



**Alexander Sloan**  
Accountants and Business Advisers

# **Easthall Park Housing Co-operative Limited**

**Report and Financial Statements**

**For the year ended 31 March 2018**

**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

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## MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2018

### MANAGEMENT COMMITTEE

Mary Davidson	Chairperson
Charlotte Skewis	Vice-Chair
Paul Waddell	Secretary
Alison Cushingham	Treasurer
Charles Harvey	
Caroline Cooper	
Rosalind Murphy	Resigned 30-08-2017
George McNaught	
Joe Gracey	
Patricia Thompson	Co-opted
Ashley Livingstone	
Graham Gillespie	Co-opted
Joyce McKenna	Co-opted

### EXECUTIVE OFFICERS

John McMorro	Director
Claire McGraw	Housing Manager
Joanne Hendry	Finance Manager
Bryan McMahon	Maintenance Manager
Sharon Flynn	Housing Manager (Temp)

### REGISTERED OFFICE

Glenburn Centre  
6 Glenburnie Place  
Easterhouse  
Glasgow  
G34 9AN

### EXTERNAL AUDITORS

Alexander Sloan  
Accountants and Business Advisers  
180 St Vincent Street  
Glasgow  
G2 5SG

### INTERNAL AUDITORS

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

### BANKERS

The 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**

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## **REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018**

The Management Committee presents its report and the Financial Statements for the year ended 31 March 2018.

### **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 have the following accreditation:

- The first Housing Association in Scotland to be accredited with the Investors in Young People award and we also hold the Investors in People "Platinum" award;
- Investors in People Platinum Employer of the Year Finalist;
- Business Insider Scotland's Best Employer not for profit/public sector employer of the year 2017;
- 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;

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018

### Review of Business and Future Developments (Continued)

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

Review of Risk Management Register;  
Implemented Procurement Policy and Register;  
Reviewed Glenburn Centre Management Agreement;  
Reviewed Code of Conduct;  
Reviewed Committee Members handbook and Governance Charter;  
Published simplified Annual Tenant Charter Report;  
Implemented joint Neighbour Nuisance and Anti-social Behaviour Policy;  
Implemented new Committee Members Attendance at Conference Policy;  
Reviewed Sustainability Policy;  
Purchased Homes from Sharing Owners;  
Produced Value for Money Report;  
Approved Adaptations Policy;  
Reviewed outcome of independent survey of tenant and owner satisfaction with 277 tenants and 21 owners interviewed (40% sample) with significant satisfaction levels:  
95% satisfied with overall services provided;  
99% satisfied with being kept informed about services and decisions;  
96% satisfied with opportunities to participate;  
97% satisfied with repairs service;  
99% satisfied with the quality of their home;  
78% view rents charged as very good or good value for money;  
98% satisfied with quality of neighbourhood management;  
86% owners satisfied with factoring service  
Reviewed Staffing Policies;  
Staff Code of Conduct;  
Absence and Attendance Management;  
Flexi Time, Time Off in Lieu and Overtime;  
Flexible Working;  
Reviewed Strategic Plan;  
Approved 3.2% rent increase for 2018/19  
Revised Audit & Finance Committee Remits and Membership;  
Reviewed Health & Safety Policy Statement along with Committee Responsibilities;  
Reviewed Declarations of Interests;  
Reviewed Staff Satisfaction Levels;  
Reviewed Asset Management Strategy;  
Approved work programme for 2018/19;  
Approved revised Lettings Plan;  
Undertook review of Equalities;  
Resident Engagement Action Plan review undertaken;  
Reviewed Internal Audit Service Provision;  
Approved revised Financial Regulations and Procedures;  
Approved Strategic Plan for 2018/19;

As this was the Co-operative's 25 anniversary year we produced and circulated our 25th anniversary year report outlining a photographic history of the organisation. This report outlined our value for money scorecard, key performance and future plans for the organisation in the immediate future.

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 resulting in 44,007 attendances with 1,712 activity sessions.

It is anticipated in 2018/19 the strategic position will continue to remain focused on service delivery and adapting to a challenging external environment to continue to deliver the organisational purpose of "Making a Difference to our Community".

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018

### 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.

Members of the Management Committee are appointed by the members at the Co-operative's Annual General Meeting.

