

Easthall Park Housing Co-operative Limited

Report and Financial Statements

For the year ended 31st March 2015

Registered Housing Association No.HAC238

FCA Reference No. 2409R(S)

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

**MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
YEAR ENDED 31st MARCH 2015**

MANAGEMENT COMMITTEE

Mary Davidson	Chairperson
Charlotte Skewis	Vice Chair
Charles Harvey	Secretary
Alison Cushingham	Treasurer
Caroline Cooper	
Rosalind Murphy	
Pauline Wilson	Removed 28/07/2015
Joe Gracey	Resigned 29/10/2014
George McNaught	
Patricia Thompson	Co-opted
Josephine Warley	Co-opted

EXECUTIVE OFFICERS

John McMorrow	Director
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REGISTERED OFFICE

Glenburn Centre
6 Glenburnie Place
Easterhouse
Glasgow
G34 9AN

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

BANKERS

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 2015

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2015.

Legal Status

The Co-operative is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No.2409R(S). The Co-operative is governed 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 purpose of the Co-operative is "Making a Difference to our Community".

The Co-operative has identified key strategic objectives that provide the context and focus to achieve this purpose.

Key Strategic Objectives:

- Delivering excellent housing services
- Providing quality homes and an attractive environment
- Strong financial management and value for money
- People development and strong governance
- More than a landlord - maintaining a strong and vibrant community.

Key achievements during the course of the year included:

- Holders of Housing Excellence Small Social Landlord of the Year 2015;
- Finalist of the Chartered Institute of Housing and Inside Housing UK outstanding landlord of the year 2015 award;
- Undertook independent (40% tenants, 49% owners) tenant and resident satisfaction survey spread throughout all our areas of operation with key findings as follows:
- 93% very or fairly satisfied with overall services
- 99% feel we are very or fairly good at keeping them informed about our services and decisions
- 95% very or fairly satisfied with opportunities to participate in decision making processes
- 96% very or fairly satisfied with quality of customer services received
- Introduced estate caretaking service with in house team supporting training and employment that has led to 95% of tenants being very or fairly satisfied with the management of the neighbourhood;
- Invested and improved the housing stock that has maintained 94% of tenants being satisfied with their homes
- The first Housing Association in Scotland to be accredited with the Investors in Young People award and we also hold the Investors in People "Gold" Standard award;
- Stock condition and life cycle exercise undertaken including assessment of property in preparation for the new energy efficiency standard requirements;
- Revised Training Plan introduced and implemented;
- Comprehensive review of the Strategic Plan and 30 Year Projections undertaken;
- Provided, with partner organisations, significant training volunteering and employment opportunities, supporting 107 people.

REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST MARCH 2015

Review of Business and Future Developments (Contd)

The Co-operative continues to maintain a strategic partnership with Easthall Residents Association that co-ordinates from the Glenburn Centre a comprehensive range of social and welfare activities. This year we have supported the Residents Association to undertake an external strategic review to improve present performance which will allow the organisation adapt to future challenges.

It is anticipated in 2015/16 the strategic position will involve remaining focused on service delivery and adapting to a challenging external environment to continue to deliver the organisational purpose.

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 (with the exception of the Co-optees). 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.

REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST MARCH 2015

Statement of Management Committee's Responsibilities

The Co-operative & Community Benefit Societies Act 2014 requires 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 Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012. 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 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 Co-operatives auditors are aware of that information.

REPORT OF THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31ST MARCH 2015

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;
- Quarterly 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;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- 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 internal financial controls are in place and are effective and that a 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.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Co-operative for the year ended 31 March 2015. No weaknesses were found in internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

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



MARY DAVIDSON
Secretary
26 August 2015

REPORT BY THE AUDITORS TO THE MEMBERS
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 5 concerning the Co-operative's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

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 Financial Reporting Council. 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 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

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 relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



ALEXANDER SLOAN
Chartered Accountants

GLASGOW
26 August 2015

**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 2015 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 Co-operative and Community Benefit Societies Act 2014. 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with the knowledge acquired by us in the course of performing the audit. 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 2015 and of its profit 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 Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2012.

