

Lar Housing Trust

Annual Report and Consolidated Financial Statements

Year Ended: 31st March 2025



LAR Housing Trust is a Scottish Charitable Incorporated Organisation (Charity number SC044825)

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**Lar Housing Trust
Trustees' Report
For the year ended 31 March 2025**

Reference and Administrative Information

Trustees

Alan Seabourne
Alison Macdonald (appointed 24 April 2025)
Ann Leslie, Executive Trustee
Christa Reekie
Douglas Griffin (resigned 12 December 2024)
Karen Murray
Ken Macintosh, Chair
Mikko Ramstedt, Executive Trustee (appointed 25 July 2024)
Monica Gupta
Neil Rutherford, Partner Trustee (resigned 12 December 2024)

Chief Executive

Ann Leslie

Chief Operating Officer

Mikko Ramstedt

Principal Office

Buchan House
Enterprise Way
Carnegie Campus
Dunfermline
KY11 8PL

Charity Number

SC044825

Auditors

Henderson Loggie LLP
Level 5, The Stamp Office
10-14 Waterloo Place
Edinburgh
EH1 3EG

Bankers

Bank of Scotland
75 George Street
Edinburgh
EH2 3EW

Solicitors

Brodies
110 Queen Street
Glasgow
G1 3BX

Company Secretary

TC Young Solicitors
Merchants' House of Glasgow
Glasgow
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Lar Housing Trust Trustees' Report (continued) For the year ended 31 March 2025

The Trustees present their annual report and financial statements for Lar Housing Trust ("Lar") for the year ended 31st March 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the financial statements and comply with Lar's Constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland.

Objectives and Activities

Lar's Charitable Objectives, as established in its Constitution, are:

- the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage; and (as ancillary to that purpose)
- the advancement of community development.

These objectives are to be achieved through providing and/or assisting in the provision of housing for rent at affordable levels and (as ancillary to those primary activities), assisting (whether financially or otherwise) with the development or improvement of public open space, and/or other public amenities or facilities and to help to create sustainable and balanced communities in the areas where such affordable housing is located.

Lar's aim is to provide homes in areas of high demand, to tenants who fall within their target tenant group, at rent levels which sit below those of other properties of equivalent size and quality, in the same or similar geographical areas.

Achievements and Performance

The financial year ended 31 March 2025 was a very successful year for Lar and our tenants. With the completion of our 754th home in June 2024, Lar fulfilled its development obligations under Phase 1 funding agreements. Lar has also nearly finished its first Phase 2 project, The Quadrangle in Ruchill with 25 of the 43 units completed, and has commenced works on the first units at the Old Port Edgar Naval Barracks site in South Queensferry proving that the model has a life beyond Phase 1. The Trustees recognise that the success of Lar has been made possible by the pioneering mindset of the Trust team, Scottish Ministers and Scottish Widows - and its excellent staff team, to which they wish to express their thanks for another successful year.

In terms of operational performance during the period. Lar's continued investment into its in-house capacity has delivered record low void levels at 0.18% for the year, bad debt at 0.02% for the year, 100% compliance testing and repairs exceeding the 95% completed on time target set by the Lar board. Customer satisfaction was also recorded as 4.7/5, with many encouraging and kind anecdotal comments and communications received from tenants. These results are a testament to the outstanding performance of Lar's inhouse property management team.

As we approached the conclusion of Phase 1, Lar demonstrated its intent to increase its investment in the advancement of community development, Lar's second key charitable objective. It appointed its first inhouse Community Engagement Worker during the previous financial year and has been active in seeking the views of tenants as to improvements which can be made to the developments in which they live. This resulted in the creation of communal patio areas, raised growing spaces and additional bike storage being provided at these developments.

Lar has also held a number of successful community engagement activities, namely through offering hugely successful tours of its Port Edgar site to the public, alongside engagement with local history and heritage groups, and further engagement with community groups in the Ruchill area as we develop plans for our community facility.

The completion and successful opening of Meadow House, adjoining its residential development at Jim Bush Drive, provided Lar with further commercial and community space. This invaluable space has enabled Lar to support a new business venture in the form of a convenience store and provided

Lar Housing Trust
Trustees' Report (continued)
For the year ended 31 March 2025

Achievements and Performance (continued)

much needed office accommodation and community use space for Lar, its tenants and the wider community.

Lar and its subsidiaries Lar Projects Limited and Lar Operations CIC have also been successful in gaining awards for 'Small Affordable development of the Year' in the prestigious Homes for Scotland Awards 2025 for its Fountainbridge Development which was also 'Highly Commended' within the 'Build to Rent Development of the Year' category of the Scottish Property Awards, 'Excellence in Customer Service' at the Scottish Home Awards and finally 'Highly Commended' within the 'Customer Service Star' category of the Share Awards.

When talking about Lar's success in the period and over the past ten years, it cannot be done without a mention of its current Chief Executive, Ann Leslie who will be retiring from Lar in early November. Ann, with her vision, determination and drive has taken what was a concept on paper to a fully-fledged start-up helping nearly 800 households to afford to live and put down roots in key communities across Scotland. In the process, Ann has built Lar into an organisation that is recognised and respected among housing providers, in wider financial and business circles and across local and national political spheres. The Trustees and staff of Lar wish to record their thanks and good wishes for Ann. Ann will also step down from her roles as Managing Director of Lar Projects Limited and as Director and Chair of Lar Operations CIC. An internal recruitment process is currently underway for Ann's successors who are intended to be in place prior to Ann's departure.

Financial Review

For the year ended 31st March 2025, Lar Housing Trust posted a surplus of £579k (2024: surplus of £411k) and a gain on valuation of £0k (2024: gain of £577k). This increased reserves from £28,164k to £28,743k. The Lar Group (comprising Lar Housing Trust and its wholly owned subsidiaries, Lar Operations CIC and Lar Projects Limited, collectively, "Lar Group") posted a deficit of £378k (2024: deficit of £16k) and a gain on valuation of £0k (2024: gain of £1,132k). This decreased reserves from £27,852k to £27,474k. Lar Group's deficit for the year is largely due to losses incurred on the construction and provision of community and commercial facilities at Meadow House in Prestonpans. Construction was completed by an external third-party contractor, with whom the Trust has a long-standing working relationship. It was procured by Lar Housing Trust and managed by Lar's construction subsidiary, Lar Projects Limited. The cost of this development was completed on budget, however the market value for such facilities in Prestonpans is considerably less than construction cost. Each of Lar's subsidiaries ultimately exist entirely to support the parent charity in fulfilling its Charitable Objectives, as established in its constitution, whether directly through their operational activities, or through the donation of any profits made. This development makes a significant contribution to Lar's second key objective, being the advancement of community development, which is the metric by which the Lar Group is measuring the development's success. In previous years, Lar Projects has been consistently profitable, making substantial donations of profit to the parent charity, whilst providing it with a steady stream of residential property units. At Group level, this book loss best sits with Lar Projects.

