 2023 restated	<u>12,412</u>	<u>248</u>	<u>40</u>	<u>12,700</u>
Additions during year	824	-	-	824
Disposals during year	(56)	-	-	(56)
At 1 March 2024	<u>13,180</u>	<u>248</u>	<u>40</u>	<u>13,468</u>
<b>Depreciation</b>				
At 1 April 2023 original	4,544	167	36	4,747
Prior period adjustment (Note 18)	(183)	-	-	(183)
At 1 April 2023 restated	<u>4,361</u>	<u>167</u>	<u>36</u>	<u>4,564</u>
Charge in year	285	10	1	296
Eliminated on disposals in year	(17)	-	-	(17)
At 31 March 2024	<u>4,629</u>	<u>177</u>	<u>37</u>	<u>4,843</u>
<b>Net book value</b>				
At 31 March 2024	<u>8,551</u>	<u>71</u>	<u>3</u>	<u>8,625</u>
At 31 March 2023 restated	<u>8,051</u>	<u>81</u>	<u>4</u>	<u>8,136</u>

	2024 £'000	2023 £'000
<b>Works expenditure on housing properties</b>		
Capitalised component replacements and enhancements	460	182
Expensed	216	142
Total works expenditure on housing properties	<u>676</u>	<u>324</u>

All land and buildings are wholly owned by Larkfield Housing Association Limited, included in the total net book value of housing properties held for letting is £1,257,976 (2023: £1,228,630) in respect of land which is not being depreciated

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statements (continued)  
For the year ended 31 March 2024**

<b>6.</b>	<b>Receivables: Amounts falling due within one year</b>	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
	Arrears of rent and service charges	138	136
	Less: payment plan adjustments	(7)	(9)
	Less: provision for bad and doubtful debts	(51)	(50)
	<b>Net rental debtors</b>	<b>80</b>	<b>77</b>
	Trade receivables	34	78
	Social housing grant receivable	-	40
	Other receivables	(1)	-
	Prepayments and accrued income	108	8
	Amounts due from group undertakings	-	238
		<b>221</b>	<b>441</b>
<b>7.</b>	<b>Payables: Amounts falling due within one year</b>	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
	Trade payables	4	15
	Accruals and deferred income	94	140
	Other payables	18	28
	Pension contributions payables	-	5
	Taxation and social security	-	12
	Amounts owed due to group undertakings	981	604
	Rent paid in advance	138	128
		<b>1,235</b>	<b>932</b>
<b>8.</b>	<b>Deferred income</b>	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>Restated</b> <b>£'000</b>
	<b>Social Housing Grants</b>		
	At 1 April	354	193
	Prior period adjustment	-	3
	At 1 April restated (note 18)	354	196
	Additions in the year	179	163
	Amortisation in the year	(5)	(5)
	At 31 March	<b>528</b>	<b>354</b>

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statements (continued)  
For the year ended 31 March 2024**

**8. Deferred Income (continued)**

<b>Social Housing Grants (continued)</b>	<b>2024 £'000</b>	<b>2023 £'000</b>
Due in one year	5	5
Due in 2-4 years	15	15
Due in 5 years +	508	334
	<u>528</u>	<u>354</u>

**9. Employees**

<b>2024 £'000</b>	<b>2023 £'000</b>
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Staff costs during the year were as follows:

Wages and salaries	462	421
Social security costs	51	67
Contributions to defined contribution plans	43	36
	<u>556</u>	<u>524</u>

Agency staff costs	<u>-</u>	<u>3</u>
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Average full-time equivalent of employees during the year	12	11
Average number of employees during the year	<u>14</u>	<u>12</u>

The key management personnel are stated in the Members and Advisers section on page 1. The Area Manager is the equivalent of the Chief Executive.

The number of key management personnel during the year whose total emoluments (including pension contributions) were:

£70,000 - £79,999	<u>1</u>	<u>1</u>
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**Emoluments payable to the Area Manager:**

<b>2024 £'000</b>	<b>2023 £'000</b>
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Emoluments excluding pension contributions	73	68
Employer's pension contributions	9	9
	<u>82</u>	<u>77</u>

The total emoluments for key management personnel for the year was £215,148 (2023: £194,271).

## **LARKFIELD HOUSING ASSOCIATION LIMITED**

### **Notes to the Financial Statements (continued) For the year ended 31 March 2024**

#### **10(a) Defined Contributions**

Larkfield participates in the SHAPS defined contribution scheme as at 31 March 2024.

Larkfield also participates in 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 10 active members (2023: 9) of the Defined Contribution Scheme employed by Larkfield Housing Association Limited. Employer contributions totalled £43,426 (2023: £35,736).

