

Easthall Park Housing Co-operative Limited

Report and Financial Statements

For the year ended 31st March 2011

Registered Housing Association No.HAC 238

FSA Reference No. 2409R(S)

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

CONTENTS

	Page
MEMBERS OF THE MANAGEMENT COMMITTEE EXECUTIVES AND ADVISERS	1
REPORT OF THE MANAGEMENT COMMITTEE	2
REPORT BY THE AUDITORS ON CORPORATE GOVERNANCE MATTERS	5
REPORT OF THE AUDITORS	6
INCOME AND EXPENDITURE ACCOUNT	7
BALANCE SHEET	8
CASH FLOW STATEMENT	9
NOTES TO THE FINANCIAL STATEMENTS	10

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

**MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
YEAR ENDED 31st MARCH 2011**

MANAGEMENT COMMITTEE

Joe Gracey	Chairperson
Mary Davidson	Vice-Chair
Charles Harvey	Secretary
Agnes Sweatton	Treasurer
Margaret Kerr	
Charlotte Skewis	
Caroline Cooper	
Alison Cushingham	Appointed 20/09/10
Rosalind Murphy	Appointed 20/09/10
Jane Gallacher	
Josephine Warley	Co-opted
Joan Walker	Co-opted
Patricia Thompson	Co-opted

EXECUTIVE OFFICERS

John McMorrow	Director
Audrey Roy	Finance Manager
Barry Johnstone	Core Services Manager
Janice McNichol	Development Manager

REGISTERED OFFICE

Glenburn Office
6 Glenburnie Place
Easterhouse
Glasgow
G34 9AN

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

BANKERS

The Royal Bank of Scotland
Glasgow Parkhead Branch
1304 Duke Street
Glasgow
G31 5PZ

SOLICITORS

Naftalin Duncan & Co
534 Sauchiehall Street
Glasgow
G2 3LX

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2011

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2011.

Legal Status

The Co-operative is a registered non-profit making organisation under the Industrial and Provident Societies Act 1965 No.2409R(S). The Co-operative is constituted under its Rule Book.

Principal Activities

The principal activities of the Co-operative are the provision and management of affordable rented accommodation.

Review of Business and Future Developments

The Co-operative has been successful in our negotiations with Glasgow City Council and Glasgow Housing Association in relation to the strategic clearance and regeneration of the Kildermorie area.

The 2nd phase of newbuild homes consisting of 70 properties were completed in the year bringing the total of homes in ownership to 610 as of the 31st March 2011.

Easthall Park continued to support Moriehall Housing Association (a subsidiary organisation set up to manage the existing GHA properties until conclusion of the 2nd stage transfer) by providing staff time under the terms of a management agreement.

The Co-operative's Business Plan had received approval from GHA and tenants were asked to vote on the 2nd stage transfer proposals. The Co-operative received the highest Yes vote of all the transfers to date with 96.6% voting Yes with a turnout of 64.8%. The 85 properties were therefore designated for transfer and have subsequently transferred in June 2011.

The Co-operative carried out a comprehensive procurement process in relation to maintenance and as a consequence have appointed a new multi skilled contractor to undertake our reactive maintenance work.

As part of our review of business the Co-operative consulted on a rent freeze for tenants for the period 2011/12 and we are pleased to highlight that this rent freeze was adopted as policy.

The Co-operative continues to work on wider role activities by working in partnership with a number of agencies particularly Easthall Residents Association and is utilising the Glenburn Centre for this purpose.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2011

Management Committee and Executive Officers

The members of the Management Committee and the Executive Officers are listed on Page 1.

Each member of the Management Committee holds one fully paid share of £1 in the Co-operative. The Executive Officers hold no interest in the Co-operative's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Committee.

Statement of Management Committee's Responsibilities

The Industrial and Provident Societies Acts 1965 to 2002 require the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Co-operative and of the surplus or deficit of the Co-operative for that period. In preparing those Financial Statements, the Management Committee is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Co-operative will continue in business;
- prepare a statement on Internal Financial Control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Co-operative and to enable them to ensure that the Financial Statements comply with the Industrial and Provident Societies Act 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. They are also responsible for safeguarding the assets of the Co-operative and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Co-operative's suppliers are paid promptly.