### 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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the 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 income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

In so far as the Management Committee are aware:

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

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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## REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2018

### 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 2018. 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 £1,280 (2017 - £1,484).

### Auditors

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

### By order of the Management Committee

  
**PAUL WADDELL**

Secretary

29 August 2018

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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## REPORT BY THE AUDITORS TO THE MEMBERS 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**

Accountants and Business Advisers

Statutory Auditors

GLASGOW

29 August 2018



**Alexander Sloan**

Accountants and Business Advisers



# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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

### Opinion

We have audited the financial statements of Easthall Park Housing Co-operative Limited ("the Co-operative") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Co-operative's members, as a body, in accordance with the Co-operative and Community Benefit Society 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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.

In our opinion the financial statements:

- give a true and fair view of the state of the Co-operative's affairs as at 31 March 2018 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 prepared in accordance with the requirements of the Co-operative and Community Benefits Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2015.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Co-operative in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Co-operative's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EASTHALL PARK HOUSING CO-OPERATIVE LIMITED (Continued)

### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Co-operative and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Management Committee.

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Co-operative in accordance with the requirements of the legislation;
- a satisfactory system of control over transactions has not been maintained by the Co-operative in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Co-operative; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of the Management Committee

As explained more fully in the Statement of Management Committee's Responsibilities as set out on Page 4, the Management Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee is responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intends to liquidate the Co-operative or to cease operations, or has no realistic alternative but to do so.

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EASTHALL PARK HOUSING CO-OPERATIVE LIMITED (Continued)

### Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Co-operative's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Co-operative's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Co-operative to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Co-operative to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Co-operative's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**ALEXANDER SLOAN**  
Accountants and Business Advisers  
Statutory Auditors  
GLASGOW  
29 August 2018



**Alexander Sloan**  
Accountants and Business Advisers

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018	2017
		£	£
<b>REVENUE</b>	2	3,512,585	3,775,035
Operating Costs	2	<u>(2,669,686)</u>	<u>(3,065,062)</u>
<b>OPERATING SURPLUS</b>		842,899	709,973
Gain On Sale Of Housing Stock	7	-	8,149
Interest Receivable and Other Income		12,808	17,306
Interest Payable and Similar Charges	8	(307,414)	(317,782)
Other Finance Income / (Charges)	11	<u>(2,431)</u>	<u>(19,391)</u>
		<u>(297,037)</u>	<u>(311,718)</u>
Surplus on ordinary activities before taxation		545,862	398,255
Tax on surplus on ordinary activities	10	<u>(2,434)</u>	<u>(3,461)</u>
<b>SURPLUS FOR THE YEAR</b>	9	<b>543,428</b>	<b>394,794</b>
Other Comprehensive Income		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b><u>543,428</u></b>	<b><u>394,794</u></b>

The notes on pages 14 to 27 form part of these financial statements.

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Notes	2018		2017	
		£	£	£	£
<b>NON-CURRENT ASSETS</b>					
Housing Properties - Depreciated Cost	12 (a)		38,482,281		39,258,967
Other Non-current Assets	12 (b)		950,103		1,014,851
			<u>39,432,384</u>		<u>40,273,818</u>
<b>CURRENT ASSETS</b>					
Receivables	14	101,297		47,701	
Investments	23	1,550,001		2,078,958	
Cash at bank and in hand		1,050,520		590,767	
		<u>2,701,818</u>		<u>2,717,426</u>	
<b>CREDITORS: Amounts falling due within one year</b>	15	<u>(812,907)</u>		<u>(868,624)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,888,911</u>		<u>1,848,802</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>41,321,295</u>		<u>42,122,620</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	16		<u>(7,297,464)</u>		<u>(7,722,659)</u>
<b>DEFERRED INCOME</b>					
Social Housing Grants	17	(26,634,385)		(27,553,945)	
Other Grants	17	<u>(8,638)</u>		<u>(8,638)</u>	
			<u>(26,643,023)</u>		<u>(27,562,583)</u>
<b>NET ASSETS</b>			<u>7,380,808</u>		<u>6,837,378</u>
<b>EQUITY</b>					
Share Capital	18		694		692
Revenue Reserves			<u>7,380,114</u>		<u>6,836,686</u>
			<u>7,380,808</u>		<u>6,837,378</u>

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 29 August 2018.