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

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

- the information given in the Management Committee's Report is inconsistent with the financial statements.
- 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
27 August 2015

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31st MARCH 2015

	Notes	2015 £	2014 £
TURNOVER	2.	2,501,915	2,475,075
Operating Costs	2.	<u>(1,958,411)</u>	<u>(1,790,473)</u>
OPERATING SURPLUS	9.	543,504	684,602
(Loss) / Gain On Sale Of Housing Stock	7.	(1,447)	18,538
Interest Receivable and Other Income		14,710	19,023
Interest Payable and Similar Charges	8.	<u>(361,334)</u>	<u>(363,868)</u>
		<u>(348,071)</u>	<u>(326,307)</u>
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		195,433	358,295
Tax on surplus on ordinary activities	10.	<u>(2,942)</u>	<u>(3,977)</u>
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>192,491</u>	<u>354,318</u>

All amounts relate to continuing activities. All recognised surpluses and deficits have been included in the Income & Expenditure Account. Historical cost surpluses and deficits are identical to those shown in the accounts.

The notes on pages 11 to 27 form part of the financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

BALANCE SHEET AS AT 31st MARCH 2015

	Notes	2015	2014
		£	£
TANGIBLE FIXED ASSETS			
Housing Properties - Depreciated Cost	11.(a)	50,176,663	50,520,376
Less: Social Housing Grant	11.(a)	(39,641,073)	(39,683,373)
: Other Public Grants	11.(a)	(8,638)	(8,638)
		<u>10,526,952</u>	<u>10,828,365</u>
Other fixed assets	11.(b)	389,594	379,529
		<u>10,916,546</u>	<u>11,207,894</u>
CURRENT ASSETS			
Debtors	12.	88,490	157,066
Investments	20.	2,102,773	1,717,674
Cash at bank and in hand		636,065	842,817
		<u>2,827,328</u>	<u>2,717,557</u>
CREDITORS: Amounts falling due within one year	13.	<u>(1,004,302)</u>	<u>(997,738)</u>
NET CURRENT ASSETS		<u>1,823,026</u>	<u>1,719,819</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,739,572</u>	<u>12,927,713</u>
CREDITORS: Amounts falling due after more than one year	14.	<u>(8,219,236)</u>	<u>(8,599,866)</u>
NET ASSETS		<u>4,520,336</u>	<u>4,327,847</u>
CAPITAL AND RESERVES			
Share Capital	16.	694	696
Designated Reserves	17.(a)	3,598,248	3,961,862
Revenue Reserves	17.(b)	921,394	365,289
		<u>4,520,336</u>	<u>4,327,847</u>

The Financial Statements were approved by the Management Committee and signed on their behalf on 26 August 2015.

Chairperson

M Davidson

Vice-Chairperson

S. Stewart

Secretary

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The notes on pages 11 to 27 form part of the financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED
31st MARCH 2015

	Notes	2015	2014
		£	£
Net Cash Inflow from Operating Activities	15.	914,514	1,017,001
Returns on Investment and Servicing of Finance			
Interest Received	14,710	15,877	
Interest Paid	(362,047)	(363,954)	
Net Cash Outflow from Investment and Servicing of Finance		(347,337)	(348,077)
Taxation			
Corporation Tax Paid	(3,977)	(5,415)	
Net Cash Outflow from Taxation		(3,977)	(5,415)
Capital Expenditure and Financial Investment			
Acquisition and Construction of Properties	11,864	(344,632)	
Purchase of Other Fixed Assets	(35,525)	(20,294)	
Social Housing Grant Received	4,259	(404)	
Social Housing Grant Repaid	-	(20,446)	
Proceeds on Disposal of Properties	36,269	46,543	
Net Cash Inflow / (Outflow) from Capital Expenditure and Financial Investment		16,867	(339,233)
Net Cash Inflow before use of Liquid Resources and Financing		580,067	324,276
Management of Liquid Resources			
Change in short term deposits with banks		(385,099)	(414,901)
Financing			
Loan Principal Repayments	(401,749)	(427,108)	
Share Capital Issued	29	36	
Net Cash Outflow from Financing		(401,720)	(427,072)
Decrease in Cash	15.	(206,752)	(517,697)

The notes on pages 11 to 27 form part of the financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

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 2010, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2012. A summary of the more important accounting policies is set out below.

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 Defined Benefit 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 Associations taken as a whole.

Valuation Of Housing Properties

Housing Properties are stated at cost, less social housing and other public grants and 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 economic lives of each identified component. All components are categorised as Housing Properties within note 11. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

<i>Component</i>	<i>Useful Economic Life</i>
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	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

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

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% straight line
Furniture and Fittings	20% straight line
Estate Management Equipment	15% 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.

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 attributed to individual components is written off to the Income and Expenditure Account when these components are replaced.

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.

Disposals under shared equity schemes are accounted for in the Income and Expenditure Account. The remaining equity in the property is treated as a fixed asset investment, which is matched with the grant received.

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.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

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.

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.

