

Easthall Park Housing Co-operative

Report and Financial Statements

For the year ended 31st March 2016

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 2016

MANAGEMENT COMMITTEE

Mary Davidson	Chair
Charlotte Skewis	Vice-Chair
Charles Harvey	Secretary
Alison Cushingham	Treasurer
Caroline Cooper	
Rosalind Murphy	
George McNaught	
Patricia Thompson	Co-opted
Josephine Warley	Co-opted
Ashley Scotland	Appointed 07/09/2015
Paul Waddell	Appointed 07/09/2015
Carolann McLachlan	Appointed 07/09/2015

EXECUTIVE OFFICERS

John McMorrow	Director
Claire McGraw	Housing Manager
Joanne Boyle	Finance Manager
Bryan McMahon	Senior Maintenance Officer

REGISTERED OFFICE

Glenburn Centre
6 Glenburnie Place
Easterhouse
Glasgow
G34 9AN

AUDITORS

Alexander Sloan
Chartered Accountants
38 Cadogan Street
Glasgow
G2 7HF

INTERNAL AUDITORS

Quinn Internal Audit & Business Support Services
120 Kingsknowe Rd North
Edinburgh
EH14 2DG

BANKERS

Royal Bank of Scotland
Glasgow Parkhead Branch
1301 Duke Street
Glasgow
G31 5PZ

SOLICITORS

Mellicks Incorporating Naftalin Duncan & Co
160 Hope Street
Glasgow
G2 2TL

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2016

The Management Committee presents its report and the Financial Statements for the year ended 31st March 2016.

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

The Co-operative has been recognised externally for our work and we currently have the following accreditations:

- The first community based Housing Co-operative in Scotland to be accredited with the Investors in People 'Platinum' award
- 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
- The first Housing Association in Scotland to be accredited with the Investors in Young People award

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2016

Review of Business and Future Developments (Contd.)

During the year we have undertaken a review of the following:

- Training Plan revised and implemented
- Review of Internal Audit Services
- Risk Management review undertaken and policy updated
- Comprehensive review of the Strategic Plan and 30 Year Projections undertaken
- Value for Money Strategy implemented
- Annual Governance review undertaken
- Comprehensive review of Health & Safety policy and procedures
- Resident Engagement Action Plan review undertaken
- Home Energy Efficiency Package delivered for tenants and owners resulting in energy improvements to 42 homes in Kildermorie
- Kitchen and Boiler Procurement Programme appointment undertaken
- Annual Educational Bursary Awards provided to local residents
- Revised Donations Policy implemented
- Whistleblowing Policy Revised
- Customer Care Standards approved
- Supported Christmas Fayre 'Glenburn on Ice' Project
- Comprehensive Rent and Factoring charge review
- Openness and Confidentiality Policy reviewed
- Annual Asset Management Strategy undertaken
- Review of Repairs and Maintenance Policy
- Provided, with partner organisations, significant training, volunteering and employment opportunities, supporting 312 people

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 to adapt to future challenges.

It is anticipated in 2016/17 the strategic position will involve remaining focused on service delivery and adapting to a challenging external environment to continue to deliver the organisational purpose.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31ST MARCH 2016

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 Co-operative and Community Benefit Act 2014 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 Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements - 2015. 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 statement of comprehensive income and statement of financial position, 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 2016

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 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.

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 2016. No weaknesses were found in the 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.

Donations

During the year the Co-operative made charitable donations amounting to £1,910 (2015 £1,738).

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

31st August 2016

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 5 concerning the Co-operative's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in 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 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 5 has provided the disclosures required by the relevant Regulatory Standards with the publication "Our Regulatory Framework" and associated Regulatory Advice Notes 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 the relevant Regulatory Standards in respect of internal financial controls 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
31st August 2016

We have audited the financial statements of Easthall Park Housing Co-operative Limited for the year ended 31st March 2016 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and accounting standard of the United Kingdom

This report is made solely to the Co-operative's members, as a body, in accordance with the 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. 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 2016 and of its surplus 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 2014 and the Determination of Accounting Requirements 2015.