Chairperson

[Redacted Signature]

Committee member

[Redacted Signature]

Secretary

[Redacted Signature]

The notes on pages 14 to 27 form part of these financial statements

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2018

	Notes	2018		2017
		£	£	£
<b>Net cash inflow from operating activities</b>	16	949,864		931,498
<b>Investing Activities</b>				
Acquisition and Construction of Properties		(361,986)	(290,321)	
Purchase of Other Fixed Assets		(1,104)	(4,858)	
Taxation		(3,460)	(4,063)	
Changes on short term deposits with banks		528,957	(56,163)	
Proceeds on Disposal of Properties		-	9,259	
<b>Net cash inflow / (outflow) from investing activities</b>		162,407		(346,146)
<b>Financing Activities</b>				
Interest Received on Cash and Cash Equivalents		12,808	14,303	
Interest Paid on Loans		(307,414)	(319,765)	
Loan Principal Repayments		(357,953)	(352,979)	
Share Capital Issued		41	32	
<b>Net cash outflow from financing activities</b>		(652,518)		(658,409)
<b>Increase / (decrease) in cash</b>		459,753		(73,057)
<b>Opening Cash &amp; Cash Equivalents</b>		590,767		663,824
<b>Closing Cash &amp; Cash Equivalents</b>		<u>1,050,520</u>		<u>590,767</u>
<b>Cash and Cash equivalents as at 31 March</b>				
Cash		1,050,520		590,767
		<u>1,050,520</u>		<u>590,767</u>

The notes on pages 14 to 27 form part of these financial statements.

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2018

	Share Capital	Revenue Reserve	Total
	£	£	£
<b>Balance as at 1 April 2016</b>	695	6,441,892	6,442,587
Issue of Shares	32	-	32
Cancellation of Shares	(35)	-	(35)
Surplus for the year	-	394,794	394,794
<b>Balance as at 31 March 2017</b>	<b>692</b>	<b>6,836,686</b>	<b>6,837,378</b>
<b>Balance as at 1 April 2017</b>	692	6,836,686	6,837,378
Issue of Shares	41	-	41
Cancellation of Shares	(39)	-	(39)
Surplus for the year	-	543,428	543,428
<b>Balance as at 31 March 2018</b>	<b>694</b>	<b>7,380,114</b>	<b>7,380,808</b>

The notes on pages 14 to 27 form part of these financial statements.

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 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.

#### 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 2014, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2015. A summary of the more important accounting policies is set out below.

#### Revenue

The Co-operative recognises rent receivable net of losses from voids. Service Charge Income (net of voids) is recognised with expenditure as it 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 the asset to which it relates.

#### Retirement Benefits

The Co-operative participates in the Scottish Housing Association 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 Associations taken as a whole. The Co-operative has moved from the Defined Benefit scheme to the Scottish Housing Association Defined Contribution Scheme.

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.

The expected cost to the Co-operative of pensions is charged to income so as to spread the cost of pensions over the service lives of the employees in the scheme taken as a whole.

#### Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Co-operative depreciates housing properties by major component on a straight line basis over the estimated useful 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.

<b>Component</b>	<b>Useful Economic Life</b>
Kitchens	15 years
Bathrooms	30 years
Boilers	15 years
Windows	30 years
Door Entry	15 years
Close Doors	30 years
Rewiring	30 years
Structure	30 years



# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 1. PRINCIPAL ACCOUNTING POLICIES

#### 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:

Asset Category	Depreciation Rate
Office Premises	2%
Furniture and Fittings	33%
Computer and Office Equipment	33%
Equipment	33%

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

#### 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 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.

#### Taxation

The Co-operative pays Corporation Tax on all its taxable surpluses. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Provision is made at the rate which is expected to be applied when the liability or asset is expected to crystallise.

#### 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 the Co-operative'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, are disclosed below:

##### a) 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.

##### b) 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.

##### c) 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 assessment.

##### d) 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.

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 1. PRINCIPAL ACCOUNTING POLICIES

#### **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.

#### **VAT**

The Co-operative is VAT registered but a large proportion of its income is exempt for VAT purposes. As a result most of the VAT paid is not recovered and therefore expenditure is shown inclusive of VAT.

#### **Key Judgements made in the application of Accounting Policies**

##### ***a) 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.

##### ***b) 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.

##### ***c) Financial instrument break clauses***

The Co-operative 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.

