



Alexander Sloan
Accountants and Business Advisers

Easthall Park Housing Co-operative Limited

Report and Financial Statements

For the year ended 31 March 2019

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 31 MARCH 2019

MANAGEMENT COMMITTEE

Mary Davidson	Chairperson
Joe Gracey	Vice-Chair
Charlotte Skewis	Resigned 24/04/2019
George McNaught	Secretary
Alison Cushingam	Treasurer
Charles Harvey	
Caroline Cooper	
Paul Waddell	
David Barnes	Appointed 10/09/2018
Kevin Muir	Appointed 10/09/2018 resigned 24/04/2019
Patricia Thompson	Co-opted
Ashley Livingstone	Resigned 27/02/2019
Graham Gillespie	Co-opted
Joyce McKenna	Co-opted

EXECUTIVE OFFICERS

John McMorow	Director
Claire McGraw	Housing Manager
Joanne Hendry	Finance Manager
Bryan McMahon	Maintenance Manager

REGISTERED OFFICE

Glenburn Centre
6 Glenburnie Place
Easterhouse
Glasgow

EXTERNAL AUDITORS

Alexander Sloan
Accountants & 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
161 Hope Street
Glasgow
G2 2TL

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

The Management Committee presents its report and the Financial Statements for the year ended 31 March 2019.

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

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

Review of Business and Future Developments (Continued)

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

Allocation Policy;
Anti-Fraud, Bribery and Corruption Policy;
Crisis Fund Policy and Procedures;
Customer Care Standards;
Declaring Entitlements, Payments and Benefits Policy;
Declaring and managing Conflicts Protocol;
Dignity at Work Policy;
Disaster Recovery Policy;
Donations Policy;
Entitlements, Payments and Benefits Policy;
Equalities and Human Rights Action Plan;
Factoring Policy and Written Statement of Services;
General Data Protection Regulations Policy;
Working late and Making Calls Policy;
Learning & Development Strategy;
Maintenance Policy;
Mutual Exchange Policy;
Openness & Confidentiality Policy;
Procurement Register;
Rechargeable Repairs Policy;
Rent Management Policy;
Resident Engagement Strategy;
Risk Management Register;
Settlement and Severance Agreements Policy;
Staff Homeworking Policy;
Staffing Serious Complaints against Chief Officer Policy and Procedures;
Training Plan;
Unacceptable Actions Policy;
Value for Money Strategy;
Void Management Policy;
Whistleblowing Policy;
Write Off Policy and Report;
Published Annual Tenant Charter Report.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

Review of Business and Future Developments (Continued)

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 Strategic Plan:

Approved 3.3% rent increase for 2019/20;

Reviewed 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 2019/20;

Approved revised Lettings Plan;

Approved Strategic Plan for 2019/20.

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.

It is anticipated in 2019/20 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

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

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 (excluding Co-optees). The Executive Officers hold no interest in the Co-operative's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Committee.

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

- select suitable accounting policies and then apply them consistently;
- make 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 - 2019. They are also responsible for safeguarding the assets of the Co-operative and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Co-operative's suppliers are paid promptly.

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

In so far as the Management Committee are aware:

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

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2019

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 2019. 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 £6,760 (2018 - £1,280).

Auditors

A resolution to appoint Auditors will be proposed at the Annual General Meeting.

By order of the Management Committee

Information Redacted

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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 6 concerning the Co-operative's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication 'Regulation of Social Housing in Scotland' 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 6 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Regulation of Social Housing in Scotland' 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 'Regulation of Social Housing in Scotland' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

Information Redacted



Alexander Sloan
Accountants and Business Advisers

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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 2019 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 2019 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 2019.

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.

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.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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

Responsibilities of the Management Committee

As explained more fully in the Statement of Management Committee's Responsibilities as set out in Page 5, 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 controls 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.

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 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.

