



LARKFIELD HOUSING ASSOCIATION LIMITED

**Report and Financial Statements
For year ended 31 March 2018**

**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 2018

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Registration particulars

Financial Conduct Authority

Co-operative and Community Benefit Societies
Act 2014
Registered number 2509R(S)

Scottish Housing Regulator

Housing (Scotland) Act 2010
Registered number HCB293
Scottish charity No: SC042066

LARKFIELD HOUSING ASSOCIATION LIMITED

Members and Advisers

Committee of Management	Sheralee McMillan - Acting Chairperson
	Suzanne Harris - Secretary
	Frances Beattie Jim Canning Cllr David Wilson Aileen Hunter Suzanne Gallagher Danny McMillan Denis Flannery
Area Manager	Lynne Griffin
Registered Office	14 Lothian Road Greenock PA16 OPG
External Auditor	KPMG LLP Chartered Accountants Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
Internal Auditor	TIAA 61 Dublin Street Edinburgh EH3 6NL
Banker	Bank of Scotland PO Box 10 38 St Andrews Square Edinburgh EH2 2YR
Funder	Royal Bank of Scotland
Solicitors	Patten and Prentice 2 Ardgowan Square Greenock PA16 8PP
	Harper MacLeod LLP The Ca'd'oro 45 Gordon Street Glasgow G1 3PE

LARKFIELD HOUSING ASSOCIATION LIMITED

Report of Committee of Management For year ended 31 March 2018

The Committee of Management presents its annual report and the audited financial statements for the year ended 31 March 2018.

Principal Activity

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

- Provide well maintained and valued homes that are adaptable as people's needs change.
- Improve the range of housing options within our communities.
- Seek continuous improvement in our service delivery and customer satisfaction.
- Support our customers to sustain their homes and be active participants in their communities.
- Consult and work with our tenants and others to regenerate our communities.
- Develop and help our people to fulfil their potential.

Corporate Status

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

Group Structure

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

Operating and Financial Review

Financial Summary

This year Larkfield recorded total comprehensive income of £0.6m (2017: £0.7m). Investments to the housing stock in the year primarily included the third phase of the Association's current gas central heating system replacement programme, chimney removal works and external energy efficiency works to six of its multi-tenure blocks. The Association also carried out external decoration works to its communal closes, fitted 16 adaptations throughout its stock and serviced 380 gas appliances.

Larkfield's comprehensive income for the year decreased by £0.2m compared with 2017, this is primarily driven by a £0.5m pension provision, which was released in the 16/17 period, due to Larkfield changing from a defined benefit pension scheme for its employees to a defined contribution scheme. A £0.4m remeasurement charge was also realised in the 16/17 statement of comprehensive income compared with a £0.1m charge in the 17/18 statement of comprehensive income.

Turnover

Turnover of £2m relates entirely 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, in relation to its Inverclyde stock. It is Larkfield's policy to maintain affordability by limiting overall rent increases to no greater than 1 per cent above the Consumer Price Index, with the exception that our financial plans require that we need a greater increase to meet our obligations and ensure our long-term viability. Tenants are charged rents on a twelve-monthly cycle.

LARKFIELD HOUSING ASSOCIATION LIMITED

Report of Committee of Management For year ended 31 March 2018

Estate Maintenance

Larkfield acts as Management Agent to 578 owner-occupiers in the Larkfield area. Invoices are issued each year to recover the costs of common maintenance.

Property Acquisitions

There were no property acquisitions during the financial year.

Financing and Liquidity

Larkfield operates with minimal public funding and is highly focused to exploit profitable opportunities as they arise.

Larkfield has a £4.5 million private finance loan facility with the Royal Bank of Scotland. Under the terms of the financing agreement, there are a number of financial and operational covenants that limit Larkfield's operating and financial flexibility. A failure to comply with any of these covenants could result in default under the agreement and an acceleration of repayment of the debt outstanding. In addition to stock required as security for all its current borrowings, Larkfield has a large proportion of housing stock available to be used as security for future borrowing.

Treasury Management

Larkfield has an active treasury management function, which operates in accordance with the Treasury Policy approved by its Management Committee. In this way Larkfield manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

Larkfield, as a matter of policy, does not enter into transactions of a speculative nature. At 31 March 2018 100% of Larkfield's borrowings (2017: 100%) were subject to fixed rates of interest.

