



Alexander Sloan
Accountants and Business Advisers

Easthall Park Housing Co-operative Limited

Report and Financial Statements

For the year ended 31 March 2020

Registered Social Landlord No. HAC238

FCA Reference No. 2409R(S)

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2020

Management Committee

Joe Gracey	Chairperson
Mary Davidson	Vice-Chair
George McNaught	Secretary
Alison Cushingam	Treasurer
Charles Harvey	
Caroline Cooper	
Paul Waddell	
David Barnes	
Patricia Thompson	Co-opted
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

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

TIAA
Artillery House
Fort Fareham
Newgate Lane
Fareham PO14 1AH

BANKERS

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

SOLICITOR

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 2020

The Management Committee presents its report and the Financial Statements for the year ended 31 March 2020.

Legal Status

The Co-operative is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No.2409R(S)), the Scottish Housing Regulator as a registered social landlord (No.HAC238)

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; this award was first received in 2016 and was accredited again in June 2019
- 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;

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

- Abandonment Policy
- Annual Assurance Statement Compliance with all Standards
- Annual Return on Scottish Housing Charter
- Asbestos Policy
- Asset Management Strategy
- Audit & Finance Sub Committee Remit
- Complaints Policy & Complaints Review
- Declarations of Interests
- Estate Management Policy
- Expenses Policy for Committee
- External Audit Review
- Factoring Policy & Written Statement of Services
- Financial Inclusion & Fuel Poverty Strategy
- Freedom of Information
- Access to Information Policy & Procedures
- Access to Information Charging Statement

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

Review of Business and Future Developments (Continued)

- Records Management Policy & Procedures
- Information Security Policy
- Guide to Information
- Glenburn Centre Management Agreement
- Governance Review
- Health & Safety
- Policy Statement
- Information Communication Technology Strategy
- Internal Audit Consultant Review
- Internal Audit IT Review Appointment
- Long Term Projections (30 years)
- Maintenance Policy
- Notifiable Events Policy & Procedures
- Rent & factoring Review
- Rent Increase of 2.85% approved for 2020/21
- Resident Engagement Action Plan
- Risk Management Policy
- Scottish housing Charter Report
- Staff Satisfaction Survey
- Standing Orders
- Strategic Plan Review
- Succession Planning Policy
- Succession to Tenancy Policy
- Sustainability Policy
- Training Plan for Committee
- Treasury Management Policy
- Value for Money Review
- Reviewed outcome of independent survey of tenant and owner satisfaction with 280 tenants (40% sample) and 14 owners interviewed (26% sample) with significant satisfaction levels:
 - 90% satisfied with overall services provided
 - 96% satisfied with being kept informed about services and decisions
 - 98% satisfied with opportunities to participate
 - 93% satisfied with the quality of their home
 - 75% view rents charged as very good or good value for money
 - 92% satisfied with quality of neighbourhood management
 - 71% owners satisfied with factoring service

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.

Their work has been invaluable particularly in ensuring that no member of our Community is disadvantaged as a consequence of the Covid-19 pandemic which has changed the focus on the services to supporting the most vulnerable in times of crisis.

It is anticipated in 2020/21 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".

Further work will be required to deal with the Covid-19 crisis and this will involve examining ways of ensuring that services can return to some form of normality during the year.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

Management Committee and Executive Officers

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

Each member (excluding co-optees) of the Management Committee hold 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.

The 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; and
- prepare a statement on Internal Financial Control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Co-operative and to enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is 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.

Going Concern

Based on its budgetary and forecasting processes the Management Committee has a reasonable expectation that the Co-operative has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

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 misstatement 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 receives 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 2020. 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 £1,150 (2019 - £6,760).

Disclosure of Information to the Auditor

The members of the Management Committee at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to auditors.

Auditors

A resolution to reappoint the Auditors, Alexander Sloan, Accountants and Business Advisers, will be proposed at the Annual General Meeting.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

REPORT OF THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2020

By order of the Management Committee



GEORGE MCNAUGHT

Secretary

26 August 2020

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 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 6 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

26 August 2020



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 2020 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).