Risk Management

Lar places great importance and priority on ensuring that all aspects of daily operations are conducted within our established risk parameters through the active maintenance of our risk register. The risk register is reviewed on a monthly basis at an operational level and then updated to reflect changes. The risk register is also reviewed by the board at each quarterly meeting where existing and new risks are considered together with their mitigation.

The primary key risk – failure to complete Phase 1, has now been extinguished with the completion of Phase 1. In terms of future growth, key risks which have been identified include increased costs of construction resource and materials, sales risk and increased operational costs due to high inflation. At a more granular level, key risks include: the on-going statutory compliance testing of homes under operation, the likelihood of increased health and safety risks with more sites in our ownership and more construction and operational works being undertaken by Lar and its subsidiaries.

Lar Housing Trust
Trustees' Report (continued)
For the year ended 31 March 2025

Risk Management (continued)

These risks have been considered by the Trustees and its executive team and are being mitigated and reduced, so far as it is possible to do so, by employing the following actions: benchmarking and revising assumptions used in assessing viability, setting aside reserves to enable Lar to maintain the attractiveness of its properties and service Senior Debt repayments; increasing staff numbers with a focus on sustainability; carrying out regular monitoring and reviewing of monthly tenant, rent and property data; and working pro-actively with colleagues in the local government, banking, affordable and charitable sectors to ensure that there is appropriate sharing and use of letting data and other marketing and repair activities.

Plans for Future Periods

Lar's key aims for future periods are:

- to secure more capital debt to facilitate continued growth in order to assist more households in need;
- to continue to provide a high-quality professional housing service to our tenants, thus continuing to cement our reputation as a landlord and housing service provider of choice across Scotland;
- to continue to grow the business of our subsidiary companies, to further support Lar's growth;
- to widen the type and size of property and tenure that Lar is able to offer, so as to provide safe, secure homes for more and different disadvantaged groups, on our own and in partnership with other organisations in the voluntary, public and private sector; and
- to continue to invest in the advancement of community development, Lar's second key charitable objective, in particular with tenants and local communities across current and future developments where there are plans in place to establish community facilities.

Reserves Policy

At the year end, the Group held £27,474k (2024: £27,852k) of unrestricted reserves. Of these, £2,482k (2024: £2,585k) were designated: these funds cover forecasted future maintenance and lifecycle costs following professional advice on lifecycle replacement and scheduled debt repayments over the following 12-month period which are reserved on a quarterly basis from rental income. The remainder of unrestricted funds at 31 March 2025 comprise £25,193k (2024: £25,193k) property revaluation reserve, £147k (2024: £147k) other reserves, £33k (2024: £33k) non-distributable reserves and a £381k deficit (2024: £106k deficit) in general funds. It is intended that Lar's reserves policy is further refined in future financial years.

Structure, Governance and Management

Lar is a registered Scottish Charitable Incorporated Organisation ('SCIO'), charity number SC044825.

The Charities and Trustee Investment (Scotland) Act 2005 bestows a duty on each Trustee, in exercising functions as a charity trustee, to act in the interests of Lar, and, in particular, they must:

- seek, in good faith, to ensure that Lar acts in a manner which is in accordance with its purposes;
- act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person; and
- ensure that Lar complies with any direction, requirement, notice or duty imposed under or by virtue of the Charities and Trustee Investment (Scotland) Act 2005.

During the year, two Trustees resigned, being Douglas Griffin and Neil Rutherford who had fulfilled the role of Partner Trustee on behalf of Scottish Futures Trust Investments. The Trustees wish to place on record their deepest thanks to both Douglas and Neil for their contributions made to Lar over the years, with Douglas previously chairing the Audit & Risk Committee, and Neil having

Lar Housing Trust
Trustees' Report (continued)
For the year ended 31 March 2025

Structure, Governance and Management (continued)

returned to Lar after a number of years, having been involved previously at the very beginning, alongside having latterly taken over from Douglas as Chair of the same committee. The Trustees wish them both well in their future endeavours.

The Trustee Board has also welcomed two new Trustees. Mikko Ramstedt's promotion to Chief Operating Officer during the year coincided with his appointment to the Trustee Board, with Alison Macdonald appointed post the financial year end, taking on the role of Trustee, Member and Chair of the Audit and Risk Committee.

Key Management Personnel Remuneration

The Board of Trustees comprises the key management personnel in charge of directing and controlling the charity. The executive team has delegated authority from the Trustees to operate the day to day management of Lar in accordance with its policy on Internal Controls and Delegated Authority. All Trustees give their time freely and no trustee remuneration (other than a salary to the Chief Executive and the Chief Operating Officer) was paid in the year. Details of trustee expenses and related party transactions are disclosed in Note 2 to the financial statements.

Trustees are required to disclose all relevant interests and record them in the Register of Interests and, in accordance with Lar's policy, withdraw from decisions where a conflict of interest arises. The pay of the Chief Executive and Chief Operating Officer is reviewed annually by the Board of Trustees (excluding the Chief Executive and Chief Operating Officer).

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the charity trustees to prepare financial statements for each period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, of the charity for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the applicable Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of Lar's Constitution. They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Lar Housing Trust
Trustees' Report (continued)
For the year ended 31 March 2025

Disclosure of Information to the Auditor

At the time of approving this report, the Trustees are aware of no relevant audit information of which the charity's auditors are unaware and have taken all steps that they ought to have taken, as a Trustee, in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approval

Approved by the Trustees and signed on their behalf by:

Ken Macintosh

Ken Macintosh
Chair

Date

30/10/25

Independent Auditor's Report to the Trustees of Lar Housing Trust

Opinion

We have audited the financial statements of Lar Housing Trust (the 'parent charity') and its subsidiaries ('the group') for the year ended 31 March 2025 which comprise the Consolidated and parent Charity Statement of Financial Activities, the Consolidated and parent Charity Balance Sheet, the Consolidated and parent Charity Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and parent charity's affairs as at 31 March 2025 and of the group's and the parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity 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. 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity'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 Trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

Independent Auditor's Report to the Trustees of Lar Housing Trust (continued)

Matters on which we are required to report by exception (continued)

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

As part of our planning process:

- We enquired of management the systems and controls the group and parent charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the group and parent charity. We determined that the following were most relevant: GDPR; FRS 102; Health and Safety; employment law (including the Working Time Directive); and compliance with OSCR, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended);
- We considered the incentives and opportunities that exist in the group and parent charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the group and parent charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

Independent Auditor's Report to the Trustees of Lar Housing Trust (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing Board meeting minutes for discussions of irregularities including fraud;
- Review of correspondence with regulators including OSCR and the Health & Safety Executive;
- Review of legal fee expenditure;
- Challenging assumptions and judgements made by management in their significant accounting estimates in particular in relation to the valuation of properties and assets under construction;
- Documenting and verifying all significant related party balances and transactions;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.
- Testing key income streams, in particular cut-off, for evidence of management bias; and
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility of the prevention and detection of irregularities and fraud rests with the trustees.

