

**ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

Registered Housing Association Number: HAL 108
Charity Registration Number: SC032823
FCA Reference Number: 1840RS

ELDERPARK HOUSING ASSOCIATION LIMITED

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**ELDERPARK HOUSING ASSOCIATION LIMITED
THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2023**

Members of the management committee

Janet Evans	Chairperson	Resigned 28/06/2022
John Kane	Chairperson	Appointed 25/10/2022 Deceased 02/04/2023
Karen Fee	Vice Chair	Resigned 29/11/2022
Maureen McDonald	Secretary	
Ann McEachan	Member	
Lindsay Roches	Member	
Douglas Muir	Member	
Kirsty Wilson	Member	
Kirsty Stoddart	Member	
Janice Shields	Member	
Duncan Smith	Member	
Stephen Williamson	Member	Resigned 25/10/2022
Maureen MacKinnon	Member	Resigned 25/10/2022 Casual vacancy 31/01/2023

Executive officers

Gary Dalziel	Chief Executive Officer
David Adam	Director of Maintenance Services
James McGeough	Director of Finance & Corporate Services
Aidan McGuinness	Director of Housing & Customer Services

Registered office

65 Golspie Street
Glasgow
G51 3AX

Auditor

French Duncan LLP trading as AAB
Chartered Accountants and Statutory Auditor
133 Finnieston Street
Glasgow
G3 8HB

Bankers

Royal Bank of Scotland PLC 36 St Andrew Square Edinburgh EH2 2YB	Nationwide Building Society Kings Park Road Northampton NN3 6NW	Virgin Money 30 St Vincent Place Glasgow G1 2HL	Allia Limited King's Hedges Road Cambridge CB4 2HY
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The Charity Bank Limited
182 High Street
Tonbridge
TN9 1BE

Solicitors

T C Young
7 West George Street
Glasgow
G2 1BA

**ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2023**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2023.

Legal Status

The Association is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 1840R (S). The Association is governed under its Rule Book. The Association is a Registered Scottish Charity with the charity number SCO32823.

Principal Activities

The principal activity of the Association is the provision of good quality social housing at an affordable rent. Our Vision Statement is that Elderpark Housing Association will lead the way in delivering outstanding customer services and great places to live.

Objectives

Our Rules state that the objects of the Association are:

- To provide for the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage through the provision, construction, improvement and management of land and accommodation and the provision of care
- any other purpose or object permitted under Section 24 of the Housing (Scotland) Act 2010 which is charitable both for the purposes of Section 7 of the Charities and Trustee Investment (Scotland) Act 2005 and also in relation to the application of the Taxes Acts
- the permitted activities and powers of the Association will include anything which is necessary or expedient to help the Association achieve these objects; and
- the Association shall not trade for profit

Elderpark Housing Association's Business Plan covers the period 2021-2025 and this key strategic document communicates the vision, objectives and strategic direction of the Association and provides a framework for implementation.

Our Vision is of 'a vibrant neighbourhood where everyone can prosper'.

Our Strategic Objectives are:

- To deliver high-quality, modern services.
- To provide good-quality, desirable and sustainable homes & neighbourhoods.
- To work with others effectively and innovatively.
- To support our people reach their full potential.
- To remain a financially-strong, well-governed, and resilient business.
- To encourage our customers & community to participate.
- To work to meet the needs & aspirations of our communities.

To deliver upon our vision and strategic objectives the association develops a suite of business objectives to be achieved over the course of the year which will focus on achieving against each of these areas.

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FOR THE YEAR ENDED 31 MARCH 2023**

Risk Management

The Association places high importance on Risk Management and our recently revised policy and risk management framework has proved beneficial in managing risk. In 2022 a newly developed Strategic Risk Register was implemented which was clearer and easier to understand and placed an increased emphasis on those risks which were of a strategic nature. The day to day administration of the Strategic Risk Register is carried out by our Governance and Compliance Manager, under the direction of the Chief Executive, who would take the lead in co-ordinating and reporting to the Audit, Finance and Risk Sub-Committee on a quarterly basis on the risks to the Association and the control measures which are in place. The risk score of each strategic risk determines the frequency of review to ensure that those risks which present the greatest likelihood and severity are monitored and considered at more regular intervals than those which present a lower risk to the Association. It is the responsibility of the Senior Management Team to consider these risks at regular intervals ensuring that appropriate controls are in place and the full Strategic Risk Register is further reported to the Management Committee at six monthly intervals.

Operational Risks are those which affect the day to day operations of Elderpark Housing and following a recommendation at a recent Internal Audit in 2022/23 the development of Operational Risk Registers is a work strand for 2023/24. Our Operational Risk Register will be designed to focus on the aspects relevant to particular departments which could present a risk to the association and while these in general terms will not be strategic they should all flow into the overall Strategic Risk Register.

The Association manages risks in a variety of ways. Recognition of these risks is considered in a number of ways including:

- clarity around the Management Committee's appetite to risk; understanding that risk is as much about opportunities as it is about threats
- having a clear methodology for analysing and reporting on risks including both the overall risks and the individual risks relevant to each specific area of work; project or activity
- and a recognition that the purpose of effective risk management is about having a clear set of principles around how we seek to avoid, accept, transfer or reduce the risk.

Having a clear understanding of the risks to Elderpark Housing is delivered in a number of ways including the risk register, committee reporting on individual topics, external and internal audit, external third party consultancy, engagement with the Scottish Housing Regulator and ensuring we have a wide external understanding of the sector in which we operate within.

The Scottish Housing Regulator's Publication 'The Risks We Will Focus On' published in November 2022 cites that they consider the main areas of risk to the sector to be:

- **Homelessness** – How local authorities deliver services for people who are threatened with, or experiencing, homelessness. This includes providing people who need it with suitable temporary accommodation and how they are working with their RSL partners to provide settled homes. We will also consider RSL performance in responding to requests for assistance, limiting the time people spend in temporary accommodation.
- **Performance in delivering services** – How local authorities and RSLs deliver services for their tenants and meet the standards and outcomes from the Scottish Government's Social Housing Charter. This will also include how landlords that provide Gypsy/Travellers sites ensure minimum site standards and fire safety requirements to meet the needs of residents.

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- **Stock quality** – How local authorities and RSLs ensure that their homes meet the Scottish Housing Quality Standard.
- **Tenant and resident safety** – How local authorities and RSLs meet their statutory obligations on health and safety.
- **Development** – How RSLs manage the delivery of any plans for building new homes, and whether they have a good understanding of their stock.
- **Financial health of RSLs** – How financially healthy RSLs are and how well they manage their money with a focus on financial planning and compliance with Regulatory Standard 3.
- **Good governance of RSLs** – How well RSLs are run.