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 2020 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 Benefit Societies Act 2014, the Housing (Scotland) Act 2010 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 Association'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.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

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

Matters on which we are required to report by exception

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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorresponsibilities>. This description forms part of our audit report.

Use of our Report

This report is made solely to the Co-operative's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Co-operative's members those matters we are required to state to them in an 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.

ALEXANDER SLOAN

Accountants and Business Advisers

Statutory Auditors

GLASGOW

26 August 2020



EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Revenue	2		3,638,631		3,570,940
Operating costs	2		2,922,468		2,601,330
OPERATING SURPLUS			716,163		969,610
Interest receivable and other income		18,447		14,129	
Interest payable and similar charges	7	(290,101)		(300,299)	
Other Finance income/(charges)	10	(12,302)		(13,736)	
			(283,956)		(299,906)
Surplus on ordinary activities before taxation	8		432,207		669,704
Tax on surplus on ordinary activities	9		(2,926)		(2,685)
SURPLUS FOR THE YEAR			429,281		667,019
Other comprehensive income					
Adjustment relating to opening pension liability	18		-		(248,927)
Actuarial gains/(losses) on defined benefit pension plan	18		440,882		(64,000)
TOTAL COMPREHENSIVE INCOME			870,163		354,092

The results relate wholly to continuing activities.


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

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2020		2019
		£	£	£
NON-CURRENT ASSETS				
Housing properties - depreciated cost	11		36,803,228	37,544,295
Other tangible assets	11		850,309	885,874
			<u>37,653,537</u>	<u>38,430,169</u>
CURRENT ASSETS				
Receivables	12	59,971	95,168	
Investments	13	1,804,470	1,952,961	
Cash and cash equivalents	14	1,153,639	997,765	
		<u>3,018,080</u>	<u>3,045,894</u>	
CREDITORS: Amounts falling due within one year	15	<u>(851,210)</u>	<u>(744,497)</u>	
NET CURRENT ASSETS			<u>2,166,870</u>	<u>2,301,397</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			39,820,407	40,731,566
CREDITORS: Amounts falling due after more than one year	16		(6,393,041)	(6,772,916)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES				
Scottish housing association pension scheme	18	-	(491,882)	
			-	(491,882)
DEFERRED INCOME				
Social housing grants	19	(24,173,814)	(25,043,463)	
Other grants	19	(648,490)	(688,406)	
		<u>(24,822,304)</u>	<u>(25,731,869)</u>	
NET ASSETS			<u>8,605,062</u>	<u>7,734,899</u>
EQUITY				
Share capital	20		693	693
Revenue reserves			8,604,369	8,226,088
Pension reserves			-	(491,882)
			<u>8,605,062</u>	<u>7,734,899</u>

The financial statements were approved by the Management Committee and authorised for issue and signed on their behalf on 26 August 2020.


Committee Member


Committee Member


Secretary

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

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Surplus for the Year			429,281		669,704
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	11	1,190,315		1,189,341	
Amortisation of capital grants	19	(908,958)		(911,153)	
Non-cash adjustments to pension provisions		(51,000)		(86,469)	
Share capital written off	20	(32)		(35)	
			230,325		191,684
Interest receivable			(18,447)		(14,129)
Interest payable	7		290,101		300,299
Operating cash flows before movements in working capital			931,260		1,147,558
Change in debtors		35,197		6,129	
Change in creditors		102,239		36,926	
			137,436		43,055
Net cash inflow from operating activities			1,068,696		1,190,613
Investing Activities					
Acquisition and construction of properties		(392,675)		(181,023)	
Purchase of other fixed assets		(21,008)		(7,444)	
Social housing grant repaid		(607)		-	
Changes on short term deposits with banks		148,491		(402,960)	
Net cash outflow from investing activities			(265,799)		(591,427)
Financing Activities					
Interest received on cash and cash equivalents		18,447		14,129	
Interest paid on loans		(290,101)		(300,299)	
Loan principal repayments		(375,401)		(365,805)	
Share capital issued	20	32		34	
Net cash outflow from financing activities			(647,023)		(651,941)
Increase/(decrease) in cash	21		155,874		(52,755)
Opening cash & cash equivalents			997,765		1,050,520
Closing cash & cash equivalents			1,153,639		997,765
Cash and cash equivalents as at 31 March					
Cash	21		1,153,639		997,765
			1,153,639		997,765