A further description of our responsibilities for the audit of the financial statements is located 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 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 (as amended). Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and its trustees as a body for our audit work, for this report, or for the opinions we have formed.



Diana Penny

Date: 07/11/2025

Senior Statutory Auditor

For and on behalf of Henderson Loggie LLP

Chartered Accountants

Statutory Auditor

/s/ 5

The Stamp Office

10-14 Waterloo Place

Edinburgh

EH1 3EG

Lar Housing Trust
Consolidated Statement of Financial Activities
for the year ended 31 March 2025

		Unrestricted Funds		Total Funds	Unrestricted Funds		Total Funds
	Note	General	Designated	2025	General	Designated	2024
		£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Charitable activities:							
Rental properties		5,876	-	5,876	5,419	-	5,419
Grants		-	-	-	89	-	89
Other trading activities							
- Trading subsidiaries' income		198	-	198	181	-	181
Investments – Bank interest		32	-	32	77	-	77
Other Income		10	-	10	-	-	-
Total income		6,116	-	6,116	5,766	-	5,766
Expenditure on:							
Raising funds – Trading subsidiaries' costs		(996)	-	(996)	(496)	-	(496)
Charitable activities	3	(4,936)	(562)	(5,498)	(4,955)	(331)	(5,286)
Total expenditure		(5,932)	(562)	(6,494)	(5,451)	(331)	(5,782)
Net Income/(expenditure)		184	(562)	(378)	315	(331)	(16)
Transfers between funds	12	(459)	459	-	(508)	508	-
Other recognised gains							
Net gains on fixed asset revaluation	12	-	-	-	1,132	-	1,132
Net movement in funds		(275)	(103)	(378)	939	177	1,116
Total funds brought forward		25,267	2,585	27,852	24,328	2,408	26,736
Total funds carried forward		24,992	2,482	27,474	25,267	2,585	27,852

Lar Housing Trust
Trust Statement of Financial Activities
for the year ended 31 March 2025

	Note	Unrestricted Funds		Total Funds	Unrestricted Funds		Total Funds
		General	Designated	2025	General	Designated	2024
		£'000	£'000	£'000	£'000	£'000	£'000
Income from:							
Charitable activities:							
Rental properties		5,876	-	5,876	5,419	-	5,419
Grants		-	-	-	89	-	89
Investments:							
Bank Interest		31	-	31	77	-	77
Interest on loans to subsidiaries		75	-	75	158	-	158
Other income		101	-	101	242	-	242
Total income		6,083	-	6,083	5,985	-	5,985
Expenditure on:							
Charitable activities	3	(4,942)	(562)	(5,504)	(5,243)	(331)	(5,574)
Total expenditure		(4,942)	(562)	(5,504)	(5,243)	(331)	(5,574)
Net Income/(expenditure)		1,141	(562)	579	742	(331)	411
Transfers between funds	12	(459)	459	-	(508)	508	-
Other recognised gains							
Net gains/(losses) on fixed asset revaluation	12	-	-	-	577	-	577
Net movement in funds		682	(103)	579	811	177	988
Total funds brought forward		25,579	2,585	28,164	24,768	2,408	27,176
Total funds carried forward		26,261	2,482	28,743	25,579	2,585	28,164

Lar Housing Trust
Consolidated Balance Sheet
as at 31 March 2025

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible assets – Investment Properties	6	565	120
Tangible assets – Properties	6	136,774	133,303
Tangible assets – Others	7	309	196
Total fixed assets		137,648	133,619
Current assets			
Cash at bank and in hand		6,751	12,304
Debtors	9	1,056	1,205
Total current assets		7,807	13,509
Liabilities			
Creditors falling due within one year	10	(1,850)	(1,984)
Total current liabilities		(1,850)	(1,984)
Net current assets		5,957	11,525
Total assets less current liabilities		143,605	145,144
Creditors: Amounts falling due after more than one year	10	(116,100)	(117,240)
Provisions	11	(31)	(52)
Net assets		27,474	27,852
Funds			
Unrestricted funds			
General funds	12	(381)	(106)
Designated funds	12	2,482	2,585
Property revaluation reserve	12	25,193	25,193
Other reserves	12	147	147
Non-distributable reserve	12	33	33
Total funds		27,474	27,852

The notes on pages 18 to 36 form part of these financial statements.

Approved by the Trustees and signed on their behalf by:

Ken Macintosh

Ken Macintosh

Chair

Date:

30/10/25

**Lar Housing Trust
Trust Balance Sheet
as at 31 March 2025**

	Note	2025 £'000	2024 £'000
Fixed assets			
Tangible assets – Properties	6	132,162	128,996
Tangible assets – Others	7	45	13
Total fixed assets		<u>132,207</u>	<u>129,009</u>
Investments in subsidiaries	8	<u>3,700</u>	<u>-</u>
Current assets			
Cash at bank and in hand		4,656	12,019
Debtors	9	5,654	5,860
Total current assets		<u>10,310</u>	<u>17,879</u>
Liabilities			
Creditors falling due within one year	10	<u>(1,374)</u>	<u>(1,484)</u>
Total current liabilities		<u>(1,374)</u>	<u>(1,484)</u>
Net current assets		<u>8,936</u>	<u>16,395</u>
Total assets less current liabilities		<u>144,843</u>	<u>145,404</u>
Creditors: Amounts falling due after more than one year	10	<u>(116,100)</u>	<u>(117,240)</u>
Net assets		<u>28,743</u>	<u>28,164</u>
Funds			
Unrestricted funds			
General funds	12	1,623	941
Designated funds	12	2,482	2,585
Property revaluation reserve	12	24,638	24,638
Total funds		<u>28,743</u>	<u>28,164</u>

The notes on pages 18 to 36 form part of these financial statements.