The Management Committee must in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Committee are aware:

- There is no relevant audit information (information needed by the Housing Co-operative's auditors in connection with preparing their report) of which the Co-operative's auditors are unaware, and
- The Management Committee have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Housing Co-operative's auditors are aware of that information.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2011

Statement on Internal Financial Control

The Management Committee acknowledges its ultimate responsibility for ensuring that the Co-operative has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Co-operative, or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Committee'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 of the Co-operative's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Co-operative's assets;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- regular financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Co-operative is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.


Donations

During the year the Co-operative made charitable donations amounting to £1,827 (2010 £1,127).

Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of the Management Committee


CHARLES HARVEY
Secretary
31 August 2011

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF
EASTHALL PARK HOUSING CO-OPERATIVE LIMITED
ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on Page 4 concerning the Co-operative's compliance with the information required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing".

Basis of Opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Co-operative's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 4 has provided the disclosures required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing" and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the Management Committee and Officers of the Co-operative, and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Control appropriately reflects the Co-operative's compliance with the information required by the section on Internal Financial Control within SFHA's "Raising Standards in Housing".



ALEXANDER SLOAN
Chartered Accountants

GLASGOW
31 August 2011

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
EASTHALL PARK HOUSING CO-OPERATIVE LIMITED**

We have audited the financial statements of Easthall Park Housing Co-operative Limited for the year ended 31st March 2011 which comprise an income and expenditure account, balance sheet, cash flow statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Co-operative's members, as a body, in accordance with Section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Co-operative's members those matters we are required to state to them in an auditors' 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 Co-operative and the Co-operative's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Management Committee and Auditors

As explained more fully in the Statement of Management Committee's Responsibilities the Co-operative's Management Committee are responsible for the preparation of the Financial Statements that give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit on the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Co-operative's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Management Committee; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Management Committee's report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on the financial statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Co-operative's affairs as at 31st March 2011 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.


In our opinion the exemption granted by the Financial Services Authority from the requirement to prepare Group Accounts is applicable as the amounts involved are not material.

Matters on which we are required to report by exception

We are required to report to you under the Industrial and Provident Societies Acts 1965 to 2002 if, in our opinion:

- proper books of account have not been kept by the Co-operative in accordance with the requirements of the legislation.
- a satisfactory system of control over transactions has not been maintained by the Co-operative in accordance with the requirements of the legislation.
- the Income and Expenditure Account to which our report relates, and the Balance Sheet are not in agreement with the books of the Co-operative.
- we have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
GLASGOW
31 August 2011

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2011

	Notes	2011 £	Restated 2010 £
TURNOVER	2.	2,059,683	1,856,907
Operating Costs	2.	(1,183,675)	(1,418,086)
OPERATING SURPLUS	8.	876,008	438,821
Interest Receivable and Other Income		9,724	21,090
Interest Payable and Similar Charges	7.	(293,772)	(198,287)
		(284,048)	(177,197)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		591,960	261,624
Tax on surplus on ordinary activities	9.	(2,042)	(4,429)
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		589,918	257,195
STATEMENT OF RECOGNISED GAINS AND LOSSES		2011 £	2010 £
Surplus on Ordinary Activities		589,918	257,195
Prior period adjustment	24.	(216,579)	-
Total Gains Recognised since last financial statements		373,339	257,195

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

BALANCE SHEET AS AT 31st MARCH 2011

	Notes	£	2011 £	£	Restated 2010 £
TANGIBLE FIXED ASSETS					
Housing Properties - Depreciated Cost	10.(a)		50,677,339		44,665,577
Less: Social Housing Grant	10.(a)		(39,982,069)		(36,439,620)
: Other Public Grants	10.(a)		(8,638)		(8,638)
			<u>10,686,632</u>		<u>8,217,319</u>
Other fixed assets	10.(b)		406,682		420,326
			<u>11,093,314</u>		<u>8,637,645</u>
CURRENT ASSETS					
Debtors	13.	475,525		269,566	
Investments	22.	800,000		800,000	
Cash at bank and in hand		1,144,183		1,504,714	
			<u>2,419,708</u>	<u>2,574,280</u>	
CREDITORS: Amounts falling due within one year	14.	(1,104,795)		(1,895,672)	
NET CURRENT ASSETS			<u>1,314,913</u>		<u>678,608</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>12,408,227</u>		<u>9,316,253</u>
CREDITORS: Amounts falling due after more than one year	15.		(9,847,496)		(7,345,504)
NET ASSETS			<u>2,560,731</u>		<u>1,970,749</u>
CAPITAL AND RESERVES					
Share Capital	17.		611		547
Designated Reserves	18.(a)		2,239,533		1,866,194
Revenue Reserves	18.(b)		320,587		104,008
			<u>2,560,731</u>		<u>1,970,749</u>

The Financial Statements were approved by the Management Committee and signed on their behalf on 31 August 2011.