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

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2020

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
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	-	(312,927)	-	(312,927)
Other movements	-	(178,955)	178,955	-
Surplus for the year	-	-	667,019	667,019
Balance as at 31 March 2019	693	(491,882)	8,226,088	7,734,899
Balance as at 1 April 2019	693	(491,882)	8,226,088	7,734,899
Issue of Shares	32	-	-	32
Cancellation of Shares	(32)	-	-	(32)
Other comprehensive income	-	440,882	-	440,882
Other movements	-	51,000	(51,000)	-
Surplus for the year	-	-	429,281	429,281
Balance as at 31 March 2020	693	-	8,604,369	8,605,062

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

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

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 2018. 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 2019. They comply with the Determination of Accounting Requirements 2019. A summary of the principal 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 they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

The Co-operative previously participated in the Scottish Housing Co-operative Pension Scheme (SHAPS) a multi-employer defined benefit 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 SHAPS defined contribution scheme on leaving the defined benefit scheme. Contributions to defined contribution plans are recognised as employee benefit expense when they are due.

Going Concern

On the basis that the Management Committee has a reasonable expectation that the Co-operative has adequate resources to continue in operational existence for the foreseeable future, the Co-operative has adopted the going concern basis of accounting in preparing these financial statements.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Co-operative depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Kitchen Extractor	15 years
Bathrooms	30 years
Boilers	15 years
Windows	30 years
Door Entry	15 years
Close Doors	30 years
Rewiring	30 years
Structure	30 years

Depreciation and Impairment of Other Tangible Assets

Non-current assets are stated at cost less accumulated depreciation. Depreciation is charged over the expected economic useful lives of the assets at the following annual rates:

<i>Asset Category</i>	<i>Depreciation Rate</i>
Office Premises	3.33%
Furniture and Fittings	33%
Computer and Office Equipment	33%
Equipment	33%

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

Social Housing Grants and Other Capital Grants

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 they relate.

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.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Taxation

The Co-operative is a fully mutual co-operative. 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.

Leases

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 or the term of the lease whichever is shorter.

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, a material reduction in future maintenance costs, or a significant extension of the life of the property.

VAT

The Co-operative is VAT registered but the substantial 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.

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 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Key Judgements and estimates made in the application of Accounting Policies

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the Co-operative to exercise judgement in applying the its 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.

Key Judgements

a) 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 Management Committee 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 Management Committee has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In their judgement 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 Co-operative Pension Scheme. The fund is administered by the Pensions Trust. 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.

Estimation Uncertainty

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.

e) Defined pension liability

In 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.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Cash and Liquid Resources

Cash comprises cash at bank and in hand, deposits repayable on demand less overdrafts. Liquid resources are current asset investments that can't be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

Impairment

The Co-operative assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.

recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service potential.

Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	3,607,931	2,868,650	739,281	3,520,795	2,483,583	1,037,212
Other Activities	4	30,700	53,818	(23,118)	50,145	117,747	(67,602)
Total		3,638,631	2,922,468	716,163	3,570,940	2,601,330	969,610

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

	General Needs Housing £	2020 Total £	2019 Total £
Revenue from Lettings			
Rent receivable net of service charges	2,657,091	2,657,091	2,572,188
Gross income from rent and service charges	2,657,091	2,657,091	2,572,188
Less: Rent losses from voids	4,225	4,225	2,999
Income from rents and service charges	2,652,866	2,652,866	2,569,189
Grants released from deferred income	909,565	909,565	911,154
Revenue grants from Scottish Ministers	45,500	45,500	-
Other revenue grants	-	-	40,452
Total turnover from affordable letting activities	3,607,931	3,607,931	3,520,795
Expenditure on affordable letting activities			
Management and maintenance administration costs	921,519	921,519	854,962
Service costs	104,322	104,322	99,225
Planned and cyclical maintenance, including major repairs	425,461	425,461	166,643
Reactive maintenance costs	268,888	268,888	244,575
Bad Debts - rents and service charges	14,717	14,717	(830)
Depreciation of affordable let properties	1,133,743	1,133,743	1,119,008
Operating costs of affordable letting activities	2,868,650	2,868,650	2,483,583
Operating surplus on affordable letting activities	739,281	739,281	1,037,212
2019	1,037,212		