##### ***d) Pension Liability***

In March 2018 the Co-operative received details from the Pension Trust of the 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 Management Committee feels this is the best available estimate of the past service liability.

#### **Financial Instruments - Basic**

The Co-operative classes all of its loans as basic financial instruments including agreements with break clauses. The Co-operative recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

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 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2018			2017		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3	3,437,935	2,535,452	902,483	3,645,550	2,869,628	775,922
Other Activities	4	74,650	134,234	(59,584)	129,485	195,434	(65,949)
<b>Total</b>		<b>3,512,585</b>	<b>2,669,686</b>	<b>842,899</b>	<b>3,775,035</b>	<b>3,065,062</b>	<b>709,973</b>

## 3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Shared Ownership £	2018 Total £	2017 Total £
<b>Revenue from Lettings</b>				
Rent receivable net of service charges	2,487,847	3,074	2,490,921	2,441,474
<b>Gross income from rent and service charges</b>	<b>2,487,847</b>	<b>3,074</b>	<b>2,490,921</b>	<b>2,441,474</b>
Less: Rent losses from voids	2,488	-	2,488	5,925
<b>Net Rents Receivable</b>	<b>2,485,359</b>	<b>3,074</b>	<b>2,488,433</b>	<b>2,435,549</b>
Grants released from deferred income	911,790	7,770	919,560	928,967
Revenue grants from Scottish Ministers	29,942	-	29,942	28,342
Other revenue grants	-	-	-	252,692
<b>Total turnover from affordable letting activities</b>	<b>3,427,091</b>	<b>10,844</b>	<b>3,437,935</b>	<b>3,645,550</b>
<b>Expenditure on affordable letting activities</b>				
Management and maintenance administration costs	852,444	2,464	854,908	781,915
Service Costs	93,917	-	93,917	70,536
Planned and cyclical maintenance, including major repairs	175,350	-	175,350	541,606
Reactive maintenance costs	248,622	-	248,622	311,896
Bad Debts - rents and service charges	23,984	-	23,984	7,098
Depreciation of affordable let properties	1,138,671	-	1,138,671	1,156,577
<b>Operating costs of affordable letting activities</b>	<b>2,532,988</b>	<b>2,464</b>	<b>2,535,452</b>	<b>2,869,628</b>
<b>Operating surplus on affordable letting activities</b>	<b>894,103</b>	<b>8,380</b>	<b>902,483</b>	<b>775,922</b>
<b>2017</b>	<b>775,202</b>	<b>720</b>		

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Grants From Scottish Ministers	Other Revenue Grants	Other Income	Total Turnover	Operating Costs Other	Operating Surplus / (Deficit) 2018	Operating Surplus / (Deficit) 2017
	£	£	£	£	£	£	£
Wider role activities	59,692	-	-	59,692	88,495	(28,803)	(38,005)
Factoring	-	-	12,336	12,336	8,493	3,843	5,703
Support activities	-	-	2,622	2,622	37,246	(34,624)	(33,647)
<b>Total From Other Activities</b>	<b>59,692</b>	<b>-</b>	<b>14,958</b>	<b>74,650</b>	<b>134,234</b>	<b>(59,584)</b>	<b>(65,949)</b>
<b>2017</b>	<b>64,989</b>	<b>50,290</b>	<b>14,206</b>	<b>129,485</b>	<b>195,434</b>	<b>(65,949)</b>	

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 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 Co-operative.

Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)

Pension contributions made on behalf on Officers with emoluments greater than £60,000

Emoluments payable to Chief Executive (excluding pension contributions)

Total Emoluments paid to key management personnel

Consideration paid for services of key management personnel paid to third parties

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

£60,001 to £70,000

£70,001 to £80,000

	2018	2017
	£	£
	71,443	69,783
	<u>6,936</u>	<u>6,810</u>
	<u>71,443</u>	<u>69,783</u>
	<u>211,159</u>	<u>196,904</u>
	<u>395</u>	<u>431</u>
	-	1
	<u>1</u>	<u>-</u>

### 6. EMPLOYEE INFORMATION

The average monthly number of full time equivalent persons employed during the year was:

The average total number of Employees employed during the year was:

Staff Costs were:

Wages and Salaries

Social Security Costs

Other Pension Costs

Temporary, Agency and Seconded Staff

	2018	2017
	No.	No.
	<u>19</u>	<u>17</u>
	<u>22</u>	<u>20</u>
	£	£
	572,050	521,113
	50,549	44,076
	46,020	41,231
	-	2,927
	<u>668,619</u>	<u>609,347</u>

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 7. GAIN ON SALE OF HOUSING STOCK

	2018	2017
	£	£
Sales Proceeds	-	9,259
Cost of Sales	-	1,110
Gain On Sale Of Housing Stock	<u>-</u>	<u>8,149</u>

### 8. INTEREST PAYABLE & SIMILAR CHARGES

	2018	2017
	£	£
On Bank Loans & Overdrafts	<u>307,414</u>	<u>317,782</u>

### 9. SURPLUS FOR THE YEAR

	2018	2017
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - Tangible Owned Fixed Assets	1,195,083	1,162,324
Auditors' Remuneration - Audit Services	10,000	7,500
Auditors' Remuneration - Non-Audit Services	4,255	3,587
Operating Lease Rentals - Land & Buildings	1	1
Operating Lease Rentals - Other	1,426	950
Gain on sale of fixed assets	<u>-</u>	<u>(8,149)</u>

### 10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2018	2017
	£	£
<b>(i) Analysis of Charge in Year</b>		
Current Tax:		
UK Corporation	2,434	3,461
Total Current Tax (Note 10(ii))	<u>2,434</u>	<u>3,461</u>
<b>Tax on surplus on ordinary activities</b>	<u>2,434</u>	<u>3,461</u>
<b>(ii) Factors affecting tax charge for period</b>		
Corporation Tax in the U.K. (19%). The differences are explained below:		
Surplus on ordinary activities before taxation	<u>545,862</u>	<u>398,255</u>
Surplus on ordinary activities multiplied by standard rate of Corporation Tax in the U.K. of 19.0% (2017 - 20.0%)	103,714	79,651
Effects of: Income not chargeable to tax	<u>(101,280)</u>	<u>(76,190)</u>
Current tax charge for period (Note 10(i))	<u>2,434</u>	<u>3,461</u>

### 11. OTHER FINANCE INCOME / CHARGES

	2018	2017
	£	£
Unwinding of Discounted Liabilities	<u>2,431</u>	<u>19,391</u>

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 12. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Shared Ownership Completed £	Total £
<b>COST</b>			
As at 1 April 2017	52,867,337	195,496	53,062,833
Additions	361,986	-	361,986
Disposals	(191,933)	-	(191,933)
Transfer	195,496	(195,496)	-
As at 31 March 2018	<u>53,232,886</u>	<u>-</u>	<u>53,232,886</u>
<b>DEPRECIATION</b>			
As at 1 April 2017	13,721,758	82,108	13,803,866
Charge for Year	1,129,231	-	1,129,231
Transfer	82,108	(82,108)	-
Disposals	(182,492)	-	(182,492)
As at 31 March 2018	<u>14,750,605</u>	<u>-</u>	<u>14,750,605</u>
<b>NET BOOK VALUE</b>			
As at 31 March 2018	<u>38,482,281</u>	<u>-</u>	<u>38,482,281</u>
As at 31 March 2017	<u>39,145,579</u>	<u>113,388</u>	<u>39,258,967</u>

Additions to housing properties include capitalised development administration costs of £Nil (2017 - £Nil) and capitalised major repair costs to existing properties of £323,072 (2017 - £311,642).

All land and housing properties are heritable.

Total expenditure on existing properties in the year amounted to £785,958 (2017 - £667,436). The amount capitalised is £361,986 (2017 - £311,642) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £323,072 (2017 - £311,642) and improvement of £Nil (2017 - £Nil).

The Co-operative's Lenders have standard securities over Housing Property with a carrying value of £32,278,658 (2017 - £32,862,828).

The depreciation charge on housing properties as shown above differs from that per Note 3 due to accelerated depreciation on component replacements.