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.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2016

	Notes	2016	2015
		£	£
REVENUE	2.	3,509,617	3,481,348
Operating Costs	2.	(2,556,062)	(2,654,970)
OPERATING SURPLUS	9.	953,555	826,378
Loss On Sale Of Housing Stock	7.	-	(124,875)
Interest Receivable and Other Income		20,314	14,710
Interest Payable and Similar Charges	8.	(311,147)	(361,334)
Other Finance Charges	11.	(19,458)	(15,049)
		(310,291)	(486,548)
SURPLUS FOR YEAR		<u>643,264</u>	<u>339,830</u>
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>643,264</u>	<u>339,830</u>
Tax on surplus on ordinary activities	10.	(4,063)	(2,942)
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>639,201</u>	<u>336,888</u>

All amounts relate to continuing operations. Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS102.

The notes on pages 13 to 27 form part of these financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2016

	2016	2015
NON-CURRENT ASSETS		
Housing Properties - Depreciated Cost	12.(a) 40,106,991	40,830,133
Other Non Current Assets	12.(b) 1,074,840	1,143,118
	<u>41,181,831</u>	<u>41,973,251</u>
CURRENT ASSETS		
Receivables	15. 58,462	88,490
Investments	28. 2,022,795	2,102,773
Cash at bank and in hand	663,824	636,065
	<u>2,745,081</u>	<u>2,827,328</u>
CREDITORS: Amounts falling due within one year	16. (855,393)	(1,053,814)
NET CURRENT ASSETS	<u>1,889,688</u>	<u>1,773,514</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>43,071,519</u>	<u>43,746,765</u>
CREDITORS: Amounts falling due after more than one year	17. (8,135,401)	(8,509,948)
DEFERRED INCOME		
Social Housing Grants	19. (28,484,893)	(29,424,794)
Other Grants	19. (8,638)	(8,638)
	<u>(28,493,531)</u>	<u>(29,433,432)</u>
NET ASSETS	<u>6,442,587</u>	<u>5,803,385</u>
EQUITY		
Share Capital	20. 695	694
Revenue Reserves	6,441,892	5,802,691
	<u>6,442,587</u>	<u>5,803,385</u>

Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS102.

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 31st August 2016.

Mary Davidson
Chairperson

C. A. Stewart
Vice-Chairperson

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Secretary

The notes on pages 13 to 27 form part of these financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2016

	Notes	2016	2015
Net Cash Inflow from Operating Activities	18.	1,026,468	914,514
Investing Activities			
Acquisition and Construction of Properties	(390,680)	11,864	
Purchase of Other Fixed Assets	(1,771)	(35,525)	
Social Housing Grant Received	-	4,259	
Social Housing Grant Repaid	(55,591)	-	
Changes on short term deposits with banks	79,978	(385,099)	
Taxation paid on investments	(2,942)	(3,977)	
Proceeds on Disposal of Properties	-	36,269	
Net Cash Outflow from Investing Activities		(371,006)	(372,209)
Financing Activities			
Interest Received on Cash and Cash Equivalents	20,314	14,710	
Interest Paid on Loans	(310,117)	(362,047)	
Loan Principal Repayments	(337,948)	(401,749)	
Share Capital Issued	48	29	
Net Cash Outflow from Financing		(627,703)	(749,057)
Increase / (Decrease) in Cash		27,759	(206,752)
Opening Cash & Cash Equivalents		636,065	842,817
Closing Cash & Cash Equivalents		663,824	636,065
Cash and Cash equivalents as at 31 March 2016.			
Cash		663,824	636,065
Bank overdraft		-	-
		663,824	636,065

The notes on pages 13 to 27 form part of these financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CHANGES IN EQUITY

31st MARCH 2016

	Share (Capital)	Reserves (Reserve)	Total
	£	£	£
Balance as at 1st April 2014	696	5,465,803	5,466,499
Issue of Shares	29		29
Cancellation of Shares	(31)		(31)
Adjustment from transition to FRS 102		144,397	144,397
Surplus for Year		192,491	192,491
Balance as at 31st March 2015	694	5,802,691	5,803,385
Balance as at 1st April 2015	694	5,802,691	5,803,385
Issue of Shares	48		48
Cancellation of Shares	(47)		(47)
Surplus for Year		639,201	639,201
Balance as at 31st March 2016	695	6,441,892	6,442,587

The reserves opening balance has been restated to reflect the change in accounting requirements under the Housing SORP 2014 and FRS102.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for social housing providers 2014. The Co-operative is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

Revenue

The Co-operative recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure is incurred as this is considered to be the point when the service has been performed and the revenue recognition criteria is met.