The risks identified by the Scottish Housing Regulator are all relevant to Elderpark Housing and topics like stock condition, tenant safety, service quality, financial health and governance will continue to be areas of potential risk and contained within our Strategic Risk Register. In addition to these risk we are also cognisant to the current operating environment and some of the external challenges which place increased risks on the association in areas including:

- Changes to local, national or UK policy and legislation – as a Registered Social Landlord (RSL) we are impacted heavily by changes within the legislative and policy context in which we operate. In any given year this can occur in a variety of ways with for example 2022/23 seeing challenges around the Scottish Government's implementation of the Cost of Living Protection Bill which placed a rental cap on both the social and private sector until March 2023 with ongoing uncertainty around the ability to increase rents from April 2023 with this only becoming clearer in early 2023. We seek to continue to keep abreast of any changes to legislation and policy through participation in events, ongoing training and development and attendance at relevant conferences and training.
- Changes in the economic environment – the last few years has seen extreme turbulence within the economic environment both on a UK and worldwide level and this has had significant impact in relation to costs, inflation and interest rates, energy prices, availability of labour and the overall impacts of the 'cost of living crisis'. Elderpark Housing continues to monitor the external economic environment and takes decisions on income and expenditure ensuring the options chosen do not create a financial risk to the organisation.
- Data security, integrity and the protection of individuals data is a risk which Elderpark Housing takes consideration of in line with the General Data Protection Regulations and ensure that appropriate policies and systems are in place to minimise the potential of this risk occurring.
- The increasing frequency of cybercrime or cyber-attacks is an area of risk which has become more prevalent in recent years and we ensure that we have appropriate IT systems combined with clear financial procedures which mitigates the risk of Elderpark Housing being compromised with regards to this risk albeit it is recognised that the expertise of those engaged with cybercrime means we should never be complacent to the risk it presents.
- Elderpark Housing has a recently developed robust Procurement Policy which outlines the processes for delivering effective procurement which minimises the risk of challenge or inadequate procurement practices.
- While not a monetary risk the association recognises that there is an increasing prevalence of dealing with those most vulnerable in our society. This increased focus on those in most need adds potential risks in terms of services to our tenants and residents and the challenges for employees in managing and supporting tenants with additional support and mental health needs.

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These are a selection of the risks and for any organisation there are also a range of internal risks which we seek to mitigate including limiting the potential for the loss of key personnel, the development of strong and clear financial procedures which specify the processes and scheme of financial delegation within Elderpark Housing, actively seeking out partnerships which reduces the risk in terms of delivery of specific activities or services, a regular cycle of policy review and strong governance mechanisms in terms of our Management Committee reporting.

It should always be recognised that most risk management processes inevitably focus upon the 'known' factors that we have an awareness of, along with the wider understanding and knowledge that has been accrued in the organisation. We should always be aware that there may also be occasions when issues will arise that we could not have reasonably been expected to know. The recent global pandemic, war on Ukraine, cost of living crisis and political uncertainty are prime examples of external circumstances which have arisen in recent times which we could not reasonably have expected to foresee. The continuing pace of change and uncertainty in the world places greater importance identifying, analysing and seeking to mitigate the risks beyond those which are easily identified. While the focus will, in most cases, be on those risks which are more likely to have an impact, an awareness along with some forms of mitigation for those less likely risks should form a part of any effective risk management strategy.

Review of business and future developments

The Management Committee are satisfied that the Association remains in a satisfactory position both financially and in terms of our business. Net Assets now stand at £16,121,687 (2022 - £15,466,538). Surplus for the year, pre pension re-measurement, was £995,145 (2022 - £961,971).

The 12 months from April 2022 until March 2023 remained a challenging time for the association dealing with the repercussions of the significant external events which have affected the UK and Global Economy as a whole through the global pandemic, the ongoing war on Ukraine, the impact of Brexit and the extreme cost of living crisis which saw inflation, interest rates, energy prices and the costs of labour and materials rise sharply throughout the year. The cost of living crisis also prompted the Scottish Government to introduce temporary legislation through their Cost of Living (Tenant Protection) (Scotland) Act 2022 which amongst other things placed a 'rent cap' on social and private sector rents initially until March 2023. This created an uncertain time for RSL's in determining their 2023/24 rent increases and until the beginning of 2023 it was not known whether this legislation would be extended or further restrictions placed on RSL's – while this did not have a material impact in 2022/23 this uncertainty combined with the other challenges being experienced by RSL's did impact more generally on decisions around investment and committing to new projects.

The Association has seen another positive year in 2022/23 with our performance across most of the key services we provide to our tenants and residents remaining stable or seeing small improvements. Looking at the Annual Return on the Charter the main points to note in terms of performance were:

- Over 20% reduction in the number of homes that became empty in the year with only 104 of our 1341 properties falling empty during the financial year
- Following a Stock Condition Survey exercise which reviewed 40% of our homes our overall compliance with the Scottish Housing Quality Standard increased from 41.64% to 98.28%
- Our average time to complete emergency repairs declined slightly although still below our target of 2 hours (1 hour 54 minutes) and our time to complete non-emergency repairs remained comparable with the previous year at 6.24 days. This was seen in the context of our main contractor Turners choosing not to extend the option to extend their contract for a further year which meant the association had to utilise a range of smaller contractors while a procurement exercise was undertaken. The ongoing challenges within

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the repairs and maintenance market around availability of contractors and the increases in prices and materials meant that the overall performance in this area was positive given some of the difficulties experience

- The number of days taken to relet a home (the time the property was empty between tenants) reduced from 30.96 (2022) days to 18.45 days (2023)
- The association's rent arrears increased in the year from 4.85% to 5.57% as a percentage of the rent due for the reporting year – while this is a decline in performance it remains lower than the figure at the 31st March 2021 and will be a focus of the associations work in 2023/24.

This is just a selection of the key indicators contained within the Annual Return on the Charter (ARC) and does not pick up on all aspects of the return. In April 2022 the association concluded an externally undertaken Tenant Satisfaction Survey which identified a small decline in satisfaction across a range of areas together with some small increases in different aspects. This was a trend seen across the sector as satisfaction dipped potentially due to a range of factors including challenges around repairs and maintenance services, the impact of the pandemic and tenants experiencing a reduction in their sentiment towards the association.