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 12. NON CURRENT ASSETS (Continued)

(b) Other Tangible Assets	Office Premises £	Furniture & Equipment £	Management Equipment £	Community Facility £	Total £
<b>COST</b>					
As at 1 April 2017	533,537	268,371	22,628	1,113,675	1,938,211
Additions	-	1,104	-	-	1,104
As at 31 March 2018	533,537	269,475	22,628	1,113,675	1,939,315
<b>AGGREGATE DEPRECIATION</b>					
As at 1 April 2017	213,203	255,457	9,676	445,024	923,360
Charge for year	17,767	7,606	3,394	37,085	65,852
As at 31 March 2018	230,970	263,063	13,070	482,109	989,212
<b>NET BOOK VALUE</b>					
As at 31 March 2018	302,567	6,412	9,558	631,566	950,103
As at 31 March 2017	320,334	12,914	12,952	668,651	1,014,851

## 13. COMMITMENTS UNDER OPERATING LEASES

At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-	<b>2018</b>	<b>2017</b>
	£	£
<b>Land and Buildings</b>		
Not later than one year	37	38
<b>Other</b>		
Not later than one year	1,486	1,426
Later than one year and not later than five years	5,170	5,702
Later than five years	-	713

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

## 14. RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2018</b>	<b>2017</b>
	£	£
Arrears of Rent & Service Charges	58,621	75,414
Less: Provision for Doubtful Debts	(52,093)	(63,270)
	6,528	12,144
Other Receivables	94,769	35,557
	101,297	47,701



# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Housing Loans	384,314	372,494
Trade Payables	66,529	97,321
Rent Received in Advance	199,200	153,249
Corporation Tax Payable	2,434	3,461
Other Taxation and Social Security	13,377	12,485
Other Payables	33,069	32,471
Liability for Past Service Contributions	56,117	54,483
Accruals and Deferred Income	57,867	142,660
	<u>812,907</u>	<u>868,624</u>

At the balance sheet date there were pension contributions outstanding of £11,070 (2017 - £10,049).

## 16. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Liability for Past Service Contributions	166,956	222,378
Housing Loans	7,130,508	7,500,281
	<u>7,297,464</u>	<u>7,722,659</u>
<b>Housing Loans</b>		
Amounts due within one year	384,314	372,494
Amounts due in one year or more but less than two years	395,658	383,376
Amounts due in two years or more but less than five years	1,192,509	1,182,566
Amounts due in more than five years	5,542,341	5,934,339
	<u>7,514,822</u>	<u>7,872,775</u>
Less: Amount shown in Current Liabilities	384,314	372,494
	<u>7,130,508</u>	<u>7,500,281</u>
<b>Liability for Past Service Contributions</b>		
Amounts due within one year	56,117	54,483
Amounts due in one year or more but less than two years	57,801	56,117
Amounts due in two years or more but less than five years	109,155	57,801
Amounts due in more than five years	-	108,483
	<u>223,073</u>	<u>276,884</u>
Less: Amount shown in Current Liabilities	56,117	54,483
	<u>166,956</u>	<u>222,401</u>

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

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable / Fixed
RBS	Standard security over 70 properties	4.6%	2040	Fixed
RBS	Standard security over 52 properties	4.6%	2041	Fixed
Bank of Scotland	Standard security over 38 properties	BASE + 0.75%	2029	Variable
Nationwide	Standard security over 66 properties	3.9%	2030	Fixed
Nationwide	Standard security over 55 properties	3.8%	2032	Fixed
Nationwide	Standard security over 59 properties	3.8%	2032	Fixed
RBS	Standard security over 90 properties	LIBOR + 0.45%	2024	Variable

All of the Co-operative's bank borrowings are repayable on a monthly/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 1.51% (2017 - 1.09%).

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018  
NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 16. STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to net cash inflow from operating activities</i>	2018 £	2017 £
Operating Surplus	842,899	709,973
Depreciation	1,204,523	1,223,404
Amortisation of Capital Grants	(919,560)	(930,948)
Change in debtors	(53,596)	13,764
Change in creditors	(121,932)	(65,269)
Unwinding of Discount on Pension Liability	(2,431)	(19,391)
Share Capital Written Off	(39)	(35)
Net cash inflow from operating activities	<u>949,864</u>	<u>931,498</u>