Information Redacted



Alexander Sloan
Accountants and Business Advisers

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019	2018
		£	£
REVENUE	2	3,570,940	3,512,585
Operating Costs	2	(2,601,330)	(2,669,686)
OPERATING SURPLUS		969,610	842,899
Interest Receivable and Other Income		14,129	12,808
Interest Payable and Similar Charges	7	(300,299)	(307,414)
Other Finance Income / (Charges)	10	(13,736)	(2,431)
		(299,906)	(297,037)
Surplus on ordinary activities before taxation		669,704	545,862
Tax on surplus on ordinary activities	9	(2,685)	(2,434)
SURPLUS FOR THE YEAR	8	667,019	543,428
Other comprehensive income			
Adjustment relating to Opening Pension Liability	24	(248,927)	-
Actuarial Gains/ (Losses) on defined benefit Pension Plan	24	(64,000)	-
TOTAL COMPREHENSIVE INCOME		354,092	543,428

The notes on pages 14 to 33 form part of these financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Notes	2019		2018	
		£	£	£	£
NON-CURRENT ASSETS					
Housing Properties - Depreciated Cost	11 (a)		37,544,295		38,482,281
Other Non-current Assets	11 (b)		885,874		950,103
			<u>38,430,169</u>		<u>39,432,384</u>
CURRENT ASSETS					
Receivables	13	95,168		101,297	
Investments	23	1,952,961		1,550,001	
Cash at bank and in hand		997,765		1,050,520	
		<u>3,045,894</u>		<u>2,701,818</u>	
CREDITORS: Amounts falling due within one year	14	<u>(744,497)</u>		<u>(812,907)</u>	
NET CURRENT ASSETS			<u>2,301,397</u>		<u>1,888,911</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			40,731,566		41,321,295
CREDITORS: Amounts falling due after more than one year	15		<u>(6,772,916)</u>		<u>(7,297,464)</u>
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish Housing Association Pension Scheme	25	<u>(491,882)</u>		-	
			<u>(491,882)</u>		-
DEFERRED INCOME					
Social Housing Grants	17	(25,723,231)		(26,634,384)	
Other Grants	17	<u>(8,638)</u>		<u>(8,638)</u>	
			<u>(25,731,869)</u>		<u>(26,643,022)</u>
NET ASSETS			<u>7,734,899</u>		<u>7,380,809</u>
EQUITY					
Share Capital	18		693		694
Revenue Reserves			8,226,088		7,380,114
Pension Reserves			<u>(491,882)</u>		-
			<u>7,734,899</u>		<u>7,380,808</u>

The Financial Statements were approved by the Management Committee and authorised for issue and signed on their behalf on 28 August 2019.

Information Redacted Information Redacted Information Redacted

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019	2018
		£	£
Net cash inflow from operating activities	16	1,190,613	946,404
Investing Activities			
Acquisition and Construction of Properties	(181,023)	(361,986)	
Purchase of Other Fixed Assets	(7,444)	(1,104)	
Changes on short term deposits with banks	(402,960)	528,957	
Proceeds on sale of investments	-	-	
Net cash (outflow) / inflow from investing activities		(591,427)	165,867
Financing Activities			
Interest Received on Cash and Cash Equivalents	14,129	12,808	
Interest Paid on Loans	(300,299)	(307,414)	
Loan Principal Repayments	(365,805)	(357,953)	
Share Capital Issued	34	41	
Net cash outflow from financing activities		(651,941)	(652,518)
(Decrease) / increase in cash		(52,755)	459,753
Opening Cash & Cash Equivalents		1,050,520	590,767
Closing Cash & Cash Equivalents		<u>997,765</u>	<u>1,050,520</u>
Cash and Cash equivalents as at 31 March			
Cash		997,765	1,050,520
		<u>997,765</u>	<u>1,050,520</u>

The notes on pages 14 to 33 form part of these financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2019