Overall satisfaction dropped from 95.27% to 90.66% and there were small reductions also seen for the percentage of tenants who feel their landlord is good at keeping them informed about their services; the percentage of tenants satisfied with the opportunities given to them to participate in their landlords decision making process and the percentage of tenants who feel that the rent for their property represents good value for money. Conversely, the percentage of existing tenants satisfied with the quality of their home; the percentage of tenants who have had repairs or maintenance carried out in the last 12 months satisfied with the repairs and maintenance service and the percentage of tenants satisfied with the landlords contribution to the management of the neighbourhood they live in all saw small increases in satisfaction based upon the survey results.

In summer of 2022 we undertook a review of our Business Plan with support from an external consultant – this review concluded that our original vision and strategic objectives remained valid but due to the external environment we seek to deliver these ambitious objectives over a slightly elongated period with the plan now extending to 2025 instead of its original 2024 date. Our strategic objectives remained to focus on developing modern services, ensuring strong governance and financial management, providing high quality homes and communities, seeking out partnership working, striving to meet the needs of our tenants and developing our people.

In the year a significant focus was on external audits of our tenant safety systems with particular focus on areas like asbestos management , fire safety, electrical safety, legionella, lifts and gas safety. Each of these audits provided 'adequate assurance' together with a range of actions which have action dates against them and since the initial audits tow follow up audits have been undertaken which have now provided 'substantial assurance' for Gas Safety and Asbestos Management.

The association continues to place a significant focus on the governance of the organisation and during the year an Internal Audit was undertaken on our approach to Corporate Governance and Risk Management which provided 'substantial assurance' and indicated that the Association's self-assurance assessment and evidence bank is comprehensive and detailed. In addition the association continued to develop our governance approach utilising external consultants to conduct our annual committee review process and 360 degree appraisal of our Chief Executive. To ensure effective governance the association also reviewed and renewed a significant number of policies in the year across all aspects of service.

We continued to experience changes within our staff team and 2022/23 saw a number of colleagues leave the association and various new employees join with new posts created such as a Community Regeneration Officer and an HR and Corporate Services Officer to meet some of the objectives contained within our Business Plan. Both of

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these posts have had a significant impact with the Community Regeneration Officer developing partnerships across Govan, developing and delivering a range of community projects which have added value for our tenants and leveraging in funding to provide resources to mitigate some of the challenges being experienced by our tenants and local community. The HR and Corporate Services officer has helped the association develop our approaches to providing an excellent working environment with the introduction of employee forums, development of HR policies and the provision of advice and support across all areas of Human Resources. These posts complement our already strong team and the significant turnover of colleagues we have experienced in the last 12-24 months has meant a settling in period for new colleagues as they seek to embed themselves in the organisation and now that we are beginning to see some stability it is anticipated that this will be evidenced in the ongoing achievement of our strategic objectives.

In the year the association also sought to continue to grow and seek out opportunities to enhance what we do – one of these innovative approaches was the implementation of a new Housing Software system which saw the association partner with software provider, Rubixx, which involved the association worked with them to develop and shape the modules to meet the needs of the Scottish RSL. The association were the first in Scotland to go live' with this product in April 2022 and as well as providing enhanced IT capabilities there were also financial gains realised from the changing from the previous software provider.

We have also continued to explore opportunities to build more social rented homes within our community and have worked with the JR Group throughout the year on a potential site at Nimmo Drive – the preparatory work involved in developing any new housing is extensive and it is hoped that this project may commence some time in 2023/24 to build forty-five new homes on the grounds on our existing community centre and a neighbouring industrial unit.

The above is only a selection of some of the activities that we have been involved in and there has been a continuing focus on ensuring the organisation is well governed, a review of our longer term financial projections, a redesign of our risk management processes and ensuring we meet all legal and regulatory requirements.

The Association is regulated by the Scottish Housing Regulator and is required to comply with the Regulatory Framework including submitting an Annual Assurance Statement to the Scottish Housing Regulator which confirms how compliant (or otherwise) the Association was in meeting the requirements contained within the Regulatory Framework and the Regulatory Standards of Governance and Financial Management.

The assurance statement which was submitted to the Scottish Housing Regulator confirmed that from our assessment we were compliant with the framework. In addition the Association submits various returns to the Scottish Housing Regulator and these form part of the risk assessment process they undertake annually to determine the level of engagement they will seek to have and whether and organisation is 'Compliant', 'Working towards compliance' or 'Compliant (Under Review)'. On the 31st March 2023 the Scottish Housing Regulator considered the Association to be compliant with only the standard returns required.

In the year the Association completed 3,918 repairs to our tenant's homes with emergency repairs completed on average within less than two hours and routine repairs in around 6.5 days. The expenditure for our reactive repairs service was £1,019,545 in the year. Together with our day to day repairs the association also invested heavily in improving our homes with £705,825 spent installing new windows to 99 homes and a further £1,136,226 Installing new components such as stone work repairs, central heating, kitchens and bathrooms.

Partnership working remained a constant theme within the Association and we sought to work with local organisations and those with a common interest throughout the year. We have worked closely over the year with partners including Govan Housing Association, Linthouse Housing Association, Thriving Places, CGAP, Together for Childhood Govan, Park Villa, Aberlour, No1 Befriending Agency, Impact Arts, Moogety Foods and many others often

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to try and support community activities and engagement across the area. We continued to deliver the funded Energy Advice Project working with Govan and Linthouse Housing Associations which provided each Association with an energy advisor for a two year period and over the course of the year this provided significant financial benefits to our local community.

During the year the association sadly saw our Chairperson, John Kane pass away following illness – John was a pillar of the local community having served as a Councillor and Baillie with distinction together with being an active member of many local groups and projects.

In June 2022 our previous Chairperson, Janet Evans stood down for personal reasons after 18 years as a member of our Management Committee. We also saw Karen Fee and Stephen Williamson both stand down from the Management Committee for personal reasons.

The rent increase for the year 2022/23 was set at 3.5% which remained below inflation at the time of approving. As the year progressed inflation spiralled to above 10% meaning that the increase applied at the beginning of the financial year was well below the cost increases being seen across all areas of our expenditure but in particular the repairs and maintenance element which was seeing difficulties within the labour and materials market pushing costs above the high inflation levels being seen.

Finally, despite what has been a difficult few years economically the Association remains in a strong position financially with a healthy cash balance and strong borrowing capacity. Our business plan sets out a strong vision for growing the organisation together with the primary role of enhancing our homes and communities and providing excellent services to our tenants and residents and we remain confident that we have the resources in terms of finances, people, systems and homes to allow us to meet these objectives going forward.