Approved by the Trustees and signed on their behalf by:

Ken Macintosh

Ken Macintosh
Chair

Date:

30th Oct 2025

Lar Housing Trust
Consolidated Statement of Cash Flows
for the year ended 31 March 2025

		2025 £'000	2024 £'000
Net cash provided by operating activities	Note 13	<u>1,639</u>	<u>2,169</u>
Cash flows from investing activities			
Purchase of property tangible fixed assets	6	(3,916)	(7,732)
Purchase of other tangible fixed assets	7	(185)	(67)
Investment income		32	77
Net cash used in investing activities		<u>(4,069)</u>	<u>(7,722)</u>
Cash flows from financing activities			
Loans repaid	10	(1,080)	(960)
Interest paid		<u>(2,043)</u>	<u>(1,984)</u>
Net cash provided by financing activities		(3,123)	(2,944)
 Change in cash and cash equivalents in the year		 (5,553)	 (8,497)
Cash and cash equivalents brought forward		12,304	20,801
Cash and cash equivalents carried forward		<u>6,751</u>	<u>12,304</u>
		2025	2024
		£'000	£'000
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the year		(5,553)	(8,497)
Cash outflow from financing		1,080	960
Movement in net debt in the year		<u>(4,473)</u>	<u>(7,537)</u>
Net debt at the start of the year		(106,016)	(98,479)
Net debt at the end of the year		<u>(110,489)</u>	<u>(106,016)</u>

Lar Housing Trust
Trust Statement of Cash Flows
for the year ended 31 March 2025

		2025 £'000	2024 £'000
Net cash provided by operating activities	13	<u>1,740</u>	<u>2,794</u>
Cash flows from investing activities			
Purchase of property tangible fixed assets	6	(3,166)	(9,967)
Purchase of other tangible fixed assets	7	(41)	(4)
Investments in subsidiaries		(3,700)	-
Investment income		106	235
Capital repayments on loans to subsidiaries		821	1,346
Net cash used in investing activities		<u>(5,980)</u>	<u>(8,390)</u>
Cash flows from financing activities			
Loans repaid	10	(1,080)	(960)
Interest paid		(2,043)	(1,984)
Net cash provided by financing activities		<u>(3,123)</u>	<u>(2,944)</u>
Change in cash and cash equivalents in the year		<u>(7,363)</u>	<u>(8,539)</u>
Cash and cash equivalents brought forward		12,019	20,558
Cash and cash equivalents carried forward		<u>4,656</u>	<u>12,019</u>
		2025 £'000	2024 £'000
Reconciliation of net cash flow to movement in net debt			
Decrease in cash in the year		(7,363)	(8,539)
Cash outflow from financing		1,080	960
Movement in net debt in the year		<u>(6,283)</u>	<u>(7,579)</u>
Net debt at the start of the year		(106,301)	(98,722)
Net debt at the end of the year		<u>(112,584)</u>	<u>(106,301)</u>

Lar Housing Trust

Notes to the Financial Statements

for the year ended 31 March 2025

1. Accounting Policies

(a) Basis of Preparation and Assessment of Going Concern

The financial statements have been prepared under the historical cost convention with items recognised at historic cost or transaction value unless otherwise stated in the relevant notes to these financial statements. The financial statements have been prepared in accordance with and comply with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Trust is a Scottish Charitable Incorporated Organisation and constitutes a public benefit entity as defined by FRS 102. The principal office is Buchan House, Carnegie Campus, Enterprise Way, Dunfermline, Fife KY11 8PL.

The financial statements have been prepared in Sterling. Monetary amounts in the financial statements are to the nearest £1,000 unless otherwise stated.

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

The Trustees of Lar, in conjunction with the Directors of its subsidiaries, have also considered the key risks that Lar faces. The primary key risk - failure to complete phase 1, has now been extinguished with the completion of Phase 1. In terms of future growth, key risks which have been identified include: increased costs of construction resource and materials, sales risk and increased operational costs due to high inflation. The Trustees have ultimately concluded that these risks are unlikely to have a significant impact on the operation of Lar and its subsidiaries, taking into account the group's financial structure and the make-up of its stock of units and tenants.

Based on these considerations and having regard to the resources available to Lar, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and financial statements.

(b) Group financial statements

These financial statements consolidate on a line-by-line basis, the results of the charity and the results of its wholly owned subsidiaries Lar Operations CIC incorporated on 16 March 2018; and Lar Projects Limited incorporated on 5 August 2019.

(c) Funds structure

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. These include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

(d) Income recognition

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

1. Accounting Policies (continued)

(d) Income recognition (continued)

Rental Income

Rental income is recognised from the point when properties are let. The Trust does not currently levy service charges to its tenants. Service charges levied by the Group are calculated and administered by Lar Operations CIC to its commercial tenants.

Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable. Debts are classed as uncollectable after an assessment of the legislative options available to recover and consideration of

Grant Income

Grant income is recognised from the point where there is evidence of entitlement, such as when a formal offer of funding is received in writing, or otherwise, immediately on receipt.

(e) Expenditure and irrecoverable VAT

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the Trust to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

Irrecoverable VAT is charged against the expenditure heading for which it was included.

(f) Allocation of support and governance cost

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

(g) Charitable activities

Costs of charitable activities include governance costs and support costs.

(h) Tangible fixed assets – Investment properties

Investment properties are held at fair value with movements in fair value recognised in the statement of financial activities.

(i) Tangible fixed assets – Properties

Housing units are split between:

Completed Properties

Properties under Construction

In line with the provisions of FRS 102 section 16.3A, the property within the Trust is held primarily for the provision of social benefit and is therefore accounted for under property, plant and equipment and not classified as investment property.

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

1. Accounting Policies (continued)

(i) Tangible fixed assets – Properties (continued)

Properties under construction are recognised at historic cost less impairment. Properties included within work in progress at subsidiary level are classified as properties under construction at group level.

Following practical completion, properties under construction are transferred to completed properties.

Completed properties are initially recognised at cost then subsequently measured at market value based on a professional valuation of the market value of the units (with vacant possession) or where any affordable housing obligations apply to particular units, with a restricted value which takes account of those affordable restrictions and are then professionally valued biennially thereafter. Any uplift above historic cost is recognised through the Statement of Financial Activities as Gains on Valuation and accumulated within Property Revaluation Reserve within the Funds of the Trust.

Impairment reviews are undertaken whenever there are indications that an issue may materially reduce the valuation. Any identified reductions in valuations are first charged against any prior valuation uplift for the properties in question held within the Property Revaluation Reserve and then directly to the Statement of Financial Activities.