Government Grants are released to income over the expected useful life of of the asset to which it relates.

Retirement Benefits

The Co-operative participates in the Scottish Housing Co-operative 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 Co-operatives taken as a whole.

The Co-operative accounts for amounts that it has agreed to pay towards the Scheme deficit in accordance with paragraph 28.11A of FRS 102. The present value of this liability has been recognised in the Statement of Financial Position. The discount rate applied to this obligation is that of a yield rate for the high quality corporate bond.

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 economic lives of each identified component. All components are categorised as Housing Properties within note 12. 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>
Kitchen Extractor	15 Years
Bathrooms	30 Years
Boilers	15 Years
Windows	30 Years
Door Entry	15 Years
Close Doors	30 Years
Rewiring	30 Years
Structure	50 Years

Depreciation And Impairment Of Other Non-Current Assets

Non-Current 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	- 2% Straight Line
Furniture and Fittings	- 25% Reducing Balance
Computer Equipment	- 25% Straight Line
Office Equipment	- 25% Reducing Balance

The carrying value of non-current assets are reviewed for impairment at the end of each reporting period.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Social Housing Grant And Other Grants In Advance/Arrears

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Statement of comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income 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 non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Disposals of housing property under the Right to Buy scheme are treated as a non-current asset disposals and any gain and loss on disposal accounted for in the Statement of Comprehensive Income.

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying Easthall Park's Accounting Policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

Rent Arrears - Bad Debt Provision

The Co-operative assesses the recoverability of rent arrears through a detailed assessment process which considers: tenant payment history, arrangements in place, and court action.

Life Cycle of Components

The Co-operative estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

Useful life of properties, plant and equipment

The Co-operative assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this.

Costs of shared ownership

The Co-operative allocates costs to shared ownership properties on an percentage basis split across the number of properties the Co-operative owns.

Pension deficit creditor

In March 2016 the Co-operative received details from the Pension Trust of the provisional valuation of the pension scheme at September 2015 and the Pension Trust's estimate of the Co-operative's future past service deficit contributions. The Co-operative has used this to provide the basis of the pension past service deficit liability in the financial statements. The Board feel this is the best available estimate of the past service liability.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Leases/Leased Assets

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position 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.

Development Interest

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

Key Judgements made in the application of Accounting Policies

a) *Exemptions taken in the transition to FRS 102*

The Co-operative has considered and taken advantage of the following exemptions in its first time application of FRS 102:

- i) The Co-operative has not revisited previous accounting estimates
- ii) The Co-operative has not revisited the accounting of previous business combinations

b) *The Categorisation of Housing Properties*

In the judgement of the Management Committee the entirety of the Co-operative's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

c) *Identification of cash generating units*

The Co-operative considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

d) *Financial Instrument Break Clause*

The Association has considered the break clauses attached to the Financial Instruments that it has in place for its loan funding. In the judgement of the Management Committee these break clauses do not cause the Financial Instrument to be classified as a Complex Financial Instrument, and therefore they meet the definition of a Basic Financial Instrument.

Financial Instruments - Basic

The Co-operative recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard

The Co-operative's debt instruments are measured at amortised cost using the effective interest rate method

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES

	Notes	2016			2015		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3.	3,372,422	2,367,176	1,005,246	3,384,806	2,521,832	862,974
Other Activities	4.	137,195	188,886	(51,691)	96,542	133,138	(36,596)
Total		3,509,617	2,556,062	953,555	3,481,348	2,654,970	826,378