	Share Capital		Scottish Housing Association Pension reserve		Revenue Reserve	Total
	£	£	£	£	£	£
Balance as at 31 March 2017	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
Balance as at 31 March 2018	<u>694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,380,114</u>	<u>7,380,808</u>
Balance as at 1 April 2018	694	-	-	-	7,380,114	7,380,808
Issue of Shares	34	-	-	-	-	34
Cancellation of Shares	(35)	-	-	-	-	(35)
Other comprehensive income	-	(491,882)	(491,882)	-	178,955	(312,927)
Surplus for the year	-	-	-	-	667,019	667,019
Balance as at 31 March 2019	<u>693</u>	<u>(491,882)</u>	<u>(491,882)</u>	<u>-</u>	<u>8,226,088</u>	<u>7,734,899</u>

The notes on pages 14 to 33 form part of these financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 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 2019. 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 previously participated in the Scottish Housing Associations Defined Benefit Pension Scheme where 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 organisations taken as a whole. The Co-operative accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102. The Co-operative moved to the Scottish Housing Associations Defined Contribution scheme on leaving the defined benefit scheme. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

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 11. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful Economic Life
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	30 years

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
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	3.33%
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

As a fully mutual co-operative housing association, under s488 of the Income and Corporation Taxes Act, the Co-operative is only liable for tax on investment income. The Co-operative is not eligible for grants towards corporation tax.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
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.

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting judgements and 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 a percentage basis split across the number of properties the Co-operative owns.

e) Defined pension liability

Determining the value of the Co-operative's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

f) Allocation of share of assets and liabilities for multi employer schemes

Judgements in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi employer pension schemes and estimations performed by the Pensions Trust.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

In the judgement of the Board of Management 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 Board of Management, 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

The Co-operative participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. This year the Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Co-operative has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Co-operative and has therefore adopted this valuation method.

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 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2019			2018		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3	3,520,796	2,483,583	1,037,212	3,437,935	2,535,452	902,483
Other Activities	4	50,145	117,747	(67,602)	74,650	134,234	(59,584)
Total		3,570,940	2,601,330	969,610	3,512,585	2,669,686	842,899

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Shared Ownership £	2019 Total £	2018 Total £
Revenue from Lettings				
Rent receivable net of service charges	2,572,188	-	2,572,188	2,490,921
Gross income from rent and service charges	2,572,188	-	2,572,188	2,490,921
Less: Rent losses from voids	2,999	-	2,999	2,488
Net Rents Receivable	2,569,189	-	2,569,189	2,488,433
Grants released from deferred income	911,154	-	911,154	919,560
Other revenue grants	40,452	-	40,452	-
Total turnover from affordable letting activities	3,520,795	-	3,520,795	3,437,935
Expenditure on affordable letting activities				
Management and maintenance administration costs	854,962	-	854,962	854,908
Service Costs	99,225	-	99,225	93,917
Planned and cyclical maintenance, including major repairs	166,643	-	166,643	175,350
Reactive maintenance costs	244,575	-	244,575	248,622
Bad Debts - rents and service charges	(830)	-	(830)	23,984
Depreciation of affordable let properties	1,119,008	-	1,119,008	1,138,671
Operating costs of affordable letting activities	2,483,583	-	2,483,583	2,535,452
Operating surplus on affordable letting activities	1,037,212	-	1,037,212	902,483
2018	894,103	8,380		

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 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 Income	Total Turnover	Operating Costs Other	Operating Surplus / (Deficit)	Operating Surplus / (Deficit)
	£	£	£	£	2019	2018
	£	£	£	£	£	£
Wider role activities	35,467	-	35,467	70,829	(35,362)	(28,803)
Support activities	-	1,836	1,836	37,648	(35,812)	(34,524)
Factoring	-	12,842	12,842	9,270	3,572	3,843
Total From Other Activities	35,467	14,678	50,145	117,747	(67,602)	(59,584)
2018	59,692	14,958	74,650	134,234	(59,584)	

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019 NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