Completed properties and properties under construction are not depreciated as the trustees believe their residual values exceed their carrying values.

One of the properties held by the subsidiary, Lar Operations CIC is mixed use property and is initially measured at cost and subsequently measured at valuation, net of any impairment losses.

(j) Tangible fixed assets – Other

Other tangible fixed assets are stated at historic cost less accumulated depreciation. Depreciation is provided on a straight-line basis to expense the cost of assets, less any residual value, over the expected economic useful life of each asset class:

Other fixed Assets	Depreciation rate
Fixtures, fittings and computer equipment	20% - 33.34%

The estimated useful lives, residual values and depreciation methods are reviewed by class of asset at each financial year end, with any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the net income/(expenditure) for the year.

(k) Investments in subsidiaries

Investments in subsidiaries are held at cost less impairment. Impairment is considered at each reporting date. Any impairment is recognised in the Statement of Financial Activities.

(l) Cash at bank and in hand

Cash at bank and in hand in the Balance Sheet comprise cash deposits held with the Trust's bankers, and petty cash balances. Included within cash at bank and in hand at the previous year end was amounts held within an account that could only be accessed on completion of construction of property and subsequent valuation, which when approved by the bank, allowed the Trust to withdraw funds.

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

1. Accounting Policies (continued)

(m) Debtors

Short term debtors are measured at transactional price less any impairment.

(n) Creditors

Short term creditors are measured at transactional price. Other financial liabilities are measured at fair value, net of transaction costs, and are measured subsequently using the effective interest method.

(o) Loans

Loans in the Balance Sheet are initially measured at the amount received and are subsequently adjusted to reflect accrued interest payable. Interest payable on loans is recognised through the Statement of Financial Activities.

(p) Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity or subsidiary is demonstrably committed to terminate the employment of an employee or provide termination benefits.

(q) Pensions

Employees of the Trust are entitled to join a non-contributory defined contribution scheme. The costs of the defined contribution scheme are included within support and governance costs and charged to the unrestricted funds of the Trust using the methodology set out in note 3.

The defined contribution plan is managed by Standard Life on behalf of the Trust and the pension contributions made are invested in a Standard Life plc investment fund to build up over the term of the plan.

(r) Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

(s) Financial instruments

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans, which are subsequently measured at amortised cost using the effective interest method.

(t) Taxation

The Trust is recognised by the Office of the Scottish Charity Regulator as a charity and is approved as such by HM Revenue and Customs for Taxation purposes. As such, there is no liability to taxation on any of its income, as long as it is applied for charitable purposes. The Trust's subsidiaries are subject to taxation, and the sections below are therefore applicable to the Consolidated position only. The tax expense represents the sum of the tax currently payable and deferred tax.

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

1. Accounting Policies (continued)

(t) Taxation (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

(u) Key accounting judgements and estimates

In the application of the charity's accounting policies, the Trustees are required to make judgements and produce estimates, such as about the carrying amount of assets and liabilities, that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In preparing these financial statements, the Trustees have identified the following key judgements and estimates:

- The valuation of investment properties and completed properties included within tangible fixed assets are considered a key accounting estimate. This is due to the judgemental nature of a number of the underlying inputs used in assessing fair value, such as a selection of an appropriate discount rate. The Trust uses external professional valuation experts to support the Trustees in periodically producing an appropriate estimate of fair value for use in the Trust's financial statements. See Note 6 for further detail.
- The carrying value of properties under construction is based on historic cost less any impairment losses. As the asset nears completion, it is possible to make a more reliable estimate of its valuation on completion, supported by professional valuation experts, and therefore assess whether any impairment is required. This estimate is intrinsically linked to the above estimation of the fair value of completed properties, but for assets nearing completion.
- Tangible fixed assets are depreciated over a period to reflect their estimated useful lives. The applicability of the assumed lives is reviewed annually, taking into account factors such as physical condition, maintenance and obsolescence.
- The provision for bad and doubtful debts inherently involves a degree of estimation uncertainty however is based on tenant knowledge and historic information.

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

2 Related party transactions and Trustees' expenses and remuneration

Transactions with Trustees

The Trustees (with the exception of the Chief Executive Officer ("CEO") and Chief Operating Officer ("COO")) give freely their time and expertise without any form of remuneration or other benefit in cash or kind. Neither the CEO nor the COO receives any additional remuneration by virtue of their position as a Trustee. The CEO, Ann Leslie, was paid total remuneration of £176,606 (2024: £168,195) comprising gross salary of £95,740 (2024: £86,011), car allowance of £14,598 (2024: £13,871) and employer pension contributions of £66,268 (2024: £68,313). A total of £83,888 (2024: £79,893) related to Ann's role as CEO of Lar Housing Trust, with £83,888 (2024: £79,893) relating to her role as Managing Director of Lar Projects Limited and £8,830 (2024: £8,409) relating to her role as Director of Lar Operations CIC. The COO, Mikko Ramstedt, was appointed as a Trustee during the year and paid total remuneration of £149,545 comprising gross salary of £118,810, car allowance of £13,476 and employer pension contributions of £17,259. A total of £71,034 related to Mikko's role as COO of Lar Housing Trust, with £71,034 relating to his role as Managing Director of Lar Operations CIC and £7,477 relating to his role as Director of Lar Projects Limited. Employer pension contributions includes contributions made via the salary sacrifice pension scheme, meaning that a portion of remuneration which would previously have been recognised as salary, is now recognised as employer pension contributions. Expenses were paid to the Trustees in the year totalling £387 (2024: £618). These expenses were made up of 3 trustees (2024: 3 trustees) reimbursed for their travel expenses.

Scottish Futures Trust Investments Limited ('SFTi') has the right to appoint a Partner Trustee to the Board of Trustees. Neil Rutherford (resigned 12 December 2024) was the nominated Partner Trustee, and as yet, SFTi have not elected to appoint a replacement.

Transactions and balances with other related parties

Lar Housing Trust has two wholly owned subsidiaries – Lar Projects Limited and Lar Operations CIC with which it has transacted during the financial year. Lar increased its investment in its subsidiaries during the financial year, see Note 8 for further details.

Each entity within the Group employs staff directly, however payroll costs are initially paid via Lar Housing Trust, with each subsidiary's share 'recharged' at nil margin. The amounts detailed within the 'Transactions' section below represents the amounts recharged by Lar Housing Trust to each subsidiary (inclusive of salary cost, employer national insurance and pension contributions made).