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 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2015			2014		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Social Lettings	3.	2,405,373	1,825,273	580,100	2,334,834	1,573,831	761,003
Other Activities	4.	96,542	133,138	(36,596)	140,241	216,642	(76,401)
Total		2,501,915	1,958,411	543,504	2,475,075	1,790,473	684,602

3. PARTICULARS OF INCOME & EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing £	Shared ownership £	2015 Total £	2014 Total £
Income from Lettings				
Rent Receivable Net of Identifiable Service Charges	2,400,962	6,929	2,407,891	2,340,638
Gross Rents Receivable	2,400,962	6,929	2,407,891	2,340,638
Less: Rent losses from voids	2,518	-	2,518	5,804
Net Rents Receivable	2,398,444	6,929	2,405,373	2,334,834
Revenue Grants from Scottish Ministers	-	-	-	-
Revenue Grants From Local Authorities and Other Agencies	-	-	-	-
Total Income From Social Letting	2,398,444	6,929	2,405,373	2,334,834
Expenditure on Social Letting Activities				
Service Costs	93,225	-	93,225	90,244
Management and maintenance administration costs	913,779	1,817	915,596	719,838
Reactive Maintenance	266,733	-	266,733	252,134
Bad Debts - Rents and Service Charges	12,959	-	12,959	13,710
Planned and Cyclical Maintenance, including Major Repairs	222,063	-	222,063	196,566
Depreciation of Social Housing	313,791	906	314,697	301,339
Operating Costs of Social Letting	1,822,550	2,723	1,825,273	1,573,831
Operating Surplus on Social Letting Activities	575,894	4,206	580,100	761,003
2014	759,440	1,563		

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

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) 2015	Operating Surplus / (Deficit) 2014
	£	£	£	£	£	£	£	£	£
Wider Role Activities	-	-	-	76,913	76,913	-	133,138	(56,225)	(74,107)
Support Activities	-	-	-	6,212	6,212	-	-	6,212	(2,294)
Shared Ownership (First Tranche Sales)	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	13,417	13,417	-	-	13,417	-
Total From Other Activities	-	-	-	96,542	96,542	-	133,138	(36,596)	(76,401)
2014	-	-	-	140,241	140,241	-	216,642	(76,401)	(76,401)

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

The Officers are defined in s149 of the Co-operative and Community Benefit Societies Act 2014 as the members of the Management Committee, managers or servants of the Co-operative.

	2015	2014
	£	£
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>72,064</u>	<u>66,404</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>9,964</u>	<u>6,233</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>72,064</u>	<u>66,404</u>

The number of Officers, including the highest paid Officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:-

	Number	Number
£60,001 to £70,000	1	1

6. EMPLOYEE INFORMATION

	2015	2014
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>18</u>	<u>16</u>
Staff Costs were:	£	£
Wages and Salaries	507,677	421,120
Social Security Costs	47,574	40,243
Other Pension Costs	115,121	60,165
	<u>670,372</u>	<u>521,528</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. (LOSS) / GAIN ON SALE OF HOUSING STOCK		
	2015	2014
	£	£
Sales Proceeds	36,269	46,543
Cost of Sales	<u>37,716</u>	<u>28,005</u>
(Loss) / Gain On Sale Of Housing Stock	<u>(1,447)</u>	<u>18,538</u>
8. INTEREST PAYABLE		
	2015	2014
	£	£
On Bank Loans & Overdrafts	<u>361,334</u>	<u>363,868</u>
9. SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION		
	2015	2014
	£	£
Surplus on Ordinary Activities before Taxation is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	340,157	321,119
Auditors' Remuneration - Audit Services	6,594	7,225
- Other Services	<u>6,603</u>	<u>4,000</u>
10. TAX ON SURPLUS ON ORDINARY ACTIVITIES		
	2015	2014
	£	£
(i) Analysis of Charge in Year		
Current Tax:		
UK Corporation Tax on surplus on ordinary activities	2,942	3,808
Adjustments in respect of previous years	-	169
Total Current Tax (Note 10(ii))	<u>2,942</u>	<u>3,977</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. (20%). The differences are explained below:		
Surplus on ordinary activities before tax	<u>195,433</u>	<u>358,295</u>
Surplus on ordinary activities multiplied by standard rate of Corporation Tax in the U.K. of 20%(2014:20%)	39,087	71,659
Effects of: Surplus on Housing Activities	<u>(36,145)</u>	<u>(67,854)</u>
Current tax charge for period (Note 10(i))	<u>2,942</u>	<u>3,805</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. 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 2014	52,632,472	9,523	390,991	53,032,986
Additions	21,136	-	-	21,136
Disposals	(7,644)	-	(44,961)	(52,605)
As at 31st March 2015	<u>52,645,964</u>	<u>9,523</u>	<u>346,030</u>	<u>53,001,517</u>
DEPRECIATION				
As at 1st April 2014	2,485,789	-	26,821	2,512,610
Charge for Year	313,791	-	906	314,697
Disposals	(2,303)	-	(150)	(2,453)
As at 31st March 2015	<u>2,797,277</u>	<u>-</u>	<u>27,577</u>	<u>2,824,854</u>
SOCIAL HOUSING GRANT				
As at 1st April 2014	39,467,676	-	215,697	39,683,373
Disposals	(5,341)	-	(36,959)	(42,300)
As at 31st March 2015	<u>39,462,335</u>	<u>-</u>	<u>178,738</u>	<u>39,641,073</u>
OTHER CAPITAL GRANTS				
As at 1st April 2014	8,638	-	-	8,638
As at 31st March 2015	<u>8,638</u>	<u>-</u>	<u>-</u>	<u>8,638</u>
NET BOOK VALUE				
As at 31st March 2015	<u>10,377,714</u>	<u>9,523</u>	<u>139,715</u>	<u>10,526,952</u>
As at 31st March 2014	<u>10,670,369</u>	<u>9,523</u>	<u>148,473</u>	<u>10,828,365</u>