Members of Committee of Management

The Members of the Committee of Larkfield during the year to 31 March 2018 and subsequent up to the day of signing were as follows:

(Vice Chair)	Sheralee McMillan	(appointed, acting Chair, March 2018)
(Secretary)	Suzanne Harris	
(Member)	Frances Beattie	(resigned as Chair, March 2018)
(Member)	Rev Allan McIntyre	(resigned September 2017)
(Member)	Jim Canning	
(Member)	Cllr David Wilson	
(Member)	Margaret Bell	(resigned September 2017)
(Member)	Denis Flannery	
(Member)	John Scott	(resigned September 2017)
(Member)	Aileen Hunter	
(Member)	Suzanne Gallagher	(elected September 2017)
(Member)	Danny McMillan	(elected September 2017)
(Member)	Alison Akhtar	(co-opt' June 2018)
(Member)	Adam Thompson	(co-opt' May 2018)

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 and to continue to develop relationships and opportunities for the sharing of central services, specialist services and experience.

LARKFIELD HOUSING ASSOCIATION LIMITED

Report of Committee of Management For year ended 31 March 2018

Charitable Donations and Community Involvement

No charitable donations (2017: £Nil) were made during the year. No donations were made for political purposes.

Larkfield is actively involved in community regeneration activities and community safety and continues to promote community regeneration projects through its involvement in the Inverclyde Housing Association Forum. Specific projects included, "Advice for All", money and welfare benefit advice project, "Inverclyde Tenancy Support" project offering support and advice services for vulnerable tenants at risk of losing their home and "Future Skills" project developed by the Inverclyde Financial Inclusion Partnership with the housing associations operating in the area to promote digital and financial inclusion within Inverclyde.

Maintenance Policies

Larkfield seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs will be charged to the Income and Expenditure account. In addition Larkfield has a long-term programme of major repairs to cover for works which have become necessary since the original development was completed, 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. The cost of these repairs will be charged to the Income and Expenditure account unless they qualify as capital expenditure.

Larkfield owns 21 Atholl Steel flats in mixed tenure blocks and two properties with electric heating systems which do not meet the Scottish Housing Quality Standard. These have been reported to the Scottish Housing Regulator through Larkfield's Annual Return on the Charter and classed as sitting "in abeyance". Larkfield is also working to achieve the additional obligations to be achieved by 2020 as set out by the Scottish Housing Regulator in 2015 in the Energy Efficiency Standard for Social Housing (EESH).

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 deliver a number of completed adaptations to existing properties, to meet the specific and changing needs of tenants. Larkfield now provides management services for 261 properties in Port Glasgow on behalf of Link Housing Association Ltd.

Credit Payment Policy

Larkfield's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is under thirty days.

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 HOUSING ASSOCIATION LIMITED

Report of Committee of Management For year ended 31 March 2018

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 particular controls relative to the benefit obtained.
- Responsibility of management to implement the Committee'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 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 of Management 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 Investors in People (IIP) Gold Recognition status and Investors in Diversity status.

Internal Financial Control

The Committee of Management is responsible for establishing and maintaining Larkfield's system of internal control. 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.

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.

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 seen as an essential part of the control environment and the ethical standards expected are communicated through the Area Manager.

Budgetary Process

Each year the Committee of Management approves the annual budget and rolling five-year strategic plan. Key risk areas are identified. 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.

LARKFIELD HOUSING ASSOCIATION LIMITED

Report of Committee of Management For year ended 31 March 2018

Rental Income

Larkfield's Rent Policy is a points system based on the size, type and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within Larkfield's properties. This policy follows the generally accepted practice/principles of the housing movement. Larkfield's rental policy and actual rent levels will be kept under 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 with regard to tenants, funders and regulators. This includes both carrying out major repairs and considering whether there are any opportunities to build 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.

Disabled Employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with Larkfield may continue. It is the policy of Larkfield that training, career development and promotion opportunities should be available to all employees.

Auditor

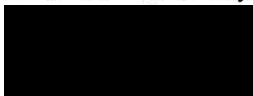
KPMG LLP was re-appointed as auditor during the year. A resolution to re-appoint KPMG LLP as auditor will be put to the members of Larkfield at the annual general meeting.