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Shared ownership £	2016 Total £	Restated 2015 Total £
Revenue from Lettings				
Rent Receivable Net of Service Charges	2,403,673	4,660	2,408,333	2,407,891
Service Charges	-	-	-	-
Gross Income from rent and service charges	2,403,673	4,660	2,408,333	2,407,891
Less: Rent losses from voids	6,637	-	6,637	2,518
Net Rents Receivable	2,397,036	4,660	2,401,696	2,405,373
Grants released from deferred income	938,642	2,153	940,795	979,433
Revenue grants from Scottish Ministers	29,931	-	29,931	-
Total turnover from affordable letting activities	3,365,609	6,813	3,372,422	3,384,806
Expenditure on affordable letting activities				
Management and maintenance administration costs	833,133	2,404	835,537	914,851
Service Costs	67,655	-	67,655	93,225
Planned and cyclical maintenance, including major repairs	67,115	-	67,115	222,063
Reactive maintenance costs	291,063	-	291,063	266,733
Bad Debts - rents and service charges	27,641	-	27,641	12,959
Depreciation of affordable let properties	1,074,255	3,910	1,078,165	1,012,001
Operating costs of affordable letting activities	2,360,862	6,314	2,367,176	2,521,832
Operating surplus on affordable letting activities	1,004,747	499	1,005,246	862,974
2015	858,768	4,206		

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been restated to reflect the requirements of the Housing SORP 2014. Comparative figures have been restated on the same basis.

EASTHALL PARK HOUSING CO-OPERA

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	£	£	£	£	£	£	£	£	£
	Revenue	Operating Costs	Operating Surplus	Other Income	Other Expenses	Other Surplus	Operating Surplus	Other Surplus	Total Surplus
Wider Role Activities	73,554	49,845	123,399	-	-	135,821	(12,422)	(56,225)	
Factoring	-	11,996	11,996	-	-	14,312	(2,316)	-	
Support Activities	-	1,800	1,800	-	-	38,753	(36,953)	6,212	
Other activities	-	-	-	-	-	-	-	13,417	
Total From Other Activities	73,554	63,641	137,195	-	-	188,886	(51,691)	(36,596)	
2015	-	96,542	96,542	-	-	133,138	(36,596)		

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been restated to reflect the requirements of the Housing SORP 2014. Comparative figures have been restated on the same basis.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

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

	2016	2015
	£	£
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>69,247</u>	<u>72,064</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>6,742</u>	<u>9,964</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>75,989</u>	<u>82,028</u>
Total Compensation paid to key management personnel	<u>214,003</u>	<u>199,995</u>

Consideration paid for services of key management personnel paid to third parties	<u>381</u>	<u>159</u>
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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	<u>1</u>	<u>1</u>

6. EMPLOYEE INFORMATION

	2016	2015
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	<u>21</u>	<u>18</u>
The average total number of Employees employed during the year was	<u>22</u>	<u>21</u>
Staff Costs were:	£	£
Wages and Salaries	534,820	507,677
Social Security Costs	46,675	47,574
Other Pension Costs	43,925	67,051
	<u>625,420</u>	<u>622,302</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. LOSS ON SALE OF HOUSING STOCK

	2016	2015
	£	£
Sales Proceeds	-	36,269
Cost of Sales	-	161,144
Loss On Sale Of Housing Stock	-	(124,875)

8. INTEREST PAYABLE & SIMILAR CHARGES

	2016	2015
	£	£
On Bank Loans & Overdrafts	311,147	361,334
Less: Interest Capitalised	-	-
	<u>311,147</u>	<u>361,334</u>

9. SURPLUS FOR YEAR

	2016	2015
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	1,143,252	1,082,956
Auditors' Remuneration - Audit Services	7,140	6,594
Auditors' Remuneration - Other Services	3,233	6,603
Operating Lease Rentals - Land & Buildings	1	1
Gain on sale of fixed assets	-	(124,875)

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2016	2015
	£	£
(i) Analysis of Charge in Year		
Current Tax:		
UK Corporation Tax on surplus on ordinary activities	4,063	2,942
Total Current Tax (Note 10(ii))	<u>4,063</u>	<u>2,942</u>
Tax on surplus on ordinary activities	<u>4,063</u>	<u>2,942</u>
(ii) The tax assessed for the period is lower than the standard rate of Corporation Tax in the U.K. (20%). The differences are explained		
Surplus on ordinary activities before tax	<u>643,264</u>	<u>339,830</u>
Surplus on ordinary activities multiplied by standard rate of Corporation Tax in the U.K. of 20%(2015:20%)	128,653	67,966
Effects of: Charitable income not chargeable to tax	(124,590)	(65,024)
Current tax charge for period (Note 10(i))	<u>4,063</u>	<u>2,942</u>