JOE GRACEY
Chairperson


MARY DAVIDSON
Vice-Chairperson


CHARLES HARVEY
Secretary

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

**CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH 2011**

	Notes	2011 £	2010 £
Net Cash Inflow from Operating Activities	16.	1,150,204	675,542
Returns on Investment and Servicing of Finance			
Interest Received		7,820	47,017
Interest Paid		(306,941)	(198,914)
Net Cash Outflow from Investment and Servicing of Finance		(299,121)	(151,897)
Taxation			
Corporation Tax Paid		(4,429)	(11,994)
Net Cash Outflow from Taxation		(4,429)	(11,994)
Capital Expenditure and Financial Investment			
Acquisition and Construction of Properties		(7,146,792)	(5,797,516)
Purchase of Other Fixed Assets		(15,300)	(25,409)
Social Housing Grant Received		3,354,166	3,991,715
Net Cash Outflow from Capital Expenditure and Financial Investment		(3,807,926)	(1,831,210)
Net Cash Outflow before use of Liquid Resources and Financing		(2,961,272)	(1,319,559)
Financing			
Loan Advances Received		2,778,747	2,767,474
Loan Principal Repayments		(346,603)	(300,182)
Share Capital Issued		70	76
Net Cash Inflow from Financing		2,432,214	2,467,368
(Decrease) / Increase in Cash	16.	(529,058)	1,147,809

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Basis Of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2008, and on the historical cost basis. They also comply with the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. A summary of the more important accounting policies is set out below.

Basis Of Consolidation

The Co-operative has obtained exemption from the Financial Services Authority from producing Consolidated Financial Statements as provided by Section 14(2A) of the Friendly and Industrial and Provident Societies Act 1968. The Financial Statements for Easthall Park Housing Co-operative Limited present information about it as an individual undertaking and not about its Group.

Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable.

Retirement Benefits

The Co-operative participates in the Scottish Housing Association's Defined Benefits Pension Scheme and retirement benefits to employees of the Co-operative are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating Association's taken as a whole.

Valuation Of Housing Properties

Housing properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Co-operative depreciates housing properties by major component on a straight line basis over the estimated useful lives of each identified component. All components are categorised as Housing Properties in note10.

Component	Useful Economic Life
Structure	50 years
Gutters and downpipes/closes	30 years
Replace entrance doors	30 years
Renew double glazing	30 years
Close floor vinyl finish	20 years
Roof tiles	50 years
Rewire	30 years
Replace bathroom extractor	15 years
Replace central heating	30 years
Replace boiler only	15 years
Renew bathroom suite	30 years
Stair lighting/closes	30 years
Door entry	15 years
Renew smoke detectors	10 years
Renew kitchen extractor	15 years
New close doors and screens	30 years

Impairment reviews are carried out if events or circumstances indicate that the carrying value of any of the above components is above its recoverable amount.

Depreciation And Impairment Of Other Fixed Assets

Other Fixed Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:-

Office Premises	- 3.33%
Furniture and Fittings	- 20% straight line
Office Equipment	- 20% straight line

The carrying value of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Social Housing Grant And Other Grants In Advance/Arrears

Where developments have been financed wholly or partly by Social Housing Grant or other capital grant, the cost of those developments has been reduced by the amount of the grant receivable. The amount of the grants receivable is shown separately on the Balance Sheet.

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.

Sales Of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as fixed asset disposals with the gain or loss on disposal shown in the Income and Expenditure Account.

Disposals of housing property under the Right to Buy scheme are treated as a fixed asset disposal and any gain and loss on disposal accounted for in the Income and Expenditure Account.

Taxation

The Co-operative pays Corporation Tax on all its taxable surpluses. Under Section 488 of the Income and Corporation Taxes Act 1988, taxation is only chargeable on investment income and capital gains.