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
 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	Other operating costs	Operating surplus / (deficit)	Operating surplus / (deficit)
	£	£	£	£	2020	2019
	£	£	£	£	£	£
Wider role activities	10,038	-	10,038	6,340	3,698	(35,362)
Factoring	-	13,181	13,181	9,809	3,372	3,572
Support activities Contracted out services undertaken for registered social landlords	-	-	-	37,669	(37,669)	(35,812)
Other activities	-	1,901	1,901	-	1,901	-
	-	5,580	5,580	-	5,580	-
Total From Other Activities	10,038	20,662	30,700	53,818	(23,118)	(67,602)
2019	35,467	14,678	50,145	117,747	(67,602)	

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2020 £	2019 £
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 of Officers with emoluments greater than £60,000 (excluding pension contributions)	<u>74,841</u>	<u>73,416</u>
Pension contributions made on behalf on Officers with emoluments greater than £60,000	<u>7,283</u>	<u>7,120</u>
Emoluments payable to Director (excluding pension contributions)	74,841	73,416
Pension contributions paid on behalf of the Director	<u>7,283</u>	<u>7,120</u>
Total emoluments payable to the Director	<u>82,124</u>	<u>80,536</u>
Total emoluments paid to key management personnel	<u>217,561</u>	<u>230,084</u>

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

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

6. EMPLOYEE INFORMATION

	2020 No.	2019 No.
Average monthly number of full time equivalent persons employed during the year	<u>19</u>	<u>19</u>
Average total number of employees employed during the year	<u>21</u>	<u>21</u>
Staff costs were:	£	£
Wages and salaries	581,678	597,395
National insurance costs	53,264	53,682
Pension costs	49,623	49,228
	<u>684,565</u>	<u>700,305</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2020 £	2019 £
On bank loans and overdrafts	<u>290,101</u>	<u>300,299</u>

8. SURPLUS FOR THE YEAR

	2020 £	2019 £
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	1,187,126	1,179,340
Auditors' remuneration - audit services	6,738	7,356
Auditors' remuneration - other services	1,692	3,941
Operating lease rentals - land & buildings	1	1
Operating lease rentals - other	<u>2,434</u>	<u>1,426</u>

9. CORPORATION TAX

	2020 £	2019 £
Analysis of Charge in Year		
<i>Current Tax:</i>		
Corporation tax	2,926	2,685
Total Current Tax	<u>2,926</u>	<u>2,685</u>

10. OTHER FINANCE INCOME / (CHARGES)

	2020 £	2019 £
Net interest on pension obligations	<u>12,302</u>	<u>13,736</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020
NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties held of letting £	Total £
COST		
At 1 April 2019	53,312,589	53,312,589
Additions	392,675	392,675
Disposals	<u>(204,819)</u>	<u>(204,819)</u>
At 31 March 2020	<u>53,500,445</u>	<u>53,500,445</u>
DEPRECIATION		
At 1 April 2019	15,768,294	15,768,294
Charge for Year	1,130,553	1,130,553
Disposals	<u>(201,630)</u>	<u>(201,630)</u>
At 31 March 2020	<u>16,697,217</u>	<u>16,697,217</u>
NET BOOK VALUE		
At 31 March 2020	<u>36,803,228</u>	<u>36,803,228</u>
At 31 March 2019	<u>37,544,295</u>	<u>37,544,295</u>