11. OTHER FINANCE INCOME/CHARGES

	2016	2015
	£	£
Unwinding of Discounted Liabilities	<u>19,458</u>	<u>15,049</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Completed Shared Ownership Properties £	Total £
COST			
As at 1st April 2015	52,654,388	195,496	52,849,884
Additions	357,680	-	357,680
Disposals	(28,540)	-	(28,540)
Schemes Completed	-	-	-
As at 31st March 2016	<u>52,983,528</u>	<u>195,496</u>	<u>53,179,024</u>
DEPRECIATION			
As at 1st April 2015	11,945,463	74,288	12,019,751
Charge for Year	1,069,293	3,910	1,073,203
Disposals	(20,921)	-	(20,921)
As at 31st March 2016	<u>12,993,835</u>	<u>78,198</u>	<u>13,072,033</u>
NET BOOK VALUE			
As at 31st March 2016	<u>39,989,693</u>	<u>117,298</u>	<u>40,106,991</u>
As at 31st March 2015	<u>40,708,925</u>	<u>121,208</u>	<u>40,830,133</u>

Additions to housing properties includes capitalised development administration costs of £0 (2015 - £0) and capitalised major repair costs to existing properties of £357,680 (2015 £18,374)

All land and housing properties are freehold.

Total expenditure on existing properties in the year amounted to £357,680. The amount capitalised is £357,680 with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £357,680 and improvement of £nil.

The Co-operative's Lenders have standard securities over Housing Property with a carrying value of £11,315,000 (2015 - £11,325,000).

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON-CURRENT ASSETS (Continued)

b) Other Tangible Assets	Management Equipment £	Community Facility £	Office Premises £	Furniture & Equipment £	Total £
COST					
As at 1st April 2015	20,939	1,113,675	533,537	263,430	1,931,581
Additions	-	-	-	1,771	1,771
As at 31st March 2016	20,939	1,113,675	533,537	265,201	1,933,352
AGGREGATE DEPRECIATION					
As at 1st April 2015	3,140	370,854	177,668	236,801	788,463
Charge for year	3,141	37,085	17,767	12,056	70,049
As at 31st March 2016	6,281	407,939	195,435	248,857	858,512
NET BOOK VALUE					
As at 31st March 2016	14,658	705,736	338,102	16,344	1,074,840
As at 31st March 2015	17,799	742,821	355,869	26,629	1,143,118

13. CAPITAL COMMITMENTS

	2016 £	2015 £
Capital Expenditure that has been contracted for but has not been provided for in the Financial Statements	19,343	-

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

14. COMMITMENTS UNDER OPERATING LEASES

	2016 £	2015 £
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Later than five years	39	40

Lease commitments have been restated under FRS102 to include the timing of the full payment due under the contract.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

15 RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Arrears of Rent & Service Charges	67,728	94,703
Less: Provision for Doubtful Debts	(54,985)	(57,783)
	12,743	36,920
Other Receivables	45,719	51,570
	<u>58,462</u>	<u>88,490</u>

16 PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Housing Loans	349,524	344,467
Trade Payables	121,383	214,186
Rent in Advance	136,780	120,599
Corporation Tax	4,063	2,942
Other Taxation and Social Security	13,459	-
Other Payables	31,322	189,079
Liability for Past Service Contributions	50,998	49,512
Accruals and Deferred Income	147,864	133,029
	<u>855,393</u>	<u>1,053,814</u>

At the balance sheet date there were pension contributions outstanding of £9,202 (2015 £1,507)

17 PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR

	2016	2015
	£	£
Liability for Past Service Contributions	259,171	290,712
Housing Loans	7,876,230	8,219,236
	<u>8,135,401</u>	<u>8,509,948</u>
<i>Housing Loans</i>		
Amounts due within one year	349,524	344,467
Amounts due in one year or more but less than two years	353,283	351,190
Amounts due in two years or more but less than five years	1,121,272	1,109,244
Amounts due in more than five years	6,401,675	6,758,802
	<u>8,225,754</u>	<u>8,563,703</u>
Less: Amount shown in Current Liabilities	349,524	344,467
	<u>7,876,230</u>	<u>8,219,236</u>
<i>Liability for Past Service Contributions</i>		
Amounts due within one year	50,998	49,512
Amounts due in one year or more but less than two years	54,483	50,998
Amounts due in two years or more but less than five years	173,454	168,402
Amounts due in more than five years	31,234	71,312
	<u>310,169</u>	<u>340,224</u>
Less: Amount shown in Current Liabilities	50,998	49,512
	<u>259,171</u>	<u>290,712</u>