Additions to housing properties includes capitalised development administration costs of £nil (2014 - £nil) and capitalised major repair costs to existing properties of £18,374 (2014 £344,633)

All land and housing properties are freehold.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. TANGIBLE FIXED ASSETS (Continued)

b) Other Tangible Assets

	Estate Management Equipment £	Community Facility £	Office Premises £	Office Furniture & Equipment £	Total £
COST					
As at 1st April 2014	-	1,113,675	533,537	248,844	1,896,056
Additions	20,939	-	-	14,586	35,525
Eliminated on Disposals	-	-	-	-	-
As at 31st March 2015	20,939	1,113,675	533,537	263,430	1,931,581
GRANTS RECEIVED					
As at 1st April 2014	-	1,113,675	85,000	1,901	1,200,576
Received in year	-	-	-	-	-
Repaid on Disposal	-	-	-	-	-
As at 31st March 2015	-	1,113,675	85,000	1,901	1,200,576
AGGREGATE DEPRECIATION					
As at 1st April 2014	-	-	92,112	223,839	315,951
Charge for year	3,141	-	9,357	12,962	25,460
Eliminated on disposal	-	-	-	-	-
As at 31st March 2015	3,141	-	101,469	236,801	341,411
NET BOOK VALUE					
As at 31st March 2015	17,798	-	347,068	24,728	389,594
As at 31st March 2014	-	-	356,425	23,104	379,529

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. DEBTORS

	2015 £	2014 £
Arrears of Rent & Service Charges	94,703	141,393
Less: Provision for Doubtful Debts	<u>(57,783)</u>	<u>(52,358)</u>
	36,920	89,035
Social Housing Grant Receivable	-	4,259
Other Debtors	<u>51,570</u>	<u>63,772</u>
	<u>88,490</u>	<u>157,066</u>

13. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Housing Loans	344,467	365,588
Trade Creditors	214,186	273,233
Rent in Advance	120,599	100,158
Corporation Tax	2,942	3,977
Other Creditors	189,079	106,261
Accruals and Deferred Income	<u>133,029</u>	<u>148,521</u>
	<u>1,004,302</u>	<u>997,738</u>

The bank overdraft is secured by standard charge over its properties.

At the balance sheet date there were pension contributions outstanding of £1,507 (2014 £7,090)

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

	2015 £	2014 £
Housing Loans	<u>8,219,236</u>	<u>8,599,866</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	344,467	365,588
Between one and two years	351,190	318,891
Between two and five years	1,109,244	1,000,748
In five years or more	<u>6,758,802</u>	<u>7,280,227</u>
	8,563,703	8,965,454
Less: Amount shown in Current Liabilities	<u>344,467</u>	<u>365,588</u>
	<u>8,219,236</u>	<u>8,599,866</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. CASH FLOW STATEMENT

<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>	2015 £	2014 £
Operating Surplus	543,504	684,602
Depreciation	340,157	321,119
Change in Debtors	64,317	(52,018)
Change in Creditors	(33,433)	63,332
Share Capital Written Off	(31)	(34)
Net Cash Inflow from Operating Activities	<u>914,514</u>	<u>1,017,001</u>