Expenditure on Existing Properties	2020		2019	
	Component replacement £	Improvement £	Component replacement £	Improvement £
Amounts capitalised	392,675	-	181,023	-
Amounts charged to the statement of comprehensive income	<u>694,349</u>	<u>-</u>	<u>411,218</u>	<u>-</u>

The Co-operatives's lenders have standard securities over housing property with a carry value of £31,105,652 (2019 - £31,608,734)

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 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Furniture & Equipment £	Estate Machinery & Equipment £	Community Facility £	Total £
COST					
At 1 April 2019	537,495	272,107	23,482	1,113,675	1,946,759
Additions	2,740	17,868	400	-	21,008
At 31 March 2020	<u>540,235</u>	<u>289,975</u>	<u>23,882</u>	<u>1,113,675</u>	<u>1,967,767</u>
DEPRECIATION					
At 1 April 2019	249,001	269,983	22,707	519,194	1,060,885
Charge for year	18,031	1,245	212	37,085	56,573
At 31 March 2020	<u>267,032</u>	<u>271,228</u>	<u>22,919</u>	<u>556,279</u>	<u>1,117,458</u>
NET BOOK VALUE					
At 31 March 2020	<u>273,203</u>	<u>18,747</u>	<u>963</u>	<u>557,396</u>	<u>850,309</u>
At 31 March 2019	<u>288,494</u>	<u>2,124</u>	<u>775</u>	<u>594,481</u>	<u>885,874</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

12. RECEIVABLES		
	2020	2019
	£	£
Gross arrears of rent and service charges	61,350	63,275
Less: Provision for doubtful debts	(53,703)	(58,358)
<i>Net arrears of rent and service charges</i>	<u>7,647</u>	<u>4,917</u>
Other receivables	52,324	90,251
	<u>59,971</u>	<u>95,168</u>

13. CURRENT ASSET INVESTMENTS		
	2020	2019
	£	£
Short term deposits	1,804,470	1,952,961
	<u>1,804,470</u>	<u>1,952,961</u>

14. CASH AND CASH EQUIVALENTS		
	2020	2019
	£	£
Cash at bank and in hand	1,153,639	997,765
	<u>1,153,639</u>	<u>997,765</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans	380,575	376,101
Trade payables	129,524	84,649
Rent received in advance	190,817	184,964
Corporation tax payable	2,927	2,685
Other taxation and social security	330	-
Other payables	23,646	34,518
Accruals and deferred income	123,391	61,580
	<u>851,210</u>	<u>744,497</u>

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

	2020	2019
	£	£
Bank loans	6,393,041	6,772,916
	<u>6,393,041</u>	<u>6,772,916</u>

17. DEBT ANALYSIS - BORROWINGS

	2020	2019
	£	£
Bank Loans		
Amounts due within one year	380,575	376,101
Amounts due in one year or more but less than two years	370,667	380,612
Amounts due in two years or more but less than five years	1,099,819	1,149,290
Amounts due in more than five years	4,922,555	5,243,014
	<u>6,773,616</u>	<u>7,149,017</u>

The Association has a number of bank loans the principal terms of which are as follows:

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year)	Variable or 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 LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

Easthall Park Housing Co-operative Limited participates in the Scottish Housing Association Pension Scheme (the Scheme), a multi-employer scheme which provides benefits to some 150 non-associated employers. The Scheme is a defined benefit scheme in the UK.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pensions schemes in the UK.

The last valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). A recovery plan is in place to eliminate the past service deficit which runs to 28 February 2022.

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 reapportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

In 2019 the Pensions Trust, the administrator of the Scheme developed a method of determining the share of assets and liabilities for individual employers. This method was adopted by the Association in 2019 and resulted in an adjustment to the opening pension liability recognised in the statement of financial position of £(248,927).