Lar Projects Limited

Transactions

Donations received without conditions: £91,204 (2024: £242,100).

Interest income receivable on inter-company loan balances: £75,146 (2024: £132,224).

Purchase of property assets: £3,186,129 (2024: £8,025,177).

Payroll cost recharged: £964,657 (2024: £826,223).

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

2 Related party transactions and Trustees' expenses and remuneration (continued)

Lar Projects Limited (continued)

Balances

Amounts owed by subsidiary - loan balance: £2,369,984 (2024: £2,376,815).

Amounts owed by subsidiary - debtor balance: £705,292 (2024: £1,605,414).

Lar Operations CIC

Transactions

Interest income receivable on inter-company loan balances: £0 (2024: £25,815).

Rent and service charge expenses paid: £18,203 (2024: £18,203).

Payroll cost recharged: £122,540: (2024: £94,776).

Balances

Amounts owed by subsidiary - loan balance: £0 (2024: £814,154).

Amounts owed by subsidiary - debtor balance: £1,772,727 (2024: £238,887).

3 Expenditure analysis

3.1 Raising funds – Trading subsidiaries' costs

GROUP	2025	2024
	£'000	£'000
Direct expenses	456	78
Administrative expenses	561	412
Tax charge	(21)	6
	996	496

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

3.2 Charitable activities

GROUP - 2025	Allocation Basis	Housing Provision	Support- Governance	Other Support	Total Support	Total 2025
		£'000	£'000	£'000	£'000	£'000
Properties costs	Direct	1,990	-	-	-	1,990
Depreciation	Staff Time	6	-	3	3	9
Other costs	Mixed	108	75	48	123	231
Finance costs	Staff Time	141	-	-	-	141
Interest on borrowings	Direct	2,043	-	-	-	2,043
Staff costs	Staff Time	746	77	261	338	1,084
Total 2025		5,034	152	312	464	5,498

GROUP - 2024	Allocation Basis	Housing Provision	Support- Governance	Other Support	Total Support	Total 2024
		£'000	£'000	£'000	£'000	£'000
Properties costs	Direct	1,420	-	-	-	1,420
Depreciation	Staff Time	7	-	3	3	10
Other costs	Mixed	693	119	45	164	857
Finance costs	Staff Time	131	-	-	-	131
Interest on borrowings	Direct	1,984	-	-	-	1,984
Staff costs	Staff Time	608	65	211	276	884
Total 2024		4,843	184	259	443	5,286

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

3.2 Charitable activities (continued)

TRUST - 2025	Allocation Basis	Housing Provision £'000	Support- Governance £'000	Other Support £'000	Total Support £'000	Total 2025 £'000
Properties costs	Direct	2,009	-	-	-	2,009
Depreciation	Staff Time	6	-	3	3	9
Other costs	Mixed	108	45	66	111	219
Finance costs	Staff Time	141	-	-	-	141
Interest on borrowings	Direct	2,043	-	-	-	2,043
Staff costs	Staff Time	746	77	260	337	1,083
Total 2025		5,053	122	329	451	5,504

TRUST - 2024	Allocation Basis	Housing Provision £'000	Support- Governance £'000	Other Support £'000	Total Support £'000	Total 2024 £'000
Properties costs	Direct	1,420	-	-	-	1,420
Depreciation	Staff Time	7	-	3	3	10
Other costs	Mixed	1,024	59	63	122	1,146
Finance costs	Staff Time	131	-	-	-	131
Interest on borrowings	Direct	1,984	-	-	-	1,984
Staff costs	Staff Time	608	65	210	275	883
Total 2024		5,174	124	276	400	5,574

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

3 Governance cost:

	Group 2025 £'000	Trust 2025 £'000	Group 2024 £'000	Trust 2024 £'000
Auditors' remuneration (note 5)	37	15	31	14
Legal and professional	38	30	88	45
Support costs	77	77	65	65
	152	122	184	124

4 Analysis of staff costs and remuneration of key management personnel

Staff Costs	2025 £'000	2024 £'000
Salaries and wages	1,686	1,407
Social Security costs	184	152
Pension contributions	281	253
Total	2,151	1,812

All payroll costs of the Group are initially paid by Lar Housing Trust, with a portion recharged to each of its wholly owned subsidiaries as detailed in note 2. This disclosure has therefore been presented on a Group basis. Included within the total cost above is £554,279 (2024: £588,747) which has been capitalised as part of the costs of Properties under Construction.

The Group has implemented a 'salary sacrifice' option for employees who wish to make additional contributions to the plan managed by the Group's pension provider. This allows staff to 'sacrifice' a portion of their wages and salaries in exchange for increased employer pension contributions.

The average number of employees during the year was 36 (2024: 33).

There were £21,575 (2024: £24,799) outstanding pension contributions at the year end. Payment was made post year end in advance of the statutory deadline.

Remuneration of key management personnel

The Trust considers its key management personnel comprise the Trustees (including the Chief Executive and Chief Operating Officer) and an executive team which comprises of the Director of Finance and the Directors of the subsidiaries. The total staff costs relating to key management personnel was £887,904 (2024: £700,903).

The number of employees earning more than £60,000 per annum were as follows:

	2025 No	2024 No
£130,000 - £139,999	1	-
£110,000 - £119,999	1	-
£100,000 - £109,999	-	1
£90,000 - £99,999	2	2
£70,000 - £79,999	1	1
£60,000 - £69,999	2	2

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

5 Auditors' remuneration

	Group 2025	Trust 2025	Group 2024	Trust 2024
	£'000	£'000	£'000	£'000
Audit Fee	37	15	31	14
Non-Audit Fee	8	6	8	6
Total	45	21	39	20

6 Tangible fixed assets – Properties

Group 2025	Investment Properties	Completed Properties	Properties Under Construction	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 April 2024	120	116,738	16,565	133,423
Additions	-	6	3,910	3,916
Transfers	445	4,980	(5,425)	-
At 31 March 2025	565	121,724	15,050	137,339
Depreciation				
At 1 April 2024 and 31 March 2025	-	-	-	-
Net book value at 31 March 2024	120	116,738	16,565	133,423
Net book value at 31 March 2025	565	121,724	15,050	137,339

Standard Securities exists over the completed housing properties and development sites of the Trust in favour of the Security Trustee in relation to the Scottish Ministers' and Scottish Widows' loans (see Note 10).