	2019	2018
	£	£
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.		
No Officer of the Co-operative received emoluments greater than £60,000.		
Aggregate Emoluments payable to Officers with Emoluments greater than £60,000 (excluding Pension Contributions)	<u>73,416</u>	<u>71,443</u>
No pension contributions were made to Officers receiving greater than £60,000.		
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>7,120</u>	<u>6,936</u>
Emoluments payable to Chief Executive (excluding pension contributions)	<u>73,416</u>	<u>71,443</u>
Total Emoluments paid to key management personnel	<u>230,084</u>	<u>211,159</u>

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

	Number	Number
£70,001 to £80,000	<u>1</u>	<u>1</u>

6. EMPLOYEE INFORMATION

	2019	2018
	No.	No.
The average monthly number of full time equivalent persons employed during the year was:	<u>19</u>	<u>19</u>
The average total number of Employees employed during the year was:	<u>21</u>	<u>22</u>
Staff Costs were:	£	£
Wages and Salaries	597,395	572,050
Social Security Costs	53,682	50,549
Other Pension Costs	49,228	46,020
	<u>700,305</u>	<u>668,619</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INTEREST PAYABLE & SIMILAR CHARGES

	2019	2018
	£	£
On Bank Loans & Overdrafts	<u>300,299</u>	<u>307,414</u>

8. SURPLUS FOR THE YEAR

	2019	2018
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - Tangible Owned Fixed Assets	1,179,340	1,195,083
Auditors' Remuneration - Audit Services	7,356	10,000
Auditors' Remuneration - Other Services	3,941	4,255
Operating Lease Rentals - Land & Buildings	1	1
Operating Lease Rentals - Other	<u>1,426</u>	<u>1,426</u>

9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2019	2018
	£	£
(i) Analysis of Charge in Year		
Current Tax:		
UK Corporation	2,685	2,434
Total Current Tax (Note 10(ii))	<u>2,685</u>	<u>2,434</u>
Tax on surplus on ordinary activities	<u>2,685</u>	<u>2,434</u>
(ii) Factors affecting tax charge for period		
The tax assessed for the period is lower than the standard rate of Corporation Tax in the U.K. (19%).		

10. OTHER FINANCE INCOME / CHARGES

	2019	2018
	£	£
Net interest on pension obligations	<u>13,736</u>	<u>2,431</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties Held for Letting £	Total £
COST		
As at 1 April 2018	53,232,886	53,232,886
Additions	181,023	181,023
Disposals	<u>(101,320)</u>	<u>(101,320)</u>
As at 31 March 2019	<u>53,312,589</u>	<u>53,312,589</u>
DEPRECIATION		
As at 1 April 2018	14,750,605	14,750,605
Charge for Year	1,107,667	1,107,667
Disposals	<u>(89,978)</u>	<u>(89,978)</u>
As at 31 March 2019	<u>15,768,294</u>	<u>15,768,294</u>
NET BOOK VALUE		
As at 31 March 2019	<u>37,544,295</u>	<u>37,544,295</u>
As at 31 March 2018	<u>38,482,281</u>	<u>38,482,281</u>

Additions to housing properties include capitalised development administration costs of £Nil (2018 - £Nil) and capitalised major repair costs to existing properties of £181,023 (2018 - £323,072).

All land and housing properties are heritable.

Total expenditure on existing properties in the year amounted to £592,241 (2018 - £785,958). The amount capitalised is £181,023 (2018 - £361,986) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £181,023 (2018 - £323,072) and improvement of £Nil (2018 - £Nil).

The Co-operative's Lenders have standard securities over Housing Property with a carrying value of £31,608,734 (2018 - £32,278,658).