The Co-operative has a number of long-term housing loans the terms and conditions of which are as follows:

Bank	Security	Effective Interest Rate	Term	Variable/Fixed
The Royal Bank of Scotland	Standard Security over 90 properties	LIBOR + 0.45%	2034	Variable
The Royal Bank of Scotland	Standard Security over 70 properties	4.57%	2040	Fixed
Clydesdale Bank	Standard Security over 18 properties	BASE + 4.5%	2017	Variable
The Bank of Scotland	Standard Security over 38 properties	BASE + 0.85%	2029	Variable
Nationwide	Standard Security over 66 properties	2.96%	2030	Fixed
Nationwide	Standard Security over 55 properties	5.32%	2032	Fixed
Nationwide	Standard Security over 59 properties	4.70%	2032	Fixed
The Royal Bank of Scotland	Standard Security over 52 properties	4.54%	2041	Fixed

All of the Co-operative's bank borrowings are repayable on a monthly or quarterly basis with the principal being amortised over the term of the loans

The liability for the past service contributions has been accounted for in accordance with FRS 102 para 28.13A and represents the present value of the contributions payable. The cash out flows have been discounted at a rate of 2.64 (2015 - 3.58)

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18. STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to balance as at 31st march 2016</i>	2016 £	2015 £
Operating Surplus	953,555	826,378
Depreciation	1,148,822	1,082,956
Amortisation of Capital Grants	(940,795)	(1,021,733)
Change in debtors	30,028	64,317
Change in creditors	(145,637)	(22,324)
Unwinding of Discount on Pension Liability	(19,458)	(15,049)
Share Capital Written Off	(47)	(31)
Balance as at 31st March 2016	<u>1,026,468</u>	<u>914,514</u>

19. DEFERRED INCOME

	2016 £	2015 £
<i>Social Housing Grants</i>		
Balance as at 1st April 2015	29,424,794	30,446,527
Additions in year	-	-
Released / Repaid as the result of property disposal	894	(42,300)
Amortisation in Year	(940,795)	(979,433)
Balance as at 31st March 2016	<u>28,484,893</u>	<u>29,424,794</u>
<i>Other Grants</i>		
Balance as at 1st April 2015	8,638	8,638
Balance as at 31st March 2016	<u>8,638</u>	<u>8,638</u>
Total	<u>28,493,531</u>	<u>29,433,432</u>

This is expected to be released to the Statement of Comprehensive Income in the following years:

	2,016 £	2,015 £
Amounts due within one year	940,795	979,433
Amounts due in one year or more	27,552,736	28,453,999
	<u>28,493,531</u>	<u>29,433,432</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

20. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2015	694
Issued in year	48
Cancelled in year	(47)
At 31st March 2016	<u>695</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.

21. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2016	2015
	No.	No.
General Needs - New Build	546	546
General Needs - Rehabilitation	147	147
Shared Ownership	2	2
	<u>695</u>	<u>695</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

22. RELATED PARTY TRANSACTIONS

Members of the Management Committee are related parties of the Co-operative as defined by Financial Reporting Standard 102

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.

Transactions with governing body members (and their close family) were as follows:

Rent Received from Tenants on the Committee	£ 46,070
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At the year end total rent arrears owed by the tenant members of the Committee were £5

Three members of 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 to 31st March 2016, overheads totalling £10,958 (2015: £9,313) and financial services totalling £2,160 (2015: £2,160) were charged to Easthall Residents Association.

In addition net allowance income of £10,979 (2015: £8,250), was paid to Easthall Residents Association in connection with the youth development project and £1,000 donation paid to support the 'Glenburn on Ice' Project.

Other debtors includes £6,607 (2015: £4,623) due from Easthall Residents Association and Other Creditors includes nil (2015: £11,740) owed to Easthall Residents Association.

23. DETAILS OF CO-OPERATIVE

The Co-operative is a Registered Society registered with the Financial Conduct Authority and is domiciled in Scotland.

The Co-operative's principal place of business is Glenburn Centre, 6 Glenburnie Place, Easterhouse.

The Co-operative is a Registered Social Landlord and Scottish Charity that owns and manages social housing property in Easterhouse.