Present values of defined benefit obligation, fair value of assets and defined benefit asset / (liability)

	2020	2019
	£	£
Fair value of plan assets	2,222,000	1,898,000
Present value of defined benefit obligation	2,204,000	2,390,000
Surplus / (deficit) in plan	18,000	(492,000)
Unrecognised surplus	(18,000)	-
Defined benefit asset / (liability) to be recognised	-	(492,000)

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2020	2019
	£	£
Defined benefit obligation at the start of period	2,390,000	2,348,000
Expenses	2,000	2,000
Interest expense	56,000	60,000
Actuarial losses (gains) due to scheme experience	75,000	(95,000)
Actuarial losses (gains) due to changes in demographic assumptions	(13,000)	6,000
Actuarial losses (gains) due to changes in financial assumptions	(292,000)	173,000
Benefits paid and expenses	(14,000)	(104,000)
Defined benefit obligation at the end of period	<u>2,204,000</u>	<u>2,390,000</u>

Reconciliation of opening and closing balances of the fair value of plan assets

	2020	2019
	£	£
Fair value of plan assets at start of period	1,898,000	1,876,000
Interest income	45,000	48,000
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	229,000	20,000
Contributions by the employer	64,000	58,000
Benefits paid and expenses	(14,000)	(104,000)
Fair value of plan assets at the end of period	<u>2,222,000</u>	<u>1,898,000</u>

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £274,000

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2020	2019
	£	£
Expenses	2,000	2,000
Net interest expense	11,000	12,000
	<u>13,000</u>	<u>14,000</u>
Defined benefit costs recognised in statement of comprehensive income	13,000	14,000
	<u>13,000</u>	<u>14,000</u>

Defined benefit costs recognised in the other comprehensive income

	2020	2019
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	229,000	20,000
Experience gains and losses arising on plan liabilities - gain /(loss)	(75,000)	95,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	13,000	(6,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	292,000	(173,000)
	<u>459,000</u>	<u>(64,000)</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	459,000	(64,000)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in interest cost) - gain / (loss)	(18,000)	-
	<u>441,000</u>	<u>(64,000)</u>
Total amount recognised in other comprehensive income - gain (loss)	441,000	(64,000)
	<u>441,000</u>	<u>(64,000)</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2020 £	2019 £	2018 £
Absolute Return	137,000	161,000	223,000
Alternative Risk Premia	178,000	106,000	71,000
Corporate Bond Fund	162,000	133,000	131,000
Credit Relative Value	53,000	33,000	-
Distressed Opportunities	41,000	32,000	9,000
Emerging Markets Debt	79,000	61,000	64,000
Fund of Hedge Funds	-	5,000	54,000
Global Equity	306,000	305,000	338,000
Infrastructure	131,000	80,000	34,000
Insurance-Linked Securities	60,000	49,000	51,000
Liability Driven Investment	586,000	676,000	660,000
Long Lease Property	54,000	23,000	-
Net Current Assets	17,000	2,000	3,000
Over 15 Year Gilts	28,000	49,000	61,000
Private Debt	44,000	24,000	17,000
Property	41,000	38,000	74,000
Risk Sharing	70,000	55,000	17,000
Secured Income	123,000	66,000	69,000
Opportunistic Illiquid Credit	54,000	-	-
Liquid Credit	58,000	-	-
Total assets	<u>2,222,000</u>	<u>1,898,000</u>	<u>1,876,000</u>

None of the fair values of the assets shown above include any direct investment in the Association's own financial instruments or any property occupied by, or other assets used by the Association.

Key Assumptions

	2020	2019	2018
Discount Rate	2.4%	2.4%	2.6%
Inflation (RPI)	2.6%	3.3%	3.1%
Inflation (CPI)	1.6%	2.3%	2.1%
Salary Growth	2.6%	3.3%	3.1%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2019	21.5
Female retiring in 2019	23.2
Male retiring in 2039	22.8
Female retiring in 2039	<u>24.5</u>