Leases/Leased Assets

Costs in respect of operating leases are charged to the Income and Expenditure Account on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives.

Works to Existing Properties

The Co-operative capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Capitalisation Of Development Overheads

Directly attributable development administration costs relating to development activities are capitalised in accordance with the Statement of Recommended Practice.

Development Interest

Interest incurred on financing a development is capitalised up to the date of practical completion of the scheme.

Designated Reserves

The Co-operative has designated part of its reserves to meet its long term obligations

The Cyclical Maintenance Reserve has been designated to meet future repair and maintenance obligations which are cyclical in nature. These are carried out in accordance with a planned programme of works.

The Major Repairs Reserve is based on the Co-operative's liability to maintain housing properties in a state of repair which at least maintains their residual values in prices prevailing at the time of acquisition and construction.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Property Development Cost

The proportion of the development cost of shared ownership properties expected to be disposed of as a first tranche sale is held in current assets until it is disposed of. The remaining part of the development cost is treated as a fixed asset. Surpluses made on the disposal of first tranche sales are taken to the Income and Expenditure Account in accordance with the Statement of Recommended Practice.

Property developments that are intended for resale are included in current assets until disposal.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PARTICULARS OF TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	Notes	2011			2010 (Restated)		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings	3.	1,838,028	918,236	919,792	1,655,830	1,164,348	491,482
Other Activities	4.	221,655	265,439	(43,784)	201,077	253,738	(52,661)
Total		2,059,683	1,183,675	876,008	1,856,907	1,418,086	438,821

3. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Supported Housing £	Shared ownership £	Restated	
				2011 Total £	2010 Total £
Income from Lettings					
Rent Receivable Net of Identifiable Service Charges	1,832,740	-	7,679	1,840,419	1,657,218
Service Charges Receivable	-	-	-	-	-
Gross Rents Receivable	1,832,740	-	7,679	1,840,419	1,657,218
Less: Rent losses from voids	2,391	-	-	2,391	1,388
Net Rents Receivable	1,830,349	-	7,679	1,838,028	1,655,830
Total Income From Social Letting	1,830,349	-	7,679	1,838,028	1,655,830
Expenditure on Social Letting Activities					
Service Costs	63,896	-	268	64,164	63,468
Management and maintenance administration costs	406,840	-	1,705	408,545	429,164
Reactive Maintenance	165,163	-	-	165,163	279,117
Bad Debts - Rents and Service Charges	15,244	-	-	15,244	11,003
Planned and Cyclical Maintenance, including Major Repairs	57,446	-	-	57,446	182,489
Depreciation of Social Housing	207,674	-	-	207,674	199,107
Operating Costs of Social Letting	916,263	-	1,973	918,236	1,164,348
Operating Surplus on Social Letting Activities	914,086	-	5,706	919,792	491,482
2010	469,623	-	(463)		

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

4. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Grants From Scottish Ministers	Other Revenue Grants	Supporting People Income	Other Income	Total Turnover	Operating Costs Bad Debts	Operating Costs Other	Operating Surplus / (Deficit) 2011	Operating Surplus / (Deficit) 2010
	£	£	£	£	£	£	£	£	£
Wider Role Activities	154,202	-	-	-	154,202	-	195,421	(41,219)	(42,261)
Care and Repair of Property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	1,638	1,638	-	1,638	-	-
Agency / Management services for other RSLs	-	-	-	34,292	34,292	-	34,292	-	-
Rechargeable Repairs	-	-	-	-	-	2,571	-	(2,571)	(10,437)
Other Income	-	-	-	6	6	-	-	6	37
Seedcorn funding	31,517	-	-	-	31,517	-	31,517	-	-
Total From Other Activities	185,719	-	-	35,936	221,655	2,571	262,868	(43,784)	(52,661)
2010	125,954	-	12,500	62,623	201,077	10,437	243,301	(52,661)	

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

	2011	2010
The Officers are defined in s74 of the Industrial and Provident Societies Act 1965 as the members of the Management Committee, managers or servants of the Co-operative.	£	£

No Officer of the Co-operative received emoluments greater than £60,000.