#### **10(b) Defined Benefit Scheme**

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.

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 and has now ceased.

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.

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statements (continued)  
For the year ended 31 March 2024**

**10(b) Defined Benefit Scheme (Continued)**

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit 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 2023. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2024 to 28 February 2025 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.

<b>Key assumptions</b>	<b>2024</b>	<b>2023</b>
Discount Rate	4.80%	4.90%
Salary Growth	3.10%	3.81%
Inflation (RPI)	3.40%	3.40%
Inflation (CPI)	2.95%	2.90%
Allowance for cash commutation	75% of maximum allowance	75% of maximum allowance

<b>Mortality Assumptions</b>	<b>Life Expectancy at the age of 65 (Years)</b>
Male retiring in 2024	20.2
Female retiring in 2024	22.7
Male retiring in 2044	21.4
Female retiring in 2044	24.1

The mortality assumptions adopted at 31 March 2024 imply the life expectancies shown above.

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statements (continued)  
For the year ended 31 March 2023**

**10(b) Defined Benefit Scheme (continued)**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts Recognised in Statement of Financial Position</b>		
Fair value of scheme assets	1,564	1,585
Present value of benefit obligation	(1,846)	(1,576)
Surplus/ (deficit) in plan	(282)	9
Unrecognised surplus	-	(9)
Net pension liability to be recognised	(282)	-
<b>Amounts Recognised in Statement of Comprehensive Income</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Administration costs	3	2
Net interest on net defined benefit obligation	-	-
Total pension cost recognised in Statement of Comprehensive Income	3	2
<b>Changes in Defined Benefit Obligation</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Opening Defined Benefit Obligation	1,576	2,613
Interest Expense	75	72
Employer Expenses	3	2
Actuarial (Gains)/Losses due to scheme experience	223	(78)
Actuarial (Gains)/Losses due to changes in demographic assumptions	(9)	(32)
Actuarial (Gains)/Losses due to changes in financial assumptions	72	(981)
Benefits Paid and Expenses	(94)	(20)
Closing Defined Benefit Obligation	1,846	1,576
<b>Changes in Fair Value of Scheme Assets</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Opening Fair Value of Scheme Assets	1,585	2,686
Actual Return on Scheme Assets less Interest Income	(6)	(1,196)
Interest income	76	74
Employer Contributions	3	41
Benefits Paid and Expenses	(94)	(20)
Closing Fair Value of Scheme Assets	1,564	1,585

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

**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statements (continued)  
For the year ended 31 March 2023**

**10(b) Defined Benefit Scheme (continued)**

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Amounts Recognised in Other Comprehensive Income</b>		
Experience on plan assets (excluding amounts included in net interest cost) – gain/(loss)	(6)	(1,196)
Experience gains and losses arising on the plan liabilities – gain/(loss)	(72)	981
Actuarial gains/(losses) due to changes in demographic assumptions	9	32
Actuarial gains/(losses)	<u>(223)</u>	<u>78</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(292)	(105)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	<u>10</u>	<u>66</u>
Total amount recognised in Other Comprehensive Income - gain (loss)	<u>(282)</u>	<u>(39)</u>
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Reconciliation of the impact of the Asset Ceiling</b>		
Impact on asset ceiling at the start of the period	9	73
Actuarial Losses (gain) on asset Ceiling	<u>(9)</u>	<u>(64)</u>
Impact of asset ceiling at the end of the period	<u>-</u>	<u>9</u>



**LARKFIELD HOUSING ASSOCIATION LIMITED**

**Notes to the Financial Statements (continued)  
For the year ended 31 March 2023**

**10(b) Defined Benefit Scheme (continued)**

The major categories of Scheme assets as a of the total plan assets are as follow:

	2024 £'000	2023 £'000
Global Equity	180	42
Absolute Return	70	22
Distressed Opportunity	58	49
Credit Relative Value	55	60
Currency Hedging	(1)	3
Insurance linked securities	10	44
Risk Sharing	94	115
Emerging Markets Debt	27	12
Liquid Credit	-	-
Long Lease Property	12	53
Property	66	66
Infrastructure	150	171
Corporate Bond Fund	-	2
Over 15 Year Gilts	-	-
Alternative Risk Premia	56	9
Liability Driven Investments	566	671
Opportunistic Illiquid Credit	62	70
Private Debt	63	71
Secured Income	52	106
Net Current Assets	2	4
High Yield	-	8
Cash	41	7
Opportunistic Credit	-	-
	<u>1,563</u>	<u>1,585</u>

**11. Auditor's remuneration**

	2024 £'000	2023 £,000
Audit fees	<u>18</u>	<u>11</u>