24. GOVERNING BODY MEMBER EMOLUMENTS

Board members received £nil in the year by way of reimbursement of expenses.(2015 - £nil). No remuneration is paid to Board members in respect of their duties in the Co-operative.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RETIREMENT BENEFIT OBLIGATIONS

General

Easthall Park Housing Co-operative Limited participates in the Scottish Housing Co-operative 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.

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 FRS102 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30th September 2015 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 2016. 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 £341 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £207 million, equivalent to a past service funding level of 62.2%.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal. Then the liability of the withdrawing employer is re-apportioned amongst the remaining employer. Therefore in certain circumstances the Co-operative may become liable for the obligations of a third party.

All employers in the scheme have entered into an agreement to make additional contributions to fund the Scheme's past service deficit. This obligation has been recognised in terms of Para 28.11A of Financial Reporting Standard 102. At the balance sheet date the present value of this obligation was £310,170 (2015 - £340,224). This was calculated by reference to the terms of the agreement and discounting the liability using the yield rate of high quality corporate bond with a similar term. The discount rate used was 2.64% (2015 - 3.58%).

The Co-operative made payments totalling £310,169 (2015: £648,000) to the pension scheme during the year.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. TRANSITION TO THE FINANCIAL REPORTING STANDARD

In accordance with the Statement of Recommended Practice the Co-operative has adopted the Financial Reporting Standard for UK & Ireland (FRS 102) for the accounting period beginning on 1 April 2015. As a result of this the comparative figures for the period ending 31 March 2015 have been restated in accordance with FRS 102.

The transition to FRS 102 has resulted in a number of changes in accounting policies compared with those used previously.

The following describes the differences between the assets and liabilities and income and expenditure as presented previously, and the amounts as restated to comply with the accounting policies selected in accordance with FRS 102 for the reporting period ending 31 March 2016.

		Reconciliation of Capital & Reserves					
		At 31 March 2015			At 31 March 2014		
Note	As previously Stated	Effect of Transition	As Restated	As previously Stated	Effect of Transition	As Restated	
	£	£	£	£	£	£	
Non Current Assets	10,916,546	31,056,705	41,973,251	11,207,894	31,993,437	43,201,331	
Investment	2,102,773	-	2,102,773	1,717,674	-	1,717,674	
Current Assets	724,555	-	724,555	999,883	-	999,883	
Current Liabilities	(1,004,302)	(49,512)	(1,053,814)	(997,738)	-	(997,738)	
Non Current Liabilities	(8,219,236)	(290,712)	(8,509,948)	(8,599,866)	(392,324)	(8,992,190)	
Deferred Income	-	(29,433,432)	(29,433,432)	-	(30,462,461)	(30,462,461)	
Capital & Reserves	4,520,336	1,283,049	5,803,385	4,327,847	1,138,652	5,466,499	
	(4,520,336)	(1,283,049)	(5,803,385)	(4,327,847)	(1,138,652)	(5,466,499)	

		Reconciliation of Retained Surpluses for the Year			
		Year Ended 31 March 2015			
Note	As previously Stated	Effect of Transition	As Restated		
	£	£	£	£	£
Revenue		2,501,915	979,433	3,481,348	
Operating Costs		(1,958,411)	(696,559)	(2,654,970)	
Other Income		(1,447)	(123,428)	(124,875)	
Interest Receivable		14,710	-	14,710	
Interest Payable		(361,334)	-	(361,334)	
Other Finance Income / Costs		-	(15,049)	(15,049)	
Taxation		(2,942)		(2,942)	
Surplus		192,491	144,397	336,888	
		192,491	144,397	336,888	

Notes to the Reconciliations

(i) - Social Housing Grants and Other grants have been accounted for in accordance with the SORP which has meant that grants are no longer deducted from the cost of the capital asset, but are instead treated as deferred income which is recognised in income over the useful life of the related asset.

(ii) - As the Co-operative has entered into an agreement to make contributions to fund a deficit in the SHAPS pension scheme this has been recognised as a liability in accordance with the FRS. This liability was not previously recognised and payments made under this agreement were written off as operating costs.

(iii) - The liability recognised as a result of (ii) above has been discounted to its present value. The unwinding of the discount is recognised as a finance cost in accordance with FRS 102 para 28.13A