Provision of information to the auditor

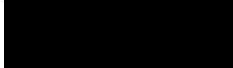
The Directors who held office at the date of approval of this report of committee of management confirm that, so far as they each are aware, there is no relevant audit information of which Larkfield's auditor is unaware; and each trustee has taken all the steps that they ought to have taken as a trustee 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 – Secretary



Jim Canning – Committee member



Aileen Hunter – Committee member



Dated: 19 July 2018

LARKFIELD HOUSING ASSOCIATION LIMITED

Statement of Board's responsibilities in respect of the Board's report and the financial statements

The Board is responsible for preparing the Board's Report and the financial statements in accordance with applicable law and regulations.

Co-operative and Community Benefit Society law requires the Board to prepare financial statements for each financial year. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*

The financial statements are required by law to give a true and fair view of the state of affairs of the association and of its income and expenditure for that period.

In preparing these financial statements, the Board is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements; and
- assess the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the association or to cease operations or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2014, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

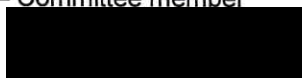
The Board is responsible for the maintenance and integrity of the corporate and financial information included on the association's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Committee of Management:

Suzanne Harris – Secretary



Jim Canning – Committee member



Aileen Hunter – Committee member



Dated: 19 July 2018

LARKFIELD HOUSING ASSOCIATION LIMITED

Committee of Management Statement on Internal Financial Controls For year ended 31 March 2018

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 2018. 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 – Secretary

Jim Canning – Committee member

Aileen Hunter – Committee member

Dated: 19 July 2018

LARKFIELD HOUSING ASSOCIATION LIMITED

Independent auditor's report to Larkfield Housing Association Limited

Opinion

We have audited the financial statements of Larkfield Housing Association Limited ("the association") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the state of affairs of Larkfield Housing Association as at 31 March 2018 and of its income and expenditure for the year then ended;
- comply with the requirements of the Co-operative and Community Benefit Societies Act 2014; and
- have been properly prepared in accordance with the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2014, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the association in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The association's Board is responsible for the other information, which comprises the Report of Committee of Management and Committee of Management Statement on Internal Financial Controls. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion, the Statement on Internal Financial Controls on page 8 does not provide 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; or
- in our opinion, the Statement on Internal Financial Controls is materially inconsistent with the knowledge acquired by us in the course of performing our audit.

We have nothing to report in these respects.

LARKFIELD HOUSING ASSOCIATION LIMITED

Independent auditor's report to Larkfield Housing Association Limited (continued)

Matters on which we are required to report by exception

Under the Co-operative and Community Benefit Societies Act 2014 we are required to report to you if, in our opinion:

- the association has not kept proper books of account; or
- the association has not maintained a satisfactory system of control over transactions; or
- the financial statements are not in agreement with the association's books of account; or
- we have not received all the information and explanations we need for our audit. We have nothing to report in these respects.

Board's responsibilities

As more fully explained in their statement set out on page 7, the association's Board is responsible for the preparation of financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 it either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the association in accordance with section 87 of the Co-operative and Community Benefit Societies Act 2014 and section 69 of the Housing (Scotland) Act 2010 and to the charity's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the association those matters we are required to state to it 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 as a body, for our audit work, for this report, or for the opinions we have formed.


Andrew Shaw

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

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

Saltire Court

20 Castle Terrace

Edinburgh

EH1 2EG

Date: 

LARKFIELD HOUSING ASSOCIATION LIMITED

Statement of Comprehensive Income For year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	2	1,988,815	2,295,952
Less: Operating expenditure	2	(1,380,482)	(1,609,509)
Operating surplus	2	608,333	686,443
Interest receivable		254	425
Interest and financing costs		(127,900)	(128,250)
Other finance charges		(10,000)	(9,000)
Surplus on ordinary activities before taxation		470,687	549,618
Taxation	5	-	-
Surplus for the year		470,687	549,618
Release of provision for pension liabilities		-	539,000
Remeasurement of the defined benefit pension liability		87,000	(370,000)
Total comprehensive income for the year		557,687	718,618

All activities relate to continuing activities within the year.