Emoluments payable to Chief Executive (excluding pension contributions)	<u>58,360</u>	<u>58,900</u>
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6. EMPLOYEE INFORMATION

	2011	2010
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>9</u>	<u>8</u>

Staff Costs were:

	£	£
Wages and Salaries	318,601	322,183
Social Security Costs	24,172	23,759
Other Pension Costs	26,467	30,499
	<u>369,240</u>	<u>376,441</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INTEREST PAYABLE

	2011	2010
	£	£
On Bank Loans & Overdrafts	305,450	218,170
Due on underpaid tax	-	2,488
	<u>305,450</u>	<u>220,658</u>
Less: Interest Capitalised	11,678	22,371
	<u>293,772</u>	<u>198,287</u>

Interest incurred in the development period of housing properties which has been written off to the income and expenditure account amounted to £Nil (2010 £Nil).

Interest capitalised was incurred at 4.63%.

8. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2011	Restated 2010
	£	£
Surplus on Ordinary Activities before Taxation is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	236,618	168,595
Auditors' Remuneration - Audit Services	6,960	5,610
- Other Services	2,114	5,376
Operating Lease Rentals - Other	568	1,076

9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2011	2010
	£	£
(i) Analysis of Charge in Year		
Current Tax:		
UK Corporation Tax on surplus on ordinary activities	2,042	4,429
Total Current Tax (Note 9(ii))	<u>2,042</u>	<u>4,429</u>
Tax on surplus on ordinary activities	<u>2,042</u>	<u>4,429</u>
(ii) Factors affecting tax charge for period		
The tax assessed for the period is lower than the standard rate of Corporation Tax in the U.K. (21%). The differences are explained below:		
Surplus on ordinary activities before tax	591,960	239,302
Surplus on ordinary activities multiplied by standard rate of Corporation Tax in the U.K. of 21%(2010:21%)	124,312	50,253
Effects of: Surplus / (Deficit) on Housing Activities	<u>(122,270)</u>	<u>(45,824)</u>
Current tax charge for period (Note 9(i))	<u>2,042</u>	<u>4,429</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. TANGIBLE FIXED ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Total £
COST				
As at 1st April 2010 (restated)	40,827,033	4,938,113	435,588	46,200,734
Additions	50,319	6,169,117	-	6,219,436
Disposals	-	-	-	-
Schemes Completed	11,142,304	(11,097,707)	(44,597)	-
As at 31st March 2011	<u>52,019,656</u>	<u>9,523</u>	<u>390,991</u>	<u>52,420,170</u>
DEPRECIATION				
As at 1st April 2010 (restated)	1,516,650	-	18,507	1,535,157
Charge for Year	207,674	-	-	207,674
Disposals	-	-	-	-
As at 31st March 2011	<u>1,724,324</u>	<u>-</u>	<u>18,507</u>	<u>1,742,831</u>
SOCIAL HOUSING GRANT				
As at 1st April 2010 (restated)	31,285,369	4,909,106	245,144	36,439,619
Additions	49,656	3,492,794	-	3,542,450
Disposals	-	-	-	-
Schemes Completed	8,431,347	(8,401,900)	(29,447)	-
As at 31st March 2011	<u>39,766,372</u>	<u>-</u>	<u>215,697</u>	<u>39,982,069</u>
OTHER CAPITAL GRANTS				
As at 1st April 2010 (restated)	8,638	-	-	8,638
Additions	-	-	-	-
Disposals	-	-	-	-
Schemes Completed	-	-	-	-
As at 31st March 2011	<u>8,638</u>	<u>-</u>	<u>-</u>	<u>8,638</u>
NET BOOK VALUE				
As at 31st March 2011	<u>10,520,322</u>	<u>9,523</u>	<u>156,787</u>	<u>10,686,632</u>
As at 31st March 2010 (restated)	<u>8,016,376</u>	<u>29,007</u>	<u>171,937</u>	<u>8,217,320</u>

Additions to housing properties includes capitalised development administration costs of £25,600 (2010 - £36,866) and capitalised major repair costs to existing properties of £Nil (2010 £92771)