Committee of Management and Executive Officers

The members of the Management Committee and the Executive Officer are listed on page 1. Each member of the Management Committee holds one fully paid share of £1 in the Association. Members of the Management Board are unpaid.

The governance structures are focused on our governing body, the Management Committee. Our Standing Orders state that our Management Committee will meet at least six times per year and during 2022/23 there were 10 meetings of the Management Committee. The Association has an Audit, Finance and Risk sub-committee (which will meet quarterly), Housing and Maintenance sub-committee (which will meet six monthly) and Staffing sub-committee (which will meet when the need arises).

The Chief Executive, and other senior managers of the Association, are salaried staff. However, they hold no interest in the Association's share capital. Although not having the legal status of Trustees, they act within Financial Regulations and a Scheme of Delegated Authority laid down by the Management Committee.

Going Concern

The Management Committee has reviewed the results for this year and has also reviewed the projections for the next five years and thirty years. The Management Committee has considered the risks associated with its activities and has updated its plans and financial projections to ensure that it is able to manage those risks to minimise any financial implications and uncertainties. It therefore has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

**ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2023**

Statement of Management Committee's responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that year. 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 Association 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 Association 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. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Management Committee are aware:

- There is no relevant audit information (information needed by the Housing Association's auditor in connection with preparing their report) of which the Association's auditor is 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 Association's auditor is aware of that information.

Statement on Internal Financial Control

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association 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 Association, or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or disposition.

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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 Association'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 Association'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 Association is undertaken; and
- 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 Association for the year ended 31 March 2023. 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.

Auditors

A resolution to re-appoint the auditor, French Duncan LLP trading as AAB, Chartered Accountants, will be proposed at the Annual General Meeting.

Charitable Donations

During the year the Association made charitable donations amounting to £7,590 (2022 - £3,510)

By order of Management Committee.

Maureen McDonald,
Secretary

Date: 29/08/2023

ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT BY THE AUDITOR TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED ON
CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2023

In addition to our audit of the Financial Statements, we have reviewed your statement on page 9 and 10 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

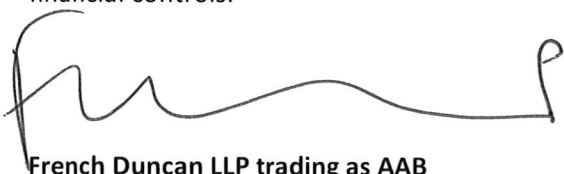
Basis of opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association'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 9 and 10 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 Association, and examination of relevant documents, we have satisfied ourselves that The Management Committee's Statement on Internal Financial Control appropriately reflects the Association'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.



French Duncan LLP trading as AAB

Chartered Accountants and Statutory Auditor
133 Finnieston Street
GLASGOW
G3 8HB

Date: 01/09/2023.

ELDERPARK HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2023

Opinion

We have audited the financial statements of Elderpark Housing Association Limited for the year ended 31 March 2023 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in capital and reserves and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements February 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 housing association in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our 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

In auditing the financial statements, we have concluded that the Management Committee use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the housing associations ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Management Committee with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information contained in the Management Committee's report, other than the financial statements and our auditor's report thereon. The Management Committee are responsible for the other information.

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.

ELDERPARK HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2023

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

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:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of committee members

As explained more fully in the Management Committee's responsibilities statement set out on page 9, the committee members 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 determine 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 are responsible for assessing the housing association'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 committee members either intend to liquidate the housing association or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Co-operative and Community Benefit Societies Act 2014 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

ELDERPARK HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2023

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 the 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 housing association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the Management Committee's 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 Association'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 housing association 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the responsible individual ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the association through discussions with management and management committee members and from our sector knowledge;

ELDERPARK HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2023

- we focused on specific laws and regulations, including those specified by the Scottish Housing Regulator, which we considered may have a direct material effect on the financial statements or the operations of the association, including the Co-operative and Community Benefits Societies Act 2014, Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice for Social Housing Providers 2018 and Determination of Housing Requirements 2019, and data protection, anti-bribery, employment, and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and committee members; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and management committee members as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing internal audit reports prepared during the year;
- enquiring of management and management committee members as to actual and potential litigation and claims; and
- reviewing correspondence with Scottish Housing Regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

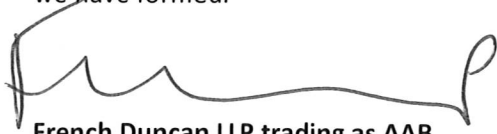
Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the management committee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

ELDERPARK HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2023

Use of our report

This report is made solely to the Association's members, as a body, in accordance with Section 87 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.



French Duncan LLP trading as AAB

Chartered Accountants and Statutory Auditor
133 Finnieston Street
GLASGOW
G3 8HB


Date: 01/09/2023.

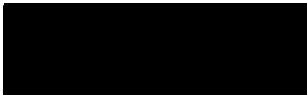
ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

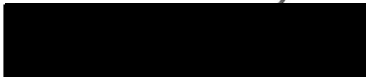
		2023	2022
	Notes	£	£
Revenue	2	7,737,271	7,338,000
Operating costs	2	<u>(6,189,877)</u>	<u>(5,905,242)</u>
Operating surplus	2, 8	1,547,394	1,432,758
Interest receivable and other similar income		39,135	6,701
Interest payable and other similar charges	7	<u>(591,384)</u>	<u>(477,488)</u>
		<u>(552,249)</u>	<u>(470,787)</u>
Surplus for the year		995,145	961,971
Other comprehensive income			
Actuarial (losses) / gains in respect of pension scheme	21	<u>(340,000)</u>	<u>623,000</u>
Total comprehensive income		<u><u>655,145</u></u>	<u><u>1,584,971</u></u>

The results for the year relate wholly to continuing activities.

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 29/08/2023.


Maureen McDonald
Secretary


Ann McEachan
Committee member



Douglas Muir
Committee member

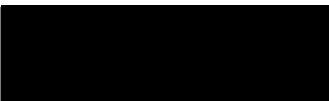
The notes on page 21 to 42 form part of these financial statements.