Statement of Changes in Reserves

	Share capital £	Revenue reserve £	Total £
Balance as at 1 April 2017	97	5,416,816	5,416,913
Net movement of members	6	-	6
Surplus from Statement of Comprehensive Income	-	470,687	470,687
Remeasurement of the defined benefit pension liability	-	87,000	87,000
Balance as at 31 March 2018	103	5,974,503	5,974,606

The notes on page 14 to 30 form part of these financial statements

LARKFIELD HOUSING ASSOCIATION LIMITED

Statement of Financial Position As at 31 March 2018

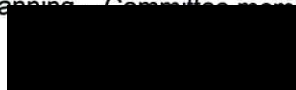
	Notes	2018 £	2017 £
Non-current assets			
Tangible Fixed Assets			
Housing properties	6	8,156,912	8,304,146
Other fixed assets	6	133,300	141,393
		<u>8,290,212</u>	<u>8,445,539</u>
Current assets			
Trade and other debtors	7	213,596	152,842
Cash and cash equivalents		<u>2,508,812</u>	<u>1,850,305</u>
		2,722,408	2,003,147
Creditors: Amounts falling due within one year	8	<u>(266,764)</u>	<u>(134,789)</u>
Net current assets		2,455,644	1,868,358
Total assets less current liabilities		10,745,856	10,313,897
Creditors: Amounts falling due after more than one year	9	(4,500,000)	(4,500,000)
Deferred income	10	(61,579)	(63,066)
Pension liability	12	<u>(209,671)</u>	<u>(333,918)</u>
Net assets		<u>5,974,606</u>	<u>5,416,913</u>
Share capital		103	97
Revenue reserve		<u>5,974,503</u>	<u>5,416,816</u>
Total capital and reserves		<u>5,974,606</u>	<u>5,416,913</u>

The financial statements were authorised for issue by the Committee of Management on 19 July 2018 and are signed on its behalf by:

Suzanne Harris – Secretary



Jim Canning – Committee member



Aileen Hunter – Committee member



The notes on page 14 to 30 form part of these financial statements

LARKFIELD HOUSING ASSOCIATION LIMITED

Statement of Cash Flows For year ended 31 March 2018

	Note	2018 £	2017 £
Net cash inflow from operating activities	15	978,198	549,234
Cash flow from investing activities			
Capitalised improvement expenditure		(190,131)	(522,225)
Acquisition and construction of properties		(1,920)	(10,153)
Sale of tangible fixed assets – properties		-	213,703
Interest received on cash and cash equivalents		254	425
Net cash outflow from investing activities		<u>(191,797)</u>	<u>(318,250)</u>
Cash flow from financing activities			
Interest paid on loans		(127,900)	(128,250)
Issue of share capital		9	-
Cancellation of share capital		(3)	-
Net cash outflow from financing		<u>(127,894)</u>	<u>(128,250)</u>
Increase in cash and cash equivalents		658,507	102,734
Opening Cash and Cash Equivalents		1,850,305	1,747,571
Closing Cash and Cash Equivalents		<u>2,508,812</u>	<u>1,850,305</u>

The notes on page 14 to 30 form part of these financial statements

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

1. Principal Accounting Policies

Larkfield Housing Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered by the Financial Services Authority. These financial statements are prepared in accordance with applicable accounting standards and statements of recommended practice, and comply with the requirements of the Determination of Accounting Requirements 2014 as issued by the Scottish Housing Regulator and the Housing SORP 2014, Statement of Recommended Practice for registered social housing providers.

(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, and comply with the requirements of the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) Accounting by Registered Social Housing Providers 2014 (SORP 2014) and Financial Reporting Standard 102 (FRS 102).

(b) Going Concern

The Management Committee anticipates that a surplus will be generated in the year to 31 March 2019 and the year to 31 March 2020. Larkfield Housing Association has a healthy cash and net asset position and thus the Management Committee is satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus, the Management Committee continues to adopt the going concern basis of accounting 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.

(d) Tangible fixed assets

Housing land and buildings are stated at cost.

(e) Depreciation

Housing land and buildings

Housing properties are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the properties at an annual rate of 2%. No depreciation is charged on the cost of land.

Each housing unit has been split between its major component parts. Each major component is depreciated on a straight line basis over its expected economic useful life. The following major components and useful lives have been identified by Larkfield Housing Association:

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

1. Principal Accounting Policies (cont'd)

Land	- not depreciated
Structure	- over 50 years
Re-wiring	- over 40 years
Windows / doors	- over 30 years
Bathrooms	- over 25 years
Pipe work	- over 24 years
Kitchen	- over 15 years
Boilers	- over 15 years

Other fixed assets

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:

Housing Properties held for letting	- 4% straight line
Office Premises	- 4% straight line
Furniture and Fittings	- 25% reducing balance
Office Equipment	- 25% reducing balance

(f) Capital Commitments

The Association currently has no capital commitments

(g) Impairment of fixed assets

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income generating unit is recognised by a charge to the income and expenditure account. Impairment is recognised where the carrying value of an income generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units.