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 2019
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

11. NON CURRENT ASSETS (Continued)					
(b) Other Tangible Assets	Office Premises	Furniture & Equipment	Estate Management Equipment	Community Facility	Total
	£	£	£	£	£
COST					
As at 1 April 2018	533,537	269,475	22,628	1,113,675	1,939,315
Additions	3,958	2,632	854	-	7,444
As at 31 March 2019	<u>537,495</u>	<u>272,107</u>	<u>23,482</u>	<u>1,113,675</u>	<u>1,946,759</u>
AGGREGATE DEPRECIATION					
As at 1 April 2018	230,970	263,063	13,070	482,109	989,212
Charge for year	18,031	6,920	9,637	37,085	71,673
As at 31 March 2019	<u>249,001</u>	<u>269,983</u>	<u>22,707</u>	<u>519,194</u>	<u>1,080,885</u>
NET BOOK VALUE					
As at 31 March 2019	<u>288,494</u>	<u>2,124</u>	<u>775</u>	<u>594,481</u>	<u>885,874</u>
As at 31 March 2018	<u>302,567</u>	<u>6,412</u>	<u>9,558</u>	<u>631,566</u>	<u>950,103</u>

12. COMMITMENTS UNDER OPERATING LEASES		
	2019	2018
	£	£
At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:-		
Land and Buildings		
Not later than one year	36	37
Other		
Not later than one year	1,426	1,486
Later than one year and not later than five years	<u>3,564</u>	<u>5,170</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. RECEIVABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Arrears of Rent & Service Charges	63,275	58,621
Less: Provision for Doubtful Debts	(58,358)	(52,093)
	<u>4,917</u>	<u>6,528</u>
Other Receivables	90,251	94,769
	<u>95,168</u>	<u>101,297</u>

14. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Housing Loans	376,101	384,314
Trade Payables	84,649	66,529
Rent Received in Advance	184,964	199,200
Corporation Tax Payable	2,685	2,434
Other Taxation and Social Security	-	13,377
Other Payables	34,518	33,069
Liability for Past Service Contributions	-	56,117
Accruals and Deferred Income	61,580	57,867
	<u>744,497</u>	<u>812,907</u>

At the balance sheet date there were pension contributions outstanding of £11,387 (2018 - £11,070).

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

15. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Liability for Past Service Contributions	-	166,956
Housing Loans	6,772,916	7,130,508
	<u>6,772,916</u>	<u>7,297,464</u>
Housing Loans		
Amounts due within one year	376,101	384,314
Amounts due in one year or more but less than two years	380,612	395,658
Amounts due in two years or more but less than five years	1,149,290	1,192,509
Amounts due in more than five years	5,243,014	5,542,341
	<u>7,149,017</u>	<u>7,514,822</u>
Less: Amount shown in Current Liabilities	376,101	384,314
	<u>6,772,916</u>	<u>7,130,508</u>
Liability for Past Service Contributions		
Amounts due within one year	-	56,117
Amounts due in one year or more but less than two years	-	57,801
Amounts due in two years or more but less than five years	-	109,155
	<u>-</u>	<u>223,073</u>
Less: Amount shown in Current Liabilities	-	56,117
	<u>-</u>	<u>166,956</u>

The Association 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%	2021	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.

EASTHALL PARK HOUSING CO-OPERATIVE

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. STATEMENT OF CASH FLOWS

<i>Reconciliation of surplus for the year to net cash inflow from operating activities</i>	2019 £	2018 £
Surplus for the year	669,704	543,428
Depreciation	1,189,341	1,204,523
Amortisation of Capital Grants	(911,153)	(919,560)
Change in debtors	6,129	(53,596)
Change in creditors	39,360	(121,932)
Unwinding of Discount on Pension Liability	(86,469)	(2,431)
Transfer of interest to financial activities	286,170	299,471
Corporation tax paid	(2,434)	(3,460)
Share Capital Written Off	(35)	(39)
Net cash inflow from operating activities	<u>1,190,613</u>	<u>946,404</u>

Reconciliation of net cash flow to movement in net debt

	2019 £	£	2018 £	£
(Decrease) / Increase in cash	(52,755)		459,753	
Increase / (decrease) in liquid resources	402,960		(528,957)	
Cashflow from change in net debt	<u>365,805</u>		<u>3,027,678</u>	
Movement in net debt during the year		716,010		2,958,474
Net debt at 1st April 2018		(4,914,301)		(7,872,775)
Net debt at 31 March 2019		<u>(4,198,291)</u>		<u>(4,914,301)</u>