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

		2023	2022
	Notes	£	£
Non-current assets			
Housing properties - depreciated cost	10(a)	67,051,879	67,680,690
Other tangible fixed assets	10(b)	<u>3,466,922</u>	<u>3,557,947</u>
		70,518,801	71,238,637
Current assets			
Debtors	11	337,365	311,925
Cash at bank and in hand		<u>4,062,556</u>	<u>4,866,403</u>
		4,399,921	5,178,328
Creditors: amounts falling due within one year	12	<u>(1,785,517)</u>	<u>(1,986,055)</u>
Net current assets		<u>2,614,404</u>	<u>3,192,273</u>
Total assets less current liabilities		73,133,205	74,430,910
Creditors: amounts falling due after more than one year	13	(14,149,589)	(14,350,934)
Provisions for liabilities			
pension - defined benefit liability	21	(260,000)	(69,000)
Deferred income			
Social housing grants	16	(41,794,272)	(43,723,847)
Other grants	16	<u>(807,657)</u>	<u>(820,591)</u>
		<u>16,121,687</u>	<u>15,466,538</u>
Equity			
Share capital	17	589	585
Revenue reserve	17	<u>16,121,098</u>	<u>15,465,953</u>
		<u>16,121,687</u>	<u>15,466,538</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 29/08/2023..


Maureen McDonald
Secretary


Ann McEachan
Committee member


Douglas Muir
Committee member

The notes on page 21 to 42 form part of these financial statements.

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £
Net cash inflow from operating activities	14	<u>1,882,002</u>	<u>2,186,608</u>
Investing activities			
Acquisition and construction of housing properties	10(a)	(2,010,875)	(1,477,136)
Purchase of other fixed assets	10(b)	(20,694)	(165,379)
Grants received	16	<u>111,050</u>	<u>151,635</u>
Net cash outflow from investing activities		<u>(1,920,519)</u>	<u>(1,490,880)</u>
Net cash (outflow)/ inflow before financing		(38,517)	695,728
Financing activities			
Issue of ordinary share capital	17	4	8
Interest received		39,135	6,701
Interest paid		(396,549)	(311,713)
Loan principal repayments	15	<u>(399,284)</u>	<u>(397,547)</u>
Net cash outflow from financing		<u>(756,694)</u>	<u>(702,551)</u>
Decrease in cash		(795,211)	(6,823)
Opening cash and cash equivalents		<u>4,857,767</u>	<u>4,864,590</u>
Closing cash and cash equivalents		<u><u>4,062,556</u></u>	<u><u>4,857,767</u></u>
Cash and cash equivalents at the year end comprise:			
Cash at bank and in hand		4,062,556	4,866,403
Bank overdrafts		-	(8,636)
		<u><u>4,062,556</u></u>	<u><u>4,857,767</u></u>

The notes on page 21 to 42 form part of these financial statements.

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Revenue reserve	Total
	£	£	£
Balance as at 1 April 2022	585	15,465,953	15,466,538
Issue of shares	4	-	4
Cancelled shares	-	-	-
Surplus for year	-	995,145	995,145
Other comprehensive income	-	(340,000)	(340,000)
Balance as at 31 March 2023	<u>589</u>	<u>16,121,098</u>	<u>16,121,687</u>
	Share capital	Revenue reserve	Total
	£	£	£
Balance as at 1 April 2021	577	13,880,982	13,881,559
Issue of shares	8	-	8
Cancelled shares	-	-	-
Surplus for year	-	961,971	961,971
Other comprehensive income	-	623,000	623,000
Balance as at 31 March 2022	<u>585</u>	<u>15,465,953</u>	<u>15,466,538</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies

Legal status

The Association is incorporated under the Co-operative and Community Benefit Societies Act 2014 and is registered by the Financial Conduct Authority. The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102.

Basis of accounting

These financial statements have been 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 and comply with the requirements of the Determination of Housing Requirements 2019 as issued by the Scottish Housing Regulator.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Association's accounting policies (see below).

The following principal accounting policies have been applied:

Going concern

The Association has considerable financial resources together with long term arrangements with its tenants who are protected by the Scottish Secure Tenancy agreement. As a consequence, the Management Committee believe that the Association is well placed to manage its business risks successfully.

The Management committee monitor the operations and performance of the Association through reports provided at their monthly meetings and they have a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The Association has taken into account the current economic situation, the cost of living crisis, and any ongoing Covid 19 impact in its consideration and is satisfied that the Association has adequate resources to manage the impact on an ongoing basis.

Revenue

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

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

Retirement benefits

The Association participates in the Scottish Housing Association Defined Benefits Pension Scheme and retirement benefits to employees of the Association are funded by the contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting Actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

The Association accounts for the pension scheme on a defined benefit basis based on its share of scheme assets and liabilities as determined by the actuary. Defined benefit costs are recognised in the Statement of Comprehensive Income within operating costs. Actuarial gains and losses are recognised in Other Comprehensive Income. Further details are disclosed in the notes to the accounts.

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

Housing properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association 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 10. 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
Structure	50 years
Roof	40 years
Windows	40 years
Lifts	40 years
External Fabric	40 years
Bathrooms	35 years
Composite Flooring	25 years
Kitchens	20 years
Door Entry	20 years
Heating	15 years

Depreciation and impairment of other non-current assets

Non-Current Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the assets at the following annual rates:-

Heritable Office Property	- 2%	Straight Line
Office Improvements	-20%	Reducing Balance
Fixtures, Fittings & Equipment	-20%	Reducing Balance

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

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 year 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.

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

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.

Estimation uncertainty

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

Rent arrears - bad debt provision

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

Life cycle of components

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

Useful lives of other fixed assets

The useful lives of other fixed assets are based on the knowledge of senior management at the Association with reference to expected asset life cycles.

Pension liabilities

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

Housing Grants

The Association estimates amortisation of grant based on the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

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.

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
NOTES TO THE FINANCIAL STATEMENTS

1. Principal accounting policies (continued)

Works to existing properties

The Association capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

Development interest

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

Key judgements made in the application of accounting policies

a) The Categorisation of housing properties

In the judgement of the Management Committee the entirety of the Association'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 Association considers its cash-generating units to be the entire housing portfolio in which it manages its housing property for asset management purposes.

c) Pension liability

In May 2023 the Association received details from the Pension Trust of its share of assets, liabilities, and scheme deficit. The Association has used this information as the basis of the pension defined benefit liability as disclosed in these accounts. The Management Committee consider this is the best estimate of their scheme liability.

Financial instruments – basic

The Association only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like rents, accounts receivable and payable, loans from banks and related parties.

These are recognised in accordance with Section 11 of Financial Reporting Standard 102.

The Association's debt instruments are measured at amortised cost using the effective interest rate method.