(h) Improvements

Improvements are capitalised where these result in an enhancement of the economic benefits of the property. Such enhancement can occur if the improvements result in:

- an increase in rental income; or
- a material reduction in future maintenance costs; or
- a significant extension to the life of the property.

Works to existing properties, which fail to meet the above criteria, are charged to the income and expenditure account.

i) Pension

Defined Contribution Scheme -

The Association participates in the 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 the Association.

Defined Benefit Scheme –

Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating associations taken. In accordance with FRS 102, the Group's share of the scheme assets and liabilities has been separately identified and included in the Group's Statement of Financial Position and measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. Larkfield's share of the deficit is recognised in full and the movement is split between operating costs, finance items and in the Statement of Comprehensive Income as actuarial gain or loss on pension schemes

LARKFIELD HOUSING ASSOCIATION LIMITED
Notes to the Financial Statements
For the year ended 31 March 2018

1. Principal Accounting Policies (cont'd)

- (j) **Provisions**
The Association 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.
- (k) **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.
- (l) **Allocation of owner occupier income**
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.
- (m) **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.
- (n) **Buy Backs**
Properties are bought back at open market value, agreed with Larkfield Housing Association's lenders.
- (o) **Taxation**
Larkfield Housing Association 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 potentially 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.
- (p) **Finance**
The financial statements have been prepared on the basis that the capital expenditure referred to in note 6 will be grant aided, funded by loan or met out of reserves.
- (q) **Financial instruments**
Loans provided by lenders are classed as "basic" under the requirements of FRS102 and are measured at amortised cost.
- (r) **Value added tax**
Larkfield Housing Association is VAT registered. 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.
- (s) **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 2014. Non-government grants are recognised as income when the performance conditions have been met.

LARKFIELD HOUSING ASSOCIATION LIMITED

**Notes to the Financial Statements
For the year ended 31 March 2018**

2. Particulars of Turnover, Operating Costs and Operating Surplus

	Turnover £	2018 Operating Costs £	Operating Surplus £	2017 Operating Surplus £
Affordable lettings activities				
Affordable lettings activities	1,927,668	(1,333,333)	594,335	645,592
Other activities (note 4)	61,147	(47,149)	13,998	40,851
Total	1,988,815	(1,380,482)	608,333	686,443
2017	2,295,952	(1,609,509)	686,443	
2018	1,988,815	(1,380,482)	608,333	

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
For the year ended 31 March 2018

3. Particulars of turnover, operating costs and operating surplus from affordable letting activities

	2018 Total £	2017 Total £
Revenue from lettings		
Rent receivable net of service charges	1,788,214	1,771,531
Gross income from rents and service charges	1,788,214	1,771,531
Less voids	(13,217)	(2,019)
Net income from rents and service charges	1,774,997	1,769,512
Grants from the Scottish Ministers	20,000	26,799
Grants from the Energy Savings Trust	-	219,230
Grants from Inverclyde Council	131,184	-
Grants released from deferred Income	1,487	1,487
Total turnover from social letting activities	1,927,668	2,017,028
Expenditure		
Management and maintenance administration costs	414,752	401,101
Planned cyclical maintenance including major repairs	255,768	300,753
Reactive maintenance costs	302,736	305,753
Bad debts – rents and service charges	22,714	6,508
Depreciation of social housing	307,621	295,645
Loss on disposal of fixed assets	29,742	61,676
Operating Costs for social letting activities	1,333,333	1,371,436
Operating Surplus on affordable letting activities	594,335	645,592

All income and expenditure relates to general needs housing.

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements
For the year ended 31 March 2018

4. Particulars of Turnover, Cost of Sales, Operating Costs and Operating Surplus

	Other income 2018 £	Other operating costs 2018 £	Operating Surplus 2018 £	Operating Surplus 2017 £
Factoring	5,728	(4,584)	1,144	1,277
Agency/management services for RSLs	51,381	(41,215)	10,166	10,113
Gain on disposal of properties	-	-	-	29,263
Other activities	4,038	(1,350)	2,688	198
Total from other activities	61,147	(47,149)	13,998	40,851
Total from other activities 2017	278,922	(238,071)	40,851	

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

5. Taxation

Larkfield Housing Association is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and meets the definition of a charitable company for UK corporation tax purposes. Accordingly, it is potentially exempt from taxation in respect of income or capital gains received within categories set out in chapter 3 part II of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent such income or gains are applied exclusively to charitable purposes.