All land and housing properties are freehold.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. TANGIBLE FIXED ASSETS (Continued)

b) Other Tangible Assets	Community Facility £	Office Premises £	Furniture & Equipment £	Total £
COST				
As at 1st April 2010 (restated)	1,113,675	522,773	204,309	1,840,757
Additions	-	3,948	11,352	15,300
Eliminated on Disposals	-	-	-	-
As at 31st March 2011	<u>1,113,675</u>	<u>526,721</u>	<u>215,661</u>	<u>1,856,057</u>
SOCIAL HOUSING GRANT				
As at 1st April 2010 (restated)	320,000	-	-	320,000
Received in year	-	-	-	-
Repaid on Disposal	-	-	-	-
As at 31st March 2011	<u>320,000</u>	<u>-</u>	<u>-</u>	<u>320,000</u>
GRANTS RECEIVED				
As at 1st April 2010 (restated)	793,675	85,000	1,901	880,576
Received in year	-	-	-	-
Repaid on Disposal	-	-	-	-
As at 31st March 2011	<u>793,675</u>	<u>85,000</u>	<u>1,901</u>	<u>880,576</u>
AGGREGATE DEPRECIATION				
As at 1st April 2010 (restated)	-	54,893	164,962	219,855
Charge for year	-	9,148	19,796	28,944
Eliminated on disposal	-	-	-	-
As at 31st March 2011	<u>-</u>	<u>64,041</u>	<u>184,758</u>	<u>248,799</u>
NET BOOK VALUE				
As at 31st March 2011	<u>-</u>	<u>377,680</u>	<u>29,002</u>	<u>406,682</u>
As at 31st March 2010 (restated)	<u>-</u>	<u>382,880</u>	<u>37,446</u>	<u>420,326</u>

The land on which the Community Facility is built is held under a lease agreement with Glasgow City Council. The lease was signed in November 2004 and will last for a period of 60 years.

11. CAPITAL COMMITMENTS

	2011 £	2010 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	-	<u>5,882,129</u>

The above commitments will be financed by a mixture of public grant, private finance and the Co-operative's own resources.

12. COMMITMENTS UNDER OPERATING LEASES

	2011 £	2010 £
At the year end, the annual commitments under operating leases were as follows:-		
Other		
Expiring within one year	568	-
Expiring between two and five years	<u>-</u>	<u>1,076</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. DEBTORS

	2011 £	2010 £
Arrears of Rent & Service Charges	81,055	58,243
Less: Provision for Doubtful Debts	<u>(22,912)</u>	<u>(11,529)</u>
	58,143	46,714
Social Housing Grant Receivable	337,571	149,287
Other Debtors	<u>79,811</u>	<u>73,565</u>
	<u>475,525</u>	<u>269,566</u>

14. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Bank Overdrafts (secured)	259,230	90,703
Housing Loans	376,328	446,174
Trade Creditors	270,226	1,166,399
Rent in Advance	77,232	67,847
Corporation Tax	2,042	4,429
Other Taxation and Social Security	8,412	-
Other Creditors	83,306	43,114
Accruals and Deferred Income	<u>28,019</u>	<u>77,006</u>
	<u>1,104,795</u>	<u>1,895,672</u>

At the balance sheet date there were pension contributions outstanding of £Nil (2010 £Nil)

15. CREDITORS: Amounts falling due after more than one year

	2011 £	2010 £
Housing Loans	<u>9,847,496</u>	<u>7,345,504</u>
Housing Loans are secured by specific charges on the Co-operative's housing properties and are repayable at varying rates of interest in instalments, due as follows:-		
Within one year	376,328	446,174
Between one and two years	389,385	454,480
Between two and five years	1,090,256	1,374,514
In five years or more	<u>8,367,855</u>	<u>5,516,510</u>
	10,223,824	7,791,678
Less: Amount shown in Current Liabilities	<u>376,328</u>	<u>446,174</u>
	<u>9,847,496</u>	<u>7,345,504</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. CASH FLOW STATEMENT

<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>	2011 £	2010 £
Operating Surplus	876,008	438,821
Depreciation	236,618	168,595
Change in Debtors	(15,771)	28,293
Change in Creditors	53,355	39,870
Share Capital Written Off	(6)	(37)
Net Cash Inflow from Operating Activities	1,150,204	675,542