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

19. DEFERRED INCOME

	Social Housing Grants £	Other Housing Grants £	Non Housing Grants £	Total £
Capital grants received				
At 1 April 2019	27,271,617	8,638	1,198,675	28,478,930
At 31 March 2020	<u>27,271,617</u>	<u>8,638</u>	<u>1,198,675</u>	<u>28,478,930</u>
Amortisation				
At 1 April 2019	2,228,154	-	518,907	2,747,061
Amortisation in year	869,042	-	39,916	908,958
Eliminated on disposal	607	-	-	607
At 31 March 2020	<u>3,097,803</u>	<u>-</u>	<u>558,823</u>	<u>3,656,626</u>
Net book value				
At 31 March 2020	<u>24,173,814</u>	<u>8,638</u>	<u>639,852</u>	<u>24,822,304</u>
At 31 March 2019	<u>25,043,463</u>	<u>8,638</u>	<u>679,768</u>	<u>25,731,869</u>

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

	2020 £	2019 £
Amounts due within one year	909,958	909,812
Amounts due in more than one year	23,913,346	24,822,057
	<u>24,823,304</u>	<u>25,731,869</u>

20. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2020 £	2019 £
At 1 April	693	694
Issued in year	32	34
Cancelled in year	(32)	(35)
At 31 March	<u>693</u>	<u>693</u>

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

EASTHALL PARK HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. STATEMENT OF CASH FLOWS

Reconciliation of net cash flow to movement in net funds

	£	2020 £	£	2019 £
Increase / (decrease) in cash	155,874		(52,755)	
Change in liquid resources	(148,491)		402,960	
Cashflow from change in net debt	<u>375,401</u>		<u>365,805</u>	
Movement in net debt during the year		382,784		716,010
Net debt at 1st April 2019		(4,198,291)		(4,914,301)
Net debt at 31 March 2020		<u>(3,815,507)</u>		<u>(4,198,291)</u>

	At 01 April 2019 £	Cashflows £	Other Changes £	At 31 March 2020 £
Cash at bank and in hand	997,765	155,874	-	1,153,639
Liquid resources	997,765	155,874	-	1,153,639
Debt: Due within one year	1,952,961	(148,491)	-	1,804,470
Due after more than one year	(376,101)	375,401	(379,875)	(380,575)
Net Debt	<u>(6,772,916)</u>	<u>-</u>	<u>379,875</u>	<u>(6,393,041)</u>
	<u>(4,198,291)</u>	<u>382,784</u>	<u>-</u>	<u>(3,815,507)</u>

22. COMMITMENTS UNDER OPERATING LEASES

	2020 £	2019 £
Other		
Expiring in the next year	2,434	1,426
Expiring later than one year and not later than five years	9,734	3,564
Expiring later than five years	<u>1,217</u>	<u>-</u>

23. DETAILS OF ASSOCIATION

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

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

The Co-operative is a Registered Social Landlord that owns and manages social housing property in Easthall Park, Easterhouse.

24. MANAGEMENT COMMITTEE MEMBER EMOLUMENTS

Management Committee members received £555 (2019 - £411) 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 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

25. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2020 No.	2019 No.
General needs	695	695
	<u>695</u>	<u>695</u>

26. RELATED PARTY TRANSACTIONS

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

Any transactions between the Association 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:

	2020 £	2019 £
Rent received from tenants on the Management Committee and their close family members	<u>52,401</u>	<u>65,903</u>

At the year end total rent arrears owed by the tenant members on the Management Committee (and their close family) were £250 (2019 - £581).

Members of the Management Committee who are tenants	8	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 2020, overheads totalling £8,458 (2019 - £8,362) of which £2,608 (2019 - £3,741) are outstanding at the year end and financial services totalling £2,281 (2019 - £2,203) of which £570 (2019 - £551) are outstanding at the year end. In addition new allowance income of £nil (2019 - £nil) was paid to Easthall Residents Association in connection with the youth development project £ (2019 - £1,000) donation was paid to the Christmas Fayre and £nil (2019 - £5,000) donation was made to the ERA Homework Club. There are also 4 members of the Management Committee who are Board members of the Easthall Residents Association.

27. EVENTS AFTER THE REPORTING DATE

Covid-19

At the time of approving the Financial Statements the United Kingdom is impacted by the Coronavirus pandemic. While the Association's strong financial position means that it is well placed to manage the impact on operations, it continues to monitor the position and update its plans accordingly. Like most businesses, however, the virus is likely to have some impact in the forthcoming year.