6.

Non-current assets	Housing properties held for letting £	Office premises £	Office equipment £	Furniture & fittings £	2018 Total £	2017 Total £
Cost						
At 1 April 2017	10,975,344	248,058	94,012	5,700	11,323,114	11,145,441
Additions during year	190,131	-	1,920	-	192,051	532,380
Disposals during year	(53,941)	-	(66,868)	-	(120,809)	(354,707)
At 31 March 2018	11,111,534	248,058	29,064	5,700	11,394,356	11,323,114
Depreciation						
At 1 April 2017	2,671,198	106,831	93,846	5,700	2,877,575	2,680,546
Provided during year	307,623	9,958	55	-	317,636	305,622
Disposals during year	(24,199)	-	(66,868)	-	(91,067)	(108,593)
At 31 March 2018	2,954,622	116,789	27,033	5,700	3,104,144	2,877,575
Net book value						
At 31 March 2018	8,156,912	131,269	2,031	-	8,290,212	8,445,539
At 31 March 2017	8,304,146	141,227	166	-	8,445,539	
Works expenditure on housing properties					2018 £	2017 £
Capitalised component replacements					190,131	522,225
Expensed					156,472	219,230
Total works expenditure on housing properties					346,603	741,455

All land and buildings are wholly owned by Larkfield Housing Association Limited

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

7. Debtors : Amounts falling due within one year	2018	2017
	£	£
Gross rent arrears	92,572	99,405
Adjustment to discount arrears balance with payment plans	(9,088)	(7,356)
Less: Bad debt provision	(22,070)	(21,797)
	<u>61,414</u>	<u>70,252</u>
Debtor – owner occupiers	41,747	31,139
Provision for bad debts – owner occupiers	(8,364)	(6,278)
	<u>33,383</u>	<u>24,861</u>
Debtors – tenant recharges	44,252	38,190
Less: Bad debt provision	(29,534)	(24,518)
	<u>14,718</u>	<u>13,672</u>
Prepayments and accrued income	104,081	44,057
	<u>213,596</u>	<u>152,842</u>
8. Creditors: Amounts falling due within one year	2018	2017
	£	£
Trade creditors	5,664	3,968
Accruals and deferred income	208,313	102,939
Amounts due to parent	24,054	17,451
Amounts due to group companies	28,733	10,431
	<u>266,764</u>	<u>134,789</u>
9. Creditors due after one year	2018	2017
	£	£
Facility loan	<u>4,500,000</u>	<u>4,500,000</u>

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

9. Creditors due after one year (cont'd)

The Royal Bank of Scotland holds a standard security on 196 of Larkfield Housing Association's 390 properties. The loan is repayable at a fixed rate of interest, 2.85% (2017: 2.85%), in one payment due as follows:

	2018 £	2017 £
Between two and five years	4,500,000	4,500,000
	<u>4,500,000</u>	<u>4,500,000</u>

The total facility available to Larkfield Housing Association at the year end was £4.5 million (2017: £4.5 million).

10. Deferred income

Social Housing Grants

	2018 £	2017 £
Balance as at 1 April 2017	63,066	64,553
Amortisation in the year	(1,487)	(1,487)
Balance as at 31 March 2018	<u>61,579</u>	<u>63,066</u>

The social housing grants are only repayable when the properties are disposed of. There are no amounts due within 5 years.