<i>Reconciliation of net cash flow to movement in net debt</i>	2011 £	£	2010 £	£
(Decrease) / Increase in Cash	(529,058)		1,147,809	
Cash flow from management of liquid resources	-		-	
Cash flow from change in debt	(2,432,146)		(2,467,291)	
Movement in net debt during year	(2,961,204)		(1,319,482)	
Net debt at 1st April 2010	(5,577,667)		(4,235,863)	
Net debt at 31st March 2011	(8,538,871)		(5,555,345)	

<i>Analysis of changes in net debt</i>	At 01.04.10 £	Cash Flows £	At 31.03.11 £
Cash at bank and in hand	1,504,714	(360,531)	1,144,183
Bank Overdrafts	(90,703)	(168,527)	(259,230)
	1,414,011	(529,058)	884,953
Liquid Resources	800,000	-	800,000
Debt: Due within one year	(446,174)	69,846	(376,328)
Due after more than one year	(7,345,504)	(2,501,992)	(9,847,496)
Net Debt	(5,577,667)	(2,961,204)	(8,538,871)

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2010	547
Issued in year	70
Cancelled in year	(6)
At 31st March 2011	<u>611</u>

Each member of the Co-operative holds one share of £1 in the Co-operative. 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 the Co-operative. Each member has a right to vote at members' meetings.

18. RESERVES

(a) Designated Reserves	Cyclical Maintenance £	Major Repairs £	Total £
At 1st April 2010	522,988	1,343,206	1,866,194
Transfer from Revenue Reserves	86,115	287,224	373,339
At 31st March 2011	<u>609,103</u>	<u>1,630,430</u>	<u>2,239,533</u>

(b) Revenue Reserves	Total £
At 1st April 2010	320,587
Prior Period adjustment	(216,579)
At 1st April 2010 (Restated)	104,008
Surplus for the year	589,918
Transfer to Designated Reserves	(373,339)
At 31st March 2011	<u>320,587</u>

19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2011 No.	2010 No.
General Needs - New Build	463	392
- Rehabilitation	147	147
Shared Ownership	3	4
	<u>613</u>	<u>543</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Co-operative as defined by Financial Reporting Standard 8.

The related party relationships of the members of the Management Committee is summarised as follows:

11 members are tenants of the Co-operative

Those members that are tenants of the Co-operative have tenancies that are on the Co-operative's normal tenancy terms and they cannot use their positions to their advantage.

Governing Body Members cannot use their position to their advantage. Any transactions between the Co-operative and any entity with which a Governing Body Member has a connection with is made at arm's length and is under normal commercial terms.

The following transactions took place during the year between the Association and its related parties:

Four members on the Management Committee are trustees of a charitable company, Easthall Residents Association. During the year overheads totalling £8,201 (2010: £9,630) and finance services totalling £1,800 (2010: £1,800) were re-charged by Easthall Park Housing Co-operative Ltd to Easthall Residents Association. In addition net allowance income of £4,017 was received by Easthall Park Housing Co-operative Ltd from Easthall Residents Association in connection with the Youth Development Project. Other Debtors includes £2,915 (2010: £4,717) due from Easthall Residents Association with £15 (2010: £6,955) included within Creditors.

21. FIXED ASSET INVESTMENT

The Co-operative has a subsidiary Moriehall Housing Association Ltd, a company limited by guarantee. The relationship between the Co-operative and its subsidiary is set out in an independence agreement between both parties.

During the year, office overheads totalling £17,948 (2010: £20,852) and staff costs totalling £32,492 (2010: £58,203) were re-charged by Easthall Park Housing Co-operative Ltd to Moriehall Housing Association Ltd. Moriehall Housing Association Ltd re-charged Easthall Park Housing Co-operative Ltd £49,363 (2010: £47,203) for staff costs during the year. Other debtors included £19,536 (2010: £19,811) of overheads and staff recharges due from Moriehall Housing Association Ltd. Other creditors includes £11,312 (2009: £11,777) of staff recharges due to Moriehall Housing Association Ltd.

The aggregate amount of capital and reserves and the results of Moriehall Housing Association Ltd for the period ended 31 March 2011 were as follows:

	2011	2010
	£	£
Capital & Reserves	<u>39,881</u>	<u>80,459</u>
Loss for the year	<u>(40,578)</u>	<u>7,355</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. CURRENT ASSET INVESTMENTS

	2011	2010
	£	£
Short Term Deposits	<u>800,000</u>	<u>800,000</u>

23. POST BALANCE SHEET EVENT

On 2 June 2011 Glasgow Housing Association completed the transfer of 85 units to Easthall Park Housing Co-operative. Easthall Park Housing Co-operative received a cash dowry of £547,000 from Glasgow Housing Association as part of the transfer agreement.