The sites included within completed properties and investment properties were subject to valuations undertaken by independent professional valuers in line with the Royal Institute of Chartered Surveyors Valuation guidance. The original cost of the completed properties is £98,683,096 (2024: £93,258,096). Valuations of completed properties were performed by Avison Young as at 31 March 2023 of £21,342,560, Knight Frank as at 31 March 2023 at £94,496,000, J&E Shepherd as at 24 March 2022 at £900,000, Knight Frank as at 25 July 2024 at £4,795,000 and J&E Shepherd at 27 August 2024 at £185,000 - totalling £121,718,560, prior to minor additions made in the financial year. The valuation of investment properties was performed by J&E Shepherd as at 23 October 2022 and 27 August 2024 of £120,000 and £445,000 respectively, totalling £565,000. The Trustees consider that these valuations continue to present a fair reflection of the market value of the properties at 31 March 2025.

The amounts above include £203,257 (2024: £267,524) of borrowing costs capitalised during the period at a weighted average cost of capital.

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

6 Tangible fixed assets – Properties (continued)

Trust 2025	Completed Properties £'000	Properties Under Construction £'000	Total £'000
Cost or valuation			
At 1 April 2024	115,839	13,157	128,996
Additions	6	3,160	3,166
Transfers	4,795	(4,795)	-
At 31 March 2025	120,640	11,522	132,162
Depreciation			
At 1 April 2024 and 31 March 2025	-	-	-
Net book value at 31 March 2024	115,839	13,157	128,996
Net book value at 31 March 2025	120,640	11,522	132,162

Standard Securities exist over the completed housing properties and development sites of the Trust in favour of a security trustee in relation to the Scottish Ministers' and Scottish Widows' loans (see Note 10). At the previous year end, a Standard Security over Buchan House (within completed properties) had been granted by Lar Operations CIC in favour of the Trust in respect of a loan provided to the CIC by the Trust, however this was removed during the year, on repayment of the loan. A Standard Security over Wester Cowden (within properties under construction) has been granted by Lar Projects Limited in favour of the Trust in respect of a loan provided to the subsidiary by the Trust.

The sites included within completed properties were subject to valuations undertaken by independent professional valuers in line with the Royal Institute of Chartered Surveyors Valuation guidance. The original cost of these properties is £98,640,954 (2024: £92,942,631). Valuations have been performed by Avison Young as at 31 March 2023, Knight Frank as at 31 March 2023 and Knight Frank as at 25 July 2024 of £21,342,560, £94,496,000 and £4,795,000 respectively. The Trustees consider that these valuations present a fair reflection of the market value of the properties at 31 March 2025.

The amounts above include £203,257 (2024: £267,524) of borrowing costs capitalised during the period at a weighted average cost of capital.

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

7 Tangible fixed assets – Others

	Fixtures, fittings and computer equipment £'000
GROUP - 2025	
Cost	
At 1 April 2024	340
Additions	185
At 31 March 2025	<u>525</u>
Depreciation	
At 1 April 2024	144
Depreciation	72
At 31 March 2025	<u>216</u>
Net book value at 31 March 2024	196
Net book value at 31 March 2025	<u><u>309</u></u>
	Fixtures, fittings and computer equipment £'000
TRUST - 2025	
Cost	
At 1 April 2024	59
Additions	41
Disposals	-
At 31 March 2025	<u>100</u>
Depreciation	
At 1 April 2024	46
Depreciation	9
Disposals	-
At 31 March 2025	<u>55</u>
Net book value at 31 March 2024	13
Net book value at 31 March 2025	<u><u>45</u></u>

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

8 Investments

Lar Housing Trust has 100% investment in Lar Operations CIC, SC591592, a Community Interest Company registered in Scotland. The value of the share capital is £2,200,100 (2024: £100). Lar Operations CIC has been established to own and operate the commercial property in which the Trust's offices are also located, to own and operate investment properties typically connected to the Trust's residential developments and to provide factoring and property management services to the Trust, including in respect of properties held by the Trust that share common parts with third parties. Lar Housing Trust also has 100% investment in Lar Projects Limited, SC637892, a private company limited by shares registered in Scotland. The value of the share capital is £1,500,100 (2024: £100). Lar Projects Limited has been established to develop residential properties which when completed will be purchased by Lar Housing Trust.

In April 2024, Lar Housing Trust increased its investments in Lar Operations CIC and Lar Projects Limited by £2.2m and £1.5m respectively. The increased investment in Lar Operations CIC was partially effected through extinguishing Lar's loan to CIC, with the remainder settled in cash. The investment in Lar Projects Limited was settled in cash.

Lar Operations CIC's results and net assets for the period to 31 March were as follows:

	2025	2024
	£'000	£'000
Turnover	227	198
Expenditure	(224)	(171)
Net Interest	1	(26)
Tax	(2)	(7)
Profit / (Loss) for the period	2	(5)
Increase to Share Capital	2,200	-
Net assets	2,336	134

Lar Projects Limited's results and net assets for the period to 31 March were as follows:

	2025	2024
	£'000	£'000
Turnover	3,816	8,043
Expenditure	(4,353)	(7,934)
Tax	22	1
Loss for the period	(515)	110
Distributions to parent charity under gift aid	(91)	(242)
Increase to Share Capital	1,500	-
Net assets	1,229	335

9 Debtors

	Group 2025	Trust 2025	Group 2024	Trust 2024
	£'000	£'000	£'000	£'000
Trade debtors	196	80	231	102
Other debtors	85	-	138	-
Prepayments	775	726	836	723
Amount owed by subsidiaries - loans	-	2,370	-	3,191
Amount owed by subsidiaries - other	-	2,478	-	1,844
Total	1,056	5,654	1,205	5,860

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

10 Analysis of Current Liabilities and Long-Term Creditors

	Group 2025	Trust 2025	Group 2024	Trust 2024
	£'000	£'000	£'000	£'000
Trade creditors	202	20	543	200
Other creditors	237	22	98	26
Accruals and deferred income	215	146	218	133
Taxation and Social Security costs	56	46	45	45
Other borrowings	1,140	1,140	1,080	1,080
Total	1,850	1,374	1,984	1,484

Included in creditors is deferred income relating to rental income and service charges received in advance:

	Group 2025	Trust 2025
	£'000	£'000
Deferred income at 1 April 2024	55	36
Released in the year	(55)	(36)
Deferred in the year	35	17
Deferred income at 31 March 2025	35	17

	Group and Trust	Group and Trust
	2025	2024
	£'000	£'000
Creditors over one year		
Concessionary loan	55,000	55,000
Bank loan	61,100	62,240
Total	116,100	117,240

The Scottish Ministers have provided a 25 year £55m funding facility. Principal is repaid based on the trading performance of the Trust and must be repaid in full by 1st September 2040. Interest is charged at a concessionary rate and is paid semi-annually in arrears.