<i>Analysis of changes in net debt</i>	At 01 April 2018	Cashflows	Other changes	At 31 March 2019
Cash at bank and in hand	1,050,520	(52,755)		997,765
	<u>1,050,520</u>	<u>(52,755)</u>		<u>997,765</u>
Liquid resources	1,550,001	402,960		1,952,961
Debt: Due within one year	(384,314)	365,805	(357,592)	(376,101)
Due after more than one year	(7,130,508)	-	357,592	(6,772,916)
Net Debt	<u>(4,914,301)</u>	<u>716,010</u>	<u>-</u>	<u>(4,198,291)</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. DEFERRED INCOME

	Housing Properties Held for Letting £	Other Fixed Assets £	Total £
Social Housing Grants			
As at 1 April 2018	27,271,617	1,198,675	28,470,292
As at 31 March 2019	27,271,617	1,198,675	28,470,292
Amortisation			
As at 1 April 2018	1,356,917	478,991	1,835,908
Eliminated on disposal	1,341	-	1,341
Amortisation in year	869,896	39,916	909,812
As at 31 March 2019	2,228,154	518,907	2,747,061
Net book value			
As at 31 March 2019	25,043,463	679,768	25,723,231
As at 31 March 2018	25,914,700	719,684	26,634,384
Other Grants			
As at 1 April 2018	8,638	-	8,638
As at 31 March 2019	8,638	-	8,638
Net book value			
As at 31 March 2019	8,638	-	8,638
As at 31 March 2018	8,638	-	8,638
Total grants net book value as at 31 March 2019	25,052,101	679,768	25,731,869
Total grants net book value as at 31 March 2018	25,923,338	719,684	26,643,022

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

	2019 £	2018 £
Amounts due within one year	909,812	915,274
Amounts due in one year or more	24,822,057	25,727,748
	<u>25,731,869</u>	<u>26,643,022</u>

18. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	2019 £	2018 £
As at 1 April 2018	694	692
Issued in year	34	41
Cancelled in year	(35)	(39)
As at 31 March 2019	<u>693</u>	<u>694</u>

Each member of the Co-operative holds one share of £1 in the Co-operative. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Co-operative. Each member has a right to vote at members' meetings.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2019 No.	2018 No.
General Needs - Built by Co-operative	549	548
General Needs - Purchased by Co-operative	146	146
	<u>695</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.

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:

	2019 £	2018 £
Rent received from tenants on the Management Committee and their close family members	65,903	42,195

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £581 (2018 - £104).

Members of the Management Committee who are tenants	9	9
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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 2019, overheads totalling £8,362 (2018- £11,472) of which £3,741 (2018 - £5,615) are outstanding at the year end and financial services totalling £2,203 (2018 - £2,203) of which £551 (2018 -£551) are outstanding at the year end. In addition net allowance income of £nil (2018 - £5,062) was paid to Easthall Residents Association in connection with the youth development project. £1,000 (2018 - £1,000) donation was paid to the Christmas Fayre and £5,000 (2018 - £nil) donation was made to the ERA Homework Club. There are also 2 members of the Management Committee who are also Board members of the Easthall Residents Association.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. DETAILS OF ASSOCIATION

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 £411 (2018 - £195) 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.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Co-operative Pension Scheme

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. The Co-operative is an admitted body under the Scottish Housing Co-operative Pension Fund, the assets of which are held in a separate trustee administered fund.

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 employers. Therefore in certain circumstances the Co-operative may become liable for the obligations of a third party.

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%). All Scheme members have agreed to make contributions towards the past service deficit.

The administering authority has responsibility for the management of the Fund. As most of the Fund's investments are equity based, there is an inherent risk of volatility in the investment market having a significant effect on the value of the fund's assets. In order to mitigate this risk, the Fund holds a diverse investment portfolio with a range of investment managers.

The following figures are prepared by the Actuaries in accordance with their understanding of FRS 102 and Guidance Note 36: Accounting for Retirement Benefits under FRS 102 issued by the Institute and Faculty of Actuaries.