24. PRIOR YEAR ADJUSTMENT

During the year, the Co-operative changed its accounting policy in relation to housing properties and depreciation, as detailed in Note 1 of the Financial Statements, in order to incorporate component accounting. Major repairs which relate to identified components are capitalised, with major components being depreciated over the useful economic lives of each identified component.

As a result of the change in accounting policy, a prior year adjustment has been required under Financial Reporting Standard 3 - Reporting Financial Performance and Financial Reporting Standard 18 - Accounting Policies, as follows:

	£
Major repairs capitalised	457,781
Disposal cost of replacement components	(324,587)
Social Housing Grant adjustments	268,174
Additional depreciation charged	(617,947)

The overall effect of these adjustments has been to decrease revenue reserves and the net book value of housing properties brought forward at 1st April 2010 by £216,579. Revenue reserves have decreased from £320,587 to £104,008 and the net book value of housing properties (including office premises) has decreased from £8,816,779 to £8,600,200.

Of the total prior year adjustment, a £22,322 increase in reserves related to 2010, comprising major repairs capitalised of £92,771 and additional depreciation charged of £70,449. This resulted in the surplus for the year ended 31 March 2010 increasing from £234,873 to £257,195.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RETIREMENT BENEFIT OBLIGATIONS

General

Easthall Park Housing Co-operative Limited participates in the Scottish Housing Association Pension Scheme (the scheme).

The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

The Scheme offers five benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate
- Career average revalued earnings with a 1/70th accrual rate
- Career average revalued earnings with a 1/80th accrual rate
- Career average revalued earnings with a 1/120th accrual rate, contracted in

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Easthall Park Housing Co-operative Limited has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members as at 31st March 2008 and the final salary with a 1/60th accrual rate benefit structure for new entrants from 1st April 2008.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Easthall Park Housing Co-operative Limited paid contributions at the rate of 15.4% of pensionable salaries. Member contributions were 7.7%.

As at the balance sheet date there were 5 active members of the Scheme employed by Easthall Park Housing Co-operative Limited. The annual pensionable payroll in respect of these members was £206,876. Easthall Park Housing Co-operative Limited continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RETIREMENT BENEFIT OBLIGATIONS (Continued)

The last formal valuation of the Scheme was performed as at 30th September 2009 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £295m. The valuation revealed a shortfall of assets compared with the value of liabilities of £160m (equivalent to a past service funding level of 64.8%).

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30th September 2010. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £335 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £162 million, equivalent to a past service funding level of 67.4%.

Financial Assumptions

The financial assumptions underlying the valuation as at 30th September 2009 were as follows:

	% p.a.
- Investment return pre-retirement	7.4
- Investment return post-retirement - non pensioners	4.6
- Investment return post-retirement - pensioners	4.8
- Rate of Salary increases	4.5
- Rate of pension increases:	
pension accrued pre 6 April 2005 in excess of GMP	2.9
pension accrued from 6 April 2005	2.2
(for leavers before 1 October 1993 pension increases are 5.0%)	
- Rate of price inflation	3.0

The valuation was carried out using the SAPS (S1PA) All pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement for non-pensioners and pensioners. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

	<i>Males</i>	<i>Females</i>
	<i>Assumed life expectancy in years at age 65</i>	<i>Assumed life expectancy in years at age 65</i>
Non-pensioners	18.1	20.6
Pensioners	18.1	20.6

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2011

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RETIREMENT BENEFIT OBLIGATIONS (Continued)

Valuation Results

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed as:

<i>Benefit Structure</i>	<i>Long-term joint contribution rate (% of pensionable)</i>
Final salary - 60ths	19.2
Career average 60ths	17.1
Career average 70ths	14.9
Career average 80ths	13.2
Career average 120ths	9.4

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the valuation it was agreed that the shortfall of £160m would be dealt with by the payment of additional contributions of 10.4% of pensionable salaries per annum with effect from 1st April 2011, increasing each 1 April in line with the rate of salary increases assumption.

As a result of Pension Scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any "orphan" liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.