11. Employees

	2018 £	2017 £
Staff costs during year		
Wages and salaries	329,648	316,379
Social security costs	32,152	31,115
Other pension costs	28,223	27,139
	<u>390,023</u>	<u>374,633</u>

The average full time equivalent (FTE) employed by Larkfield Housing Association during the year were as follows:

	FTE	FTE
Housing, administrative and finance staff	<u>9.7</u>	<u>9.7</u>
The total number of employees employed	<u>11</u>	<u>11</u>

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

11. Employees (Continued)

The key management personnel are defined as the Managing Director and any other person reporting directly to the Managing Director. The Managing Director is the equivalent of the Chief Executive Number of key management personnel during the year whose total emoluments (including pension contributions) were:

	2018	2017
£60,000 - £69,999	<u>1</u>	<u>1</u>
Emoluments payable to the Managing Director :	£	£
Emoluments excluding pension contributions	56,068	55,000
Employer's pension contributions	<u>6,722</u>	<u>6,369</u>
	<u>62,790</u>	<u>61,369</u>
	2018	2017
	£	£
Total expenses reimbursed insofar as not chargeable to UK income tax – Committee of Management	<u>3,883</u>	<u>1,132</u>

12. Pension commitments

In 2017, Larkfield engaged a firm of professional actuaries to establish whether it would be possible to account for Larkfield's share of the SHAPS liabilities as a defined benefit scheme. The actuary has developed a methodology to calculate Larkfield's share of the scheme's assets and liabilities, based on information provided by the SHAPS administrator at scheme level and the deficit contributions payable by Larkfield

As a result, it is now possible to account for Larkfield's liabilities as a defined contribution scheme 31 March 2018.

12a. Defined Contribution Scheme

Larkfield Housing Association Limited offers all staff membership to the SHAPS Defined Contribution scheme, with employer contribution rates of 3%, 6%, 9% or 12% of pensionable salaries. As at the balance sheet date, there were 9 active members (2017: 9) of the Defined Contribution Scheme employed by Larkfield Housing Association Limited.

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

12b. Defined Benefit Scheme

Larkfield Housing Association Limited participates in the Scottish Housing Associations' Pension Scheme ('the Scheme'), a multi-employer scheme which provides benefits to some 155 non-associated employers. The scheme is a defined benefit scheme in the UK.

Larkfield Housing Association Limited closed this scheme to all staff in 1st October 2014.

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

A full actuarial valuation for the scheme was carried out at 30 September 2015. This actuarial valuation showed assets of £616m, liabilities of £814m and a deficit of £198m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid to the scheme as follows:

Deficit contributions

From 1 April 2018 to 28 February 2022:	£25,735,092 per annum (payable monthly, increasing by 3% each 1st April)
From 1 April 2018 to 30 June 2025:	£727,217 per annum (payable monthly, increasing by 3% each 1st April)
From 1 April 2018 to 31 October 2026:	£1,239,033 per annum (payable monthly, increasing by 3% each 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Under UK pensions legislation, Larkfield is responsible for funding the Scheme benefits and for paying contributions to make up any shortfall between the assets and liabilities of the Scheme. The Scheme's liabilities are assessed at least every three years by the Scheme's actuary. It is Larkfield's funding policy to annually contribute an amount agreed between Larkfield and the Trustees of the Scheme in accordance with UK legislative requirements if a funding deficit exists. The amount of contributions required depends on the assumptions used by the actuary and can therefore be volatile between actuarial valuations.

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

12b. Defined Benefit Scheme

This volatility of contribution amounts can be to the detriment of the Association's cash flows and impacts on the statement of comprehensive income. The volatility of the Scheme's liabilities against the assets held impacts on the Association's statement of financial position.

The last formal actuarial valuation of the SHAPS scheme was as at 30 September 2015.

The Scheme is a funded defined benefit arrangement. All monetary figures are shown in £000s sterling.

No assets included in the fair value of plan assets are the entity's own financial instruments or are properties occupied or used by the entity.

Actuarial Assumptions

	2018	2017
Discount Rate	2.70%	2.80%
Salary		
Increases	2.20%	3.30%
Inflation (RPI)	3.20%	3.30%
Inflation (CPI)	2.20%	2.30%
Male Mortality	90% S1PMA; CMI2011 F1.5%; Birth Year	90% S1PMA; CMI 2011 F1.5%; Birth Year
Female Mortality	90% S1PFA; CMI 2011 F1.25%; Birth Year	90% S1PFA; CMI 2011 F1.25%; Birth Year

Amounts Recognised in Statement of Financial Position

	2018 £'000	2017 £'000
Fair value of scheme assets	1,431	1,412
Present value of benefit obligation	(1,640)	(1,746)
Net pension liability	(209)	(334)

Amounts Recognised in Statement of Comprehensive Income

	2018 £'000	2017 £'000
Administration costs	1	2
Net interest on net defined benefit obligation	8	9
Total pension cost recognised in Statement of Comprehensive Income	9	11