Principal Actuarial Assumptions

Assumptions as at 31 March 2019	2019 %p.a.	2018 %p.a.
Salary increases	3.3%	3.1%
Inflation (RPI)	3.3%	3.2%
Inflation (CPI)	2.3%	2.1%
Discount rate	3.3%	3.1%

The Members of the Scheme comprise of the following:

	2019 No.
Employee members	5
Deferred pensioners	2
Pensioners	2
	<hr/>
	9

Mortality Rates

Life expectancy is based on the PFA92 and PMA92 tables, with mortality improvements projected based on members' individual year of birth. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males (Years)	Females (Years)
Current Pensioners	21.7	23.4
Future Pensioners	23.1	24.7

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS

Fair value of scheme assets by category

	2019	2018
	£000	£000
Growth Assets	949	952
Matching Plus	222	200
Liability Driven Investment	725	721
Current assets	2	3
	<u>1,898</u>	<u>1,876</u>

None of the above assets includes any direct involvement in the Co-operative's assets.

Net Pension Liability

	2019	2018
	£000	£000
Fair value of employer's assets	1,898	1,876
Present value of scheme liabilities	(2,390)	(2,348)
	<u>(492)</u>	<u>(472)</u>

Reconciliation of fair value of employer assets

	2019
	£000
Opening fair value of employer assets	1,876
Expected Return on Assets	48
Contributions by the Employer	58
Actuarial Gains / (Losses)	20
Estimated Benefits Paid	(104)
Fair value of plan assets at 31 March 2019	<u>1,898</u>

Return on plan assets was £68,000.

Reconciliation of defined benefit obligations

	2019
	£000
Opening defined benefit obligation	2,348
Current Service Cost	2
Interest Cost	60
Actuarial Gains	84
Estimated Benefits Paid	(104)
Closing defined benefit obligation at end of period	<u>2,390</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

24. RETIREMENT BENEFIT OBLIGATIONS

Analysis of amount charged to the Statement of Comprehensive Income

	2019 £000
Charged to operating costs:	
Service cost	2
	<hr/>
Charged to Other Finance Costs / (Income)	
Expected Return on employer assets	(48)
Interest on pension scheme liabilities	60
	<hr/>
	12
	<hr/>
Net Charge to the Statement of Comprehensive Income	14

Actuarial Gain / (Loss) recognised in Other Comprehensive Income

	2019 £000
Actuarial gain/(loss) recognised in year	(64)

Change in Accounting Estimate

The pension fund is administered by the Pensions Trust. Previously only the past service deficit was included as a liability in the financial statements as the Co-operative's share of the pension assets and liabilities could not be determined. This year the Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The figures are available at 1 April 2018 and 31 March 2019. The Co-operative has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Co-operative and has therefore adopted this valuation method.

In January 2019, the FRC issued FRED 71 (Draft amendments to FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, Multiemployer defined benefit plans) which provides proposed changes to FRS 102 on how to treat the transition from defined contribution to defined benefit accounting. This method has been adopted by the Housing Co-operative as the most appropriate treatment. As a result the change has been accounted for as change in accounting estimate.

Due to the change in accounting estimate the past service deficit liability has been removed as the liability is included in the pension liability now calculated by the actuary and shown under Pension and Other Provisions for Liabilities and Charges in the statement of financial position. The change has been reflected in Other Comprehensive Income as follows:

	£
Opening pension liability per actuary	(472,000)
Opening past service deficit	(223,073)
	<hr/>
	248,927

As a result the unwinding of the past service deficit is no longer shown within finance charges. Instead the expenses, interest and other comprehensive income as detailed within this note are incorporated within the financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. SHAPS PENSION PROVISION

	2019	2018
	£	£
As at 1 April 2018	-	-
Increase in Provision	(242,955)	-
Adjustment to opening pension liability	(248,927)	-
	<hr/>	<hr/>
Balance as at 31 March 2019	(491,882)	-
	<hr/>	<hr/>