## 17. DEFERRED INCOME

	Housing Properties Held for Letting £	Shared Ownership Completed £	Other Fixed Assets £	Total £
<b>Social Housing Grants</b>				
As at 1 April 2017	27,163,962	107,655	1,198,675	28,470,292
Transferred	107,655	(107,655)	-	-
As at 31 March 2018	<u>27,271,617</u>	<u>-</u>	<u>1,198,675</u>	<u>28,470,292</u>
<b>Amortisation</b>				
As at 1 April 2017	477,273	-	439,075	916,347
Amortisation in year	875,358	-	39,916	915,274
Eliminated on disposal	4,286	-	-	4,286
As at 31 March 2018	<u>1,356,917</u>	<u>-</u>	<u>478,991</u>	<u>1,835,907</u>
<b>Net book value</b>				
As at 31 March 2018	<u>25,914,701</u>	<u>-</u>	<u>719,685</u>	<u>26,634,385</u>
As at 31 March 2017	<u>26,686,690</u>	<u>107,655</u>	<u>759,601</u>	<u>27,553,945</u>
<b>Other Grants</b>				
As at 1 April 2017	8,638	-	-	8,638
As at 31 March 2018	<u>8,638</u>	<u>-</u>	<u>-</u>	<u>8,638</u>
<b>Net book value</b>				
As at 31 March 2018	<u>8,638</u>	<u>-</u>	<u>-</u>	<u>8,638</u>
As at 31 March 2017	<u>8,638</u>	<u>-</u>	<u>-</u>	<u>8,638</u>
<b>Total grants net book value as at 31 March 2018</b>	<u>25,923,339</u>	<u>-</u>	<u>719,685</u>	<u>26,643,023</u>
<b>Total grants net book value as at 31 March 2017</b>	<u>26,695,328</u>	<u>107,655</u>	<u>759,601</u>	<u>27,562,583</u>

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

	2018 £	2017 £
Amounts due within one year	915,274	928,967
Amounts due in one year or more	25,727,749	26,633,616
	<u>26,643,023</u>	<u>27,562,583</u>

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 18. SHARE CAPITAL

#### Shares of £1 each Issued and Fully Paid

	2018	2017
	£	£
As at 1 April 2017	692	695
Issued in year	41	32
Cancelled in year	(39)	(35)
At 31 March 2018	<u>694</u>	<u>692</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.

### 19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-

General Needs - Built by Co-operative  
General Needs - Purchased by Co-operative  
Shared Ownership

	2018	2017
	No.	No.
General Needs - Built by Co-operative	548	546
General Needs - Purchased by Co-operative	146	146
Shared Ownership	-	2
	<u>694</u>	<u>694</u>

### 20. RELATED PARTY TRANSACTIONS

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

Those members who 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.

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

Transactions with Management Committee members (and their close family) were as follows:

	2018	2017
	£	£
Rent received from tenants on the Management Committee and their close family members	<u>42,195</u>	<u>44,169</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £104 (2017 - £683).

Members of the Management Committee who are tenants	9	11
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The following transactions took place during the year between the Co-operative and its related parties. During the year to 31 March 2018, overheads totalling £11,472 (2017 - £9,513) and financial services totalling £2,203 (2017 - £2,160) were charged to Easthall Residents Association. In addition net allowance income of £5,062 (2017 - £7,250) was paid to Easthall Residents Association in connection with the youth development project. £1,000 donation paid to support the 'Glenburn Xmas Fayre'. There are also 5 members of the Management Committee who are also Committee members of the Easthall Residents Association.

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018 NOTES TO THE FINANCIAL STATEMENTS (Continued)

### 21. 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 that owns and manages social housing property in Easthall Park, Easterhouse.

### 22. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £195 (2017 - £295) in the year by way of reimbursement of expenses. No remuneration is paid to Management Committee members in respect of their duties to the Co-operative.

### 23. INVESTMENTS

#### Short term deposits

	2018	2017
	£	£
Short term deposits	1,550,001	2,078,958

# EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

NOTES TO THE FINANCIAL STATEMENTS (Continued)

## 24. RETIREMENT BENEFIT OBLIGATIONS

### General

Easthall Park Housing Co-operative Limited participated 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.

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 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 £612m. The valuation revealed a shortfall of assets compared with the value of liabilities of £198m (equivalent to a past service funding level of 76%).

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 employer's 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 statement of financial position date the present value of this obligation was £223,073 (2017 - £276,884). This was calculated by reference to the terms of the agreement and discounting the liability using the yield rate of a high quality corporate bond with a similar term. This discount rate used was 1.51% (2017 - 1.09%).

The Co-operative made payments totalling £54,483 (2017- £50,998) to the pension scheme during the year.