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

12b. Defined Benefit Scheme

Changes in Defined Benefit Obligation	2018 £'000	2017 £'000
Opening Defined Benefit Obligation	1,746	1,333
Interest Expense	48	50
Actuarial (Gains)/Losses	(107)	401
Benefits Paid	(47)	(38)
Closing Defined Benefit Obligation	<u>1,640</u>	<u>1,746</u>

Changes in Fair Value of Scheme Assets	2018 £'000	2017 £'000
Opening Fair Value of Scheme Assets	1,412	1,083
Actual Return on Scheme Assets less Interest Income	(20)	281
Interest income	40	41
Employer Contributions	47	47
Benefits Paid	(47)	(38)
Administration costs	(1)	(2)
Closing Fair Value of Scheme Assets	<u>1,431</u>	<u>1,412</u>

Other Comprehensive Income	2018 £'000	2017 £'000
Actual return on plan assets less interest income on plan assets	(20)	281
Actuarial gains / (losses)	107	(401)
Remeasurements gains and losses recognised in other comprehensive income	<u>87</u>	<u>(120)</u>

The major categories of Scheme assets as a percentage of total plan assets are as follows

	2018 £'000	2017 £'000
Equities	18%	35%
Property	4%	4%
Bonds	44%	35%
Alternatives	32%	24%
Cash and other	2%	2%
Total	<u>100%</u>	<u>100%</u>

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

13. Auditor's remuneration	2018 £	2017 £
Audit fees	<u>6,168</u>	<u>5,700</u>

14. Share Capital	2018	2017
Shares of £1 fully paid and issued at beginning of year	97	97
Shares issued during year	9	-
Shares cancelled during year	(3)	-
	<u>103</u>	<u>97</u>

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

15. Notes to the cash flow statement	2018 £	2017 £
(a) Reconciliation of operating surplus to net cash inflow from operating activities:		
Surplus for the year	470,687	549,618
Depreciation of tangible fixed assets	317,633	305,622
Increase/(Decrease) in trade and other debtors	(60,754)	2,665
Increase/(Decrease) in trade and other creditors	131,975	(431,341)
Carrying amount of tangible fixed asset disposals	29,742	246,115
Proceeds from the sale of fixed assets	-	(213,702)
Government grants utilised in the year	(1,487)	(1,487)
Interest payable	127,900	128,250
Interest received	(254)	(425)
Pensions costs less contributions payable	(37,244)	(36,081)
Net cash inflow from operating activities	<u>978,198</u>	<u>549,234</u>

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

15. Notes to the cash flow statement (continued)

	2018 £	2017 £
(b) Reconciliation of net cash inflow to movement in net debt		
Increase in cash for year	658,507	102,734
Net debt as at 1 April 2017	(2,649,695)	(2,752,429)
Net debt as at 31 March 2018	<u>(1,991,188)</u>	<u>(2,649,695)</u>

(c) Analysis of changes in net debt

	1 April 2017 £	Cash Flow £	31 March 2018 £
Cash at bank and in hand	1,850,305	658,507	2,508,812
Debt due within one year	-	-	-
Debt due after one year	(4,500,000)	-	(4,500,000)
	<u>(2,649,695)</u>	<u>658,507</u>	<u>(1,991,188)</u>

16. Housing Units in Management

	2018 No	2017 No
General Needs	<u>382</u>	<u>382</u>

17. Related parties

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

As at 31 March 2018 four members of the Board were tenants, three owned a property which benefits from property management services performed by Larkfield Housing Association, three members were employees of public entities and one was a Councillor. The tenancies of those Board 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 Board members cannot use their position to their advantage.

Transactions with governing body members were as follows:

Rent received from tenants on the Committee	£15,035
Factoring charges received from owners on the Committee	£126
Tenants and owner Committee member arrears as at 31 March 2018	£ 1,246

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

LARKFIELD HOUSING ASSOCIATION LIMITED

Notes to the Financial Statements For the year ended 31 March 2018

18. Ultimate parent organisation

The company's parent undertaking at the balance sheet date was Link Group Limited, a charitable Industrial and Provident Society registered with the Financial Services 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.

Link Group Limited's accounts can be obtained from:

Registered Office	Web Site	E-Mail
2C New Mart Road Edinburgh EH14 1RL	www.linkhousing.org.uk	linkhousing@linkhousing.org.uk