ELDERPARK HOUSING ASSOCIATION LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
 NOTES TO THE FINANCIAL STATEMENTS

		2023		2022			
2. Particulars of revenue, cost of sales, operating costs and operating surplus		Revenue	Operating costs	Operating surplus/ (deficit)	Revenue	Operating costs	Operating surplus/ (deficit)
Note		£	£	£	£	£	£
	Social letting activities	3	7,573,489	(6,021,150)	7,108,849	(5,711,851)	1,396,998
	Other activities	4	163,782	(168,727)	229,151	(193,391)	35,760
	Total		<u>7,737,271</u>	<u>(6,189,877)</u>	<u>7,338,000</u>	<u>(5,905,242)</u>	<u>1,432,758</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
NOTES TO THE FINANCIAL STATEMENTS

3. Particulars of income and expenditure from social lettings

	General needs housing	Supported housing	Shared ownership	2023 Total	2022 Total
	£	£	£	£	£
Revenue from lettings					
Rent receivable net of identifiable service charges	5,810,344	-	6,352	5,816,696	5,595,305
Service charges receivable	110,143	-	1,296	111,439	112,721
Gross rents receivable	<u>5,920,487</u>	<u>-</u>	<u>7,648</u>	<u>5,928,135</u>	<u>5,708,026</u>
Less rent losses from voids	(59,107)	-	-	(59,107)	(73,811)
Net rents receivable	<u>5,861,380</u>	<u>-</u>	<u>7,648</u>	<u>5,869,028</u>	<u>5,634,215</u>
Amortisation of social housing & other grants	1,704,461	-	-	1,704,461	1,474,634
Revenue grants from local authorities and other agencies	-	-	-	-	-
Other revenue grants	-	-	-	-	-
Total income from social letting	<u><u>7,565,841</u></u>	<u><u>-</u></u>	<u><u>7,648</u></u>	<u><u>7,573,489</u></u>	<u><u>7,108,849</u></u>
Expenditure on social letting activities					
Management and maintenance administration costs	2,095,585	-	9,526	2,105,111	1,995,938
Service costs	122,033	-	1,413	123,446	130,150
Planned and cyclical maintenance including major repairs	406,923	-	-	406,923	370,326
Reactive maintenance	1,019,545	-	-	1,019,545	826,634
Bad debts - rents and service charges	75,537	-	-	75,537	8,496
Depreciation of social housing	2,501,546	-	16,222	2,517,768	2,321,172
Gain on disposal	(227,180)	-	-	(227,180)	59,135
Operating costs of social letting	<u><u>5,993,989</u></u>	<u><u>-</u></u>	<u><u>27,161</u></u>	<u><u>6,021,150</u></u>	<u><u>5,711,851</u></u>
Operating surplus on social letting activities	<u><u>1,571,852</u></u>	<u><u>-</u></u>	<u><u>(19,513)</u></u>	<u><u>1,552,339</u></u>	<u><u>1,396,998</u></u>
2022	<u><u>1,409,643</u></u>	<u><u>-</u></u>	<u><u>(12,645)</u></u>	<u><u>1,396,998</u></u>	

During the year, the Management Committee completed an exercise to assess the reasonableness of the unamortised balance of Housing properties and the corresponding HAG. As a result an additional depreciation charge of £145k and a release of unamortised HAG of £342k has been recognised in the Statement of Comprehensive Income.

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
NOTES TO THE FINANCIAL STATEMENTS

4. Particulars of income and expenditure from other activities	Grants		Supporting people income	Other revenue grants	Other income	Total turnover	Operating costs bad debts	Operating costs other	Operating surplus/ (deficit) 2023	Operating surplus/ (deficit) 2022
	from Scottish Ministers	£								
Wider Role activities	-	16,735	-	-	-	16,735	-	(76,161)	(59,426)	(68,158)
Factoring	-	-	-	-	31,647	31,647	-	(52,313)	(20,666)	(16,265)
Development and construction of property	-	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	-	115,400	115,400	-	(40,253)	75,147	120,183
Total from other activities	-	16,735	-	-	147,047	163,782	-	(168,727)	(4,945)	35,760
Total from other activities for 2022	-	40,546	-	-	188,605	229,151	-	(193,391)	35,760	35,760

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023
NOTES TO THE FINANCIAL STATEMENTS

5. Board members and officers emoluments

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

No emoluments have been paid to any member of the management committee.

	2023	2022
	£	£
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	267,634	77,364
Emoluments payable to the director (excluding pension contributions)	80,986	77,364
Pension contributions paid on behalf of the director	9,664	6,344
Total emoluments paid to key management personnel	267,634	252,613

	Number	Number
Total number of officers, including the highest paid officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:		
£60,001 - £70,000	3	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-

Payments made to board members during the year for reimbursement of expenses totalled £280 (2022 - £155).

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6. Employee information

	2023	2022
	£	£
Staff costs during the year:		
Wages and salaries	1,312,710	1,162,907
Social security costs	121,435	114,852
Other pension costs	133,986	102,273
	<u>1,568,131</u>	<u>1,380,032</u>
	Number	Number
The average number of full time equivalent persons employed during the year was	<u>28</u>	<u>27</u>
The average total number of employees employed during the year was	<u>37</u>	<u>34</u>

7. Interest payable and similar charges

	2023	2022
	£	£
Bank loans and overdrafts	<u>591,384</u>	<u>477,488</u>

8. Surplus for the year

	2023	2022
	£	£
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	2,629,487	2,432,476
Auditors' remuneration - audit services	15,780	14,652
Loss on disposal of fixed assets	121,918	59,135
Amortisation on disposal of HAG	(349,098)	-
Amortisation of capital grants	<u>(1,704,461)</u>	<u>(1,474,634)</u>

9. Tax on surplus on ordinary activities

The Association is a Registered Scottish Charity and is exempt from Corporation Tax on its charitable activities.

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10. Non-current assets

a) Housing Properties	Housing properties held for letting £	Housing properties under construction £	Completed shared ownership properties £	Total £
Cost				
At start of year	98,383,147	-	811,123	99,194,270
Additions	2,010,875	-	-	2,010,875
Disposals	(630,793)	-	-	(630,793)
Transfers between categories	-	-	-	-
At end of year	<u>99,763,229</u>	<u>-</u>	<u>811,123</u>	<u>100,574,352</u>
Depreciation				
At start of year	31,162,369	-	351,211	31,513,580
Charged during year	2,501,546	-	16,222	2,517,768
Eliminated on disposal	(508,875)	-	-	(508,875)
At end of year	<u>33,155,040</u>	<u>-</u>	<u>367,433</u>	<u>33,522,473</u>
Net book value				
At end of year	<u>66,608,189</u>	<u>-</u>	<u>443,690</u>	<u>67,051,879</u>
At start of year	<u>67,220,778</u>	<u>-</u>	<u>459,912</u>	<u>67,680,690</u>

Additions to Housing Properties includes Capitalised Development Administration Costs totalling £Nil (2022 - £Nil) and Capitalised Major Repair Costs of £1,796,368 (2022 - £1,199,203).