<i>Reconciliation of net cash flow to movement in net debt</i>	2015 £	2014 £	2014 £	2014 £
Decrease in Cash	(206,752)	(517,697)		
Cash flow from management of liquid resource	385,099	414,901		
Cash flow from change in debt	<u>401,751</u>	<u>427,106</u>		
Movement in net debt during year		580,098		324,310
Net debt at 1st April 2014		(6,404,963)		(6,729,273)
Net debt at 31st March 2015		<u>(5,824,865)</u>		<u>(6,404,963)</u>

<i>Analysis of changes in net debt</i>	At 01.04.14 £	Cash Flows £	Other Changes £	At 31.03.15 £
Cash at bank and in hand	842,817	(206,752)		636,065
Bank Overdrafts	-	-		-
	<u>842,817</u>	<u>(206,752)</u>		<u>636,065</u>
Liquid Resources	1,717,674	385,099		2,102,773
Debt: Due within one year	(365,588)	401,751	(380,630)	(344,467)
Due after more than one year	<u>(8,599,866)</u>	<u>-</u>	<u>380,630</u>	<u>(8,219,236)</u>
Net Debt	<u>(6,404,963)</u>	<u>580,098</u>	<u>-</u>	<u>(5,824,865)</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2014	696
Issued in year	29
Cancelled in year	(31)
At 31st March 2015	<u>694</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.

17. RESERVES

(a) Designated Reserves	Cyclical	Major	Total
	Maintenance	Repairs	
	£	£	£
At 1st April 2014	740,801	3,221,061	3,961,862
Transfer to / (from) Revenue Reserves	-	(363,614)	(363,614)
At 31st March 2015	<u>740,801</u>	<u>2,857,447</u>	<u>3,598,248</u>

(b) Revenue Reserves	Total
	£
At 1st April 2014	365,289
Surplus for the year	192,491
Transfer (to) / from Designated Reserves	363,614
At 31st March 2015	<u>921,394</u>

18. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2015	2014
	No.	No.
General Needs - New Build	546	546
- Rehabilitation	147	147
Shared Ownership	2	3
	<u>695</u>	<u>696</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. 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:

8 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.

Three members on the Management Committee are trustees of a charitable company, Easthall Residents Association,. There is a service level agreement in place which details the relationship between the parties. The Director is also a co-opted member of the charity. During the year overheads totalling £9,313 (2014: £9,313) and finance services totalling £1,800 (2014: £1,800) were re-charged by Easthall Park Housing Co-operative Ltd to Easthall Residents Association. In addition net allowance income of £8,250 (2014: £6,500) was received by Easthall Park Housing Co-operative Ltd on behalf of Easthall Residents Association in connection with the Youth Development Project. Other debtors includes £4,623 (2014: £4,093) due from Easthall Residents Association and Other Creditors includes £11,740 (2014: £5,775) due to Easthall Residents Association.

20. CURRENT ASSET INVESTMENTS

	2015	2014
	£	£
Short Term Deposits	<u>2,102,773</u>	<u>1,717,674</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. 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 six 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
- Defined contribution

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 elected to operate the final salary with a 1/60th accrual rate from 1st April 2008 to 31 March 2014. From 1 April 2014, the Co-operative switched to the defined contribution option for all future pension accrual for existing and new entrants.

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% of pensionable salaries. Member contributions were nil%.

As at the balance sheet date there were 18 active members of the Scheme employed by Easthall Park Housing Co-operative Limited. The annual pensionable payroll in respect of these members was £459,993. 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 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. RETIREMENT BENEFIT OBLIGATIONS (Continued)

The last formal valuation of the Scheme was performed as at 30th September 2012 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £394m. The valuation revealed a shortfall of assets compared with the value of liabilities of £304m (equivalent to a past service funding level of 56.4%).

Financial Assumptions

The key financial assumptions underlying the valuation as at 30th September 2012 were as follows:

	% p.a.
- Investment return pre-retirement	5.3
- Investment return post-retirement - non pensioners	3.4
- Investment return post-retirement - pensioners	3.4
- Rate of Salary increases	4.1
- Rate of price inflation:	
RPI	2.6
CPI	2.0

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.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2015

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. 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	24.6
Career average 60ths	22.4
Career average 70ths	19.2
Career average 80ths	16.9
Career average 120ths	11.4

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.

The Trustees have recently supplied Easthall Park Housing Co-operative Limited with an updated contribution figure to the past service deficit. From 1 April 2015 Easthall Park Housing Co-operative Limited will be required to pay £51,214 per annum as a contribution to the past service deficit. This will represent an increase of 3% in Easthall Park Housing Co-operative Limited's contribution to the past service deficit. The deficit contribution will increase each April by 3%.

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.