Scottish Widows have provided a £65m funding facility, also fully repayable by September 2040. Principal is repaid in set instalments over the life of the loan with first repayment made on 30 September 2022. Interest is charged quarterly in arrears at a commercial rate. The funding is secured by Standard Securities over the housing properties of the Trust, as referred to above.

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

11 Provisions for liabilities

GROUP	Deferred Taxation £'000	Total £'000
2025		
Balance at 1 April 2024	52	52
Charge for the year	(21)	(21)
Balance at 31 March 2025	31	31
2024		
Balance at 1 April 2023	46	46
Charge for the year	6	6
Balance at 31 March 2024	52	52

Deferred tax relates to revaluation gain on a commercial property held by Lar Operations CIC and accelerated capital allowances within the two subsidiaries.

12 Analysis of Group and Trust Funds

GROUP

Analysis of fund movements – 2025

	Balance b'fwd £000	Income £000	Expenditure £000	Transfers £000	Valuation movement (net of tax) £000	Funds c/fwd £000
Unrestricted Funds						
General funds	(106)	6,116	(5,932)	(459)	-	(381)
Designated funds	2,585	-	(562)	459	-	2,482
Non-distributable reserve	33	-	-	-	-	33
Other reserves	147	-	-	-	-	147
Property revaluation reserve	25,193	-	-	-	-	25,193
Total	27,852	6,116	(6,494)	-	-	27,474

GROUP

Analysis of fund movements – 2024

	Balance b'fwd £000	Income £000	Expenditure £000	Transfers £000	Valuation movement (net of tax) £000	Funds c/fwd £000
Unrestricted Funds						
General funds	87	5,766	(5,451)	(508)	-	(106)
Designated funds	2,408	-	(331)	508	-	2,585
Non-distributable reserve	33	-	-	-	-	33
Other reserves	147	-	-	-	-	147
Property revaluation reserve	24,061	-	-	-	1,132	25,193
Total	26,736	5,766	(5,782)	-	1,132	27,852

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

12 Analysis of Trust Funds (continued)

TRUST

Analysis of fund movements – 2025

	Balance b'fwd	Income	Expenditure	Transfers	Valuation movement (net of tax)	Funds c/fwd
	£000	£000	£000	£000	£000	£000
Unrestricted Funds						
General funds	941	6,083	(4,942)	(459)	-	1,623
Designated funds	2,585	-	(562)	459	-	2,482
Property revaluation reserve	24,638	-	-	-	-	24,638
Total	28,164	6,083	(5,504)	-	-	28,743

TRUST

Analysis of fund movements – 2024

	Balance b'fwd	Income	Expenditure	Transfers	Valuation movement (net of tax)	Funds c/fwd
	£000	£000	£000	£000	£000	£000
Unrestricted Funds						
General funds	707	5,985	(5,243)	(508)	-	941
Designated funds	2,408	-	(331)	508	-	2,585
Property revaluation reserve	24,061	-	-	-	577	24,638
Total	27,176	5,985	(5,574)	-	577	28,164

The unrestricted funds are available to be spent for any of the purposes of the charity. The designated fund relates to forecast life cycle maintenance costs of properties where funds are set aside in accordance with technical advice received from Arcadis who are a leading global Design & Consultancy firm for natural and built assets, and debt service obligations for the following 12-month period in accordance with the Trust's Debt Reserve Policy. The Property revaluation reserve relates to the revaluation gain on property held by Lar Housing Trust.

Analysis of net asset between funds

GROUP	Unrestricted Funds (including Property Revaluation Reserve) 2025 £'000	Unrestricted Funds (including Property Revaluation Reserve) 2024 £'000
Tangible fixed assets	137,648	133,619
Net current assets	5,957	11,525
Creditors: Amounts falling due after more than one year	(116,100)	(117,240)
Provisions	(31)	(52)
Total funds	27,474	27,852

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

12 Analysis of Trust Funds (continued)

Analysis of net asset between funds (continued)

TRUST	Unrestricted Funds (including Property Revaluation Reserve) 2025 £'000	Unrestricted Funds (including Property Revaluation Reserve) 2024 £'000
Tangible fixed assets	132,207	129,009
Investments in Subsidiaries	3,700	-
Net current assets	8,936	16,395
Creditors: Amounts falling due after more than one year	(116,100)	(117,240)
Total funds	28,743	28,164

13 Reconciliation of net movement in funds to net cash flow from operating activities

GROUP	2025 £'000	2024 £'000
Net movement in funds	(378)	1,116
Less: Investment income	(32)	(77)
Add back: Depreciation charge	72	52
Add back: Impairment	-	589
Add back: Interest paid	2,043	1,984
Add: (Gains)/losses on tangible fixed asset valuation	-	(1,132)
(Increase) / decrease in debtors	149	(200)
Increase / (decrease) in creditors	(194)	(169)
Increase / (decrease) in provisions	(21)	6
Net cash provided by operating activities	1,639	2,169

TRUST	2025 £'000	2024 £'000
Net movement in funds	579	988
Less: Investment income	(106)	(235)
Add back: Depreciation charge	9	10
Add back: Impairment	-	919
Add back: Interest paid	2,043	1,984
Add: (Gains)/losses on tangible fixed asset valuation	-	(577)
(Increase) / decrease in debtors	(615)	(209)
Increase / (decrease) in creditors	(170)	(86)
Net cash provided by operating activities	1,740	2,794

Lar Housing Trust
Notes to the Financial Statements
for the year ended 31 March 2025 (continued)

14 Capital commitments

The Group has no capital commitments as at the financial year ended 31 March 2025, or the previous financial year end.

15 Leasing commitments

Future minimum operating lease payments are as follows:

	Group 2025	Trust 2025	Group 2024	Trust 2024
	£'000	£'000	£'000	£'000
No later than one year	1	21	2	19
Between 1 and 5 years	-	26	-	38
Later than 5 years	-	-	-	-
	1	47	2	57
Lease payments recognised as an expense	3	28	7	24

16 Rental income from operating leases

The Group owns housing and commercial properties as disclosed in note 6 that are let to third parties

Non-cancellable leases are in place with these third parties that entitles Lar to the following future minimum rentals:

	Group 2025	Trust 2025	Group 2024	Trust 2024
	£'000	£'000	£'000	£'000
No later than one year	751	630	688	596
Between 1 and 5 years	752	568	598	553
Later than 5 years	201	201	334	334
	1,704	1,399	1,620	1,483