During the year, the Management Committee completed an exercise to assess the reasonableness of the unamortised balance of Housing properties and the corresponding HAG. As a result an additional depreciation charge of £145k and a release of unamortised HAG of £342k has been recognised in the Statement of Comprehensive Income.

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10. Non-current assets (continued)

b) Other tangible assets	Heritable office property £	Fixtures, fittings & equipment £	Total £
Cost			
At start of year	3,671,656	745,830	4,417,486
Additions	6,305	14,389	20,694
Disposals	-	-	-
At end of year	<u>3,677,961</u>	<u>760,219</u>	<u>4,438,180</u>
Depreciation			
At start of year	298,183	561,356	859,539
Charged during year	73,559	38,160	111,719
Disposals	-	-	-
At end of year	<u>371,742</u>	<u>599,516</u>	<u>971,258</u>
Net book value			
At end of year	<u>3,306,219</u>	<u>160,703</u>	<u>3,466,922</u>
At start of year	<u>3,373,473</u>	<u>184,474</u>	<u>3,557,947</u>

11. Debtors

	2023 £	2022 £
Arrears of rent & service charges	363,507	296,536
Less: Provision for doubtful debts	<u>(220,540)</u>	<u>(161,697)</u>
	142,967	134,839
Other Debtors	<u>194,398</u>	<u>177,086</u>
	<u>337,365</u>	<u>311,925</u>

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12. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Housing loans	402,320	405,422
Trade payables	315,741	370,079
Rent in advance	237,951	219,063
Other payables	645,245	754,600
Accruals and deferred income	184,260	228,255
Bank overdraft	-	8,636
	<u>1,785,517</u>	<u>1,986,055</u>

13. Creditors: Amounts falling due after one year

	2023	2022
	£	£
Accruals	1,098,980	904,143
Housing loans	<u>13,050,609</u>	<u>13,446,791</u>
	<u>14,149,589</u>	<u>14,350,934</u>

All of the Association's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans.

The bank loans are repayable as follows:

	2023	2022
	£	£
Between one and two years	411,368	417,178
Between two and five years	6,229,054	6,279,261
In five years or more	<u>6,410,187</u>	<u>6,750,352</u>
	<u>13,050,609</u>	<u>13,446,791</u>

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

Lender	Security	Effective Interest Rate	Maturity	Variable/Fixed
RBS	Standard security over 4 properties	5.30%	2039	Fixed
RBS	Standard security over 133 properties	5.62%	2040	Fixed
RBS	Standard security over 114 properties	LIBOR +1.45%	2040	Variable/fixed
Virgin Money	Standard security over 40 properties	5.53%	2026	Fixed
Allia	No standard security	3.30%	2027	Fixed
Charity Bank	Standard security over 35 properties	Base +1.75%	2042	Variable

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13. Creditors: Amounts falling due after one year (continued)

With the exception of the Allia loan all of the Association's bank borrowings are repayable on a monthly or quarterly basis with the principal being amortised over the term of the loans. The Allia loan is a bullet repayment with capital and rolled up interest being paid on maturity.

14. Statement of cash flows

Reconciliation of operating surplus to balance as at 31 March 2023	2023	2022
	£	£
Operating surplus	1,547,394	1,432,758
Depreciation	2,629,487	2,432,476
Loss on disposal	121,918	59,135
Amortisation on disposal of HAG	(349,098)	-
Amortisation of capital grants	(1,704,461)	(1,474,634)
Change in debtors	(25,440)	(13,011)
Change in creditors	(188,798)	(99,116)
Movement in pension liability	(149,000)	(151,000)
Balance as at 31 March 2023	<u>1,882,002</u>	<u>2,186,608</u>

15. Analysis of net debt

Reconciliation of net debt as at 31 March 2023	1 April	Cash flows	Other	31 March
	2022		changes	2023
	£	£	£	£
Cash at bank	4,866,403	(803,847)	-	4,062,556
Housing loans due within one year	(405,422)	399,284	(396,182)	(402,320)
Housing loans due after one year	(13,446,791)		396,182	(13,050,609)
	<u>(8,985,810)</u>	<u>(404,563)</u>	-	<u>(9,390,373)</u>

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16. Deferred income

	2023	2022
	£	£
Social housing grants		
Balance as at 1 April 2022	43,723,847	45,079,172
Additions in year	111,050	106,375
Recycled grant	-	-
Released / repaid as the result of property disposal	(349,098)	-
Amortisation in Year	(1,691,527)	(1,461,700)
Balance as at 31 March 2023	<u>41,794,272</u>	<u>43,723,847</u>
Other grants		
Balance as at 1 April 2022	820,591	788,265
Additions in year	-	45,260
Amortisation in Year	(12,934)	(12,934)
Balance as at 31 March 2023	<u>807,657</u>	<u>820,591</u>
Total deferred grants	<u><u>42,601,929</u></u>	<u><u>44,544,438</u></u>

This is expected to be released to the Statement of Comprehensive Income as follows:

Amounts due within one year	1,411,415	1,473,896
Amounts due in one year or more	<u>41,190,514</u>	<u>43,070,542</u>
	<u>42,601,929</u>	<u>44,544,438</u>

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17. Reserves

Share capital	2023	2022
	£	£
Shares of £1 each issued and fully paid		
At 1 April 2022	585	577
Issued in year	4	8
At 31 March 2023	<u>589</u>	<u>585</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends 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.

Reserves	2023	2022
	£	£
At 1 April 2022	15,465,953	13,880,982
Surplus for year	995,145	961,971
Other comprehensive income	<u>(340,000)</u>	<u>623,000</u>
At 31 March 2023	<u>16,121,098</u>	<u>15,465,953</u>

18. Housing stock

The number of units of accommodation in management at the year end was:-	2023	2022
	No.	No.
General needs		
- House	172	172
- Tenement	1,097	1,098
- Four in a block	8	8
- Other flat/maisonette	64	62
Shared ownership	<u>5</u>	<u>5</u>
	<u>1,346</u>	<u>1,345</u>

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19. Related party transactions

Members of the Management Committee are related parties of the Association as defined by Financial Reporting Standard 102. The related party relationships of the members of the Management Committee are summarised as:

- Members are tenants of the Association
- Members are factored owners
- Management Committee members cannot use their position to their advantage. 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 were as follows:

- Rent Received from Tenants on the Committee – £32,009.
- Factoring income received from Owner Occupiers in the Committee - £Nil.
- At the year-end total rent arrears owed by the tenant members of the Committee were £1,008.
- At the year-end total rent arrears owed by Owner Occupiers of the Committee were Nil.

20. Details of association

The Association is a Registered Society registered within the Financial Conduct Authority and is domiciled in Scotland.

The Association's principal place of business is 65 Golspie Street, Glasgow, G51 3AX.

The Association is a Registered Social Landlord and Scottish Charity that owns and manages social housing in Glasgow.

ELDERPARK HOUSING ASSOCIATION LIMITED
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21. Retirement benefit obligations

The company participates in the Scottish Housing Associations' 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 pension schemes in the UK.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A Recovery Plan was put in place to eliminate the deficit which ran to 30 September 2022.

The Scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

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21. Retirement benefit obligations (continued)

**Present values of defined benefit obligation,
Fair value of assets and defined benefit asset (liability)**

	31 March 2023	31 March 2022
	(£000s)	(£000s)
Fair value of plan assets	4,752	8,147
Present value of defined benefit obligation	5,012	8,216
Surplus (deficit) in plan	(260)	(69)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(260)	(69)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(260)	(69)

Reconciliation of the impact of the asset ceiling

	Period from 31 March 2022 to 31 March 2023	Period from 31 March 2021 to 31 March 2022
	(£000s)	(£000s)
Impact of asset ceiling at start of period	-	-
Effect of the asset ceiling included in net interest cost	-	-
Actuarial losses (gains) on asset ceiling	-	-
Impact of asset ceiling at end of period	-	-

Reconciliation of opening and closing balances of the defined benefit obligation

	Period from 31 March 2022 to 31 March 2023	Period from 31 March 2021 to 31 March 2022
	(£000s)	(£000s)
Defined benefit obligation at start of period	8,216	8,634
Current service cost	(8)	154
Expenses	7	7
Interest expense	220	186
Contributions by plan participants	8	92
Actuarial losses (gains) due to scheme experience	(774)	(8)
Actuarial losses (gains) due to changes in demographic assumptions	(117)	27
Actuarial losses (gains) due to changes in financial assumptions	(1,880)	(683)
Benefits paid and expenses	(660)	(193)
Liabilities acquired in a business combination	-	-
Liabilities extinguished on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Exchange rate changes	-	-
Defined benefit obligation at end of period	5,012	8,216

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21. Retirement benefit obligations (continued)

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

	Period from 31 March 2022 to 31 March 2023 (£000s)	Period from 31 March 2021 to 31 March 2022 (£000s)
Fair value of plan assets at start of period	8,147	7,791
Interest income	220	170
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(3,111)	(41)
Contributions by the employer	148	328
Contributions by plan participants	8	92
Benefits paid and expenses	(660)	(193)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	4,752	8,147

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was £2,891,000.

Defined benefit costs recognised in Statement of Comprehensive Income (SOCl)

	Period from 31 March 2022 to 31 March 2023 (£000s)	Period from 31 March 2021 to 31 March 2022 (£000s)
Current service cost	(8)	154
Expenses	7	7
Net interest expense	-	16
Losses (gains) on business combinations	-	-
Losses (gains) on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	(1)	177

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21. Retirement benefit obligations (continued)

Reconciliation of defined benefit pension liability (SOFP)

	Period from 31 March 2022 to 31 March 2023 (£000s)	Period from 31 March 2021 to 31 March 2022 (£000s)
Opening pension liability	69	843
Current service cost	(8)	154
Expenses	7	7
Net interest expense	-	16
Employer contributions	(148)	(328)
Actuarial loss / (gain)	340	(623)
Closing pension liability	260	69

Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)

	Period from 31 March 2022 to 31 March 2023 (£000s)	Period from 31 March 2021 to 31 March 2022 (£000s)
Current service cost	(8)	154
Expenses	7	7
Net interest expense	-	16
Losses (gains) on business combinations	-	-
Losses (gains) on settlements	-	-
Losses (gains) on curtailments	-	-
Losses (gains) due to benefit changes	-	-
Defined benefit costs recognised in statement of comprehensive income (SoCI)	(1)	177

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21. Retirement benefit obligations (continued)

Assets

	31 March 2023	31 March 2022
	(£000s)	(£000s)
Global Equity	125	1,611
Absolute Return	65	374
Distressed Opportunities	146	292
Credit Relative Value	181	261
Alternative Risk Premia	27	337
Emerging Markets Debt	37	303
Risk Sharing	347	266
Insurance-Linked Securities	132	171
Property	198	211
Infrastructure	512	509
Private Debt	212	205
Opportunistic Illiquid Credit	210	270
High Yield	24	79
Opportunistic Credit	-	28
Cash	20	23
Corporate Bond Fund	6	515
Liquid Credit	-	52
Long Lease Property	159	235
Secured Income	318	435
Over 15 Year Gilts	-	3
Liability Driven Investment	2,013	1,971
Currency Hedging	9	(30)
Net Current Assets	11	26
Total assets	4,752	8,147

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

Key assumptions

	31 March 2023	31 March 2022
	% per annum	% per annum
Discount Rate	4.88	2.79
Inflation (RPI)	3.20	3.59
Inflation (CPI)	2.74	3.20
Salary Growth	3.74	4.20
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

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21. Retirement benefit obligations (continued)

The mortality assumptions adopted at 31 March 2023 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2023	20.5
Female retiring in 2023	23.0
Male retiring in 2043	21.7
Female retiring in 2043	24.4

Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation.

22. Contingent liabilities

The pension withdrawal debt as at 30 September 2022 for Elderpark Housing Association Limited is £2,146,077.

We have been notified by the Trustee of the pension Scheme that it has performed a review of the changes made to the Scheme’s benefits over the years and the result is that there is uncertainty surrounding some of these changes.

The Trustee has been advised to seek clarification from the Court on these items. This process is ongoing and that matter is unlikely to be resolved before the end of 2024 at the earliest. It is recognised that this could potentially impact on the value of Scheme liabilities, but until Court directions are received, it is not possible to calculate the impact of this issue, particularly on an individual employer basis, with any accuracy at this time.

No adjustment has been made in these financial statements in respect of this potential issue.