

***ELDERPARK HOUSING ASSOCIATION LIMITED***

***FINANCIAL STATEMENTS***

***YEAR ENDED 31 MARCH 2011***

***REGISTER OF FRIENDLY SOCIETIES NO. 1840RS***

***REGISTERED HOUSING ASSOCIATION NO. HAL 108***

***REGISTERED SCOTTISH CHARITY NUMBER SCO32823***

**ELDERPARK HOUSING ASSOCIATION LIMITED**

**FINANCIAL STATEMENTS**

**YEAR ENDED 31 MARCH 2011**

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**ELDERPARK HOUSING ASSOCIATION LIMITED**

**MANAGEMENT COMMITTEE, SENIOR STAFF AND ADVISORS**

**YEAR ENDED 31 MARCH 2011**

**THE MANAGEMENT COMMITTEE**

Elsbeth Millen	Chairperson (appointed Chairperson on 24 <sup>th</sup> June 2010)
Susan Peters	Vice-Chairperson (appointed Vice Chairperson on 24 <sup>th</sup> June 2010)
Barbara Wilson	Treasurer
Agnes Carey	Secretary
Sophia Kaseke	
Janet Evans	
Paul Hendry	
Irene Love	Co-opted 3 <sup>rd</sup> August 2010, Appointed by Committee 19 <sup>th</sup> October 2010
Anne Melvin	Co-opted 24 <sup>th</sup> August 2010, Appointed by Committee 19 <sup>th</sup> October 2010
Marri Holmes	Co-opted 2 <sup>nd</sup> November 2010
Charlotte McNeil	Resigned 19 <sup>th</sup> October 2010
Marie Martin	Resigned 5 <sup>th</sup> October 2010

**SENIOR STAFF**

Christine Murphy	Director
Shirley McKnight	Depute Director
Terry Frew	Maintenance Manager
James McGeough	Finance Manager
Aidan McGuinness	Housing Manager

**REGISTERED OFFICE**

31 Garmouth Street, Glasgow, G51 3PR

**AUDITORS**

French Duncan LLP, Chartered Accountants and Registered Auditor

**BANKERS**

Royal Bank of Scotland plc

**SOLICITORS**

Hart, Smith & Company

## ***ELDERPARK HOUSING ASSOCIATION LIMITED***

### ***Report of the Management Committee for the year ended 31 March 2011***

The Management Committee present their report and the audited financial statements for the year ended 31 March 2011.

#### ***Legal Status***

The Association is registered as a non-profit making organisation under the Industrial and Provident Societies Act 1965 No. 1840RS. The Association is constituted under its Rule Book. The Association is a registered Scottish Charity with the charity number SC032823.

#### ***Principal Activities***

The principal activity of the Association is the provision of good quality social housing at an affordable rent.

#### ***Review of Business and Future Developments***

The Management Committee reports a surplus for the year of £774,496 (2010 - £737,888). Committee is satisfied with the results. Of this surplus £266,606 (2010 - £256,353) was transferred to designated reserves to fund future major repairs. The Association now has Housing Properties totalling £64,519,009 (2010 - £60,482,832) and net assets now total £6,347,901 (2010 - £5,573,396).

During the year, the Association completed the new build scheme at Harhill Street/Elder Street. This scheme consists of 109 units, comprising a development of flats, townhouses, family housing and wheelchair housing for both mainstream and re-provisioning. The scheme started on site in March 2009 and was completed in December 2010. This scheme is part of the Central Govan Action Plan. The Association also completed the new build scheme at 10 Elderpark Street in April this year. This scheme consists of 10 three apartment amenity flats. New tenants at our new build schemes are delighted with their new homes.

The Association also completed during the year, the re-improvement of two closes at 40 and 46 Elderpark Street, Govan. This 2 close contract was completed in June 2010.

In the forthcoming year, the Association hopes to complete the new build scheme at Elder Street/Garmouth Street, Govan (previously St Anthony's school). This scheme started on site in October 2010 and will comprise of 108 units which will range from two apartment flats to five apartment houses. The total cost of this scheme amounts to £15million and will be funded by Elderpark Housing Association, Glasgow City Council and a private loan.

#### ***Changes in Fixed Assets***

Details of fixed assets are set out in notes 10 and 11.

#### ***The Management Committee and Senior Staff.***

The Management Committee and Senior Staff are listed on Page 1. Each member of committee holds one fully paid up share of £1 in the Association.

#### ***Statement of Committee's Responsibilities***

The Committee is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

## ***ELDERPARK HOUSING ASSOCIATION LIMITED***

### ***Statement of Committee's Responsibilities (cont'd)***

Housing Association legislation requires the committee to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the Association as at the end of the financial year 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 a 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 ensuring that arrangements are made for keeping proper books of accounts in respect of the Association's transactions, its assets and liabilities and for maintaining a satisfactory system of control over the Association's books of accounts and transactions to enable them to ensure that the financial statements comply with the Industrial and Provident Societies Act 1965 to 2002, the Housing (Scotland) Act 2001, the Registered Social Landlords Accounting Requirements (Scotland) Order 2007 (SSI 2007/165) and the Statement of Recommended Practice for Registered Social Landlords (SORP 2008). 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.

The Management Committee confirms that the Financial Statements comply with the above requirements.

In so far as the Management Committee is aware:

- There is no relevant audit information (information needed by the Housing Association's auditors in connection with preparing their report) of which the Association's auditors are unaware, and
- It has taken all steps that they ought to have taken to make its members aware of any relevant audit information and to establish that the Housing Association's auditors are aware of that information.

### ***Related Party Transactions***

The Management Committee are tenants, owners, sharing owners or interested parties. For those who are tenants, their tenancies are on the Association's normal tenancy terms and they cannot use their position to their advantage.

### ***Raising Standards Guidance on Internal Financial Control and Financial Reporting***

The Association considers that it has complied with the "Raising Standards" guidance on "Internal financial control and financial reporting" contained within "Raising Standards in Housing", published by the Scottish Federation of Housing Associations and endorsed by The Scottish Housing Regulator.

## ***ELDERPARK HOUSING ASSOCIATION LIMITED***

### ***Internal Financial Control***

The Management Committee exercises overall responsibility for the Association's system of internal financial control and is responsible for its effectiveness. This system, like any other can only provide reasonable and not absolute assurance against material mis-statement or loss. The system in place within the Association relating to control includes the following: -

- Recognition of personal responsibility and accountability of the Management Committee;
- Policies and detailed procedures covering all the key areas of the Association's activities
- A comprehensive system of budgeting, planning and financial reporting;
- A formal Business Risk Management policy. This risk policy considers risk as a priority and recognises that it includes risk to the organisation, its Committee, staff or customers. The Association aims to identify these risks and attempt to minimise and manage them within its day to day activities;
- The Management Committee sets up a rolling programme of internal audit, which took place during the year. The programme covers all aspects of the Association's activities. The programme was evolved from an Internal Audit Needs Assessment Plan.

### ***Auditor's Review***

In addition to their audit of the financial statements, our Auditors have reviewed the Management Committee's statement concerning the Association's compliance with the disclosures required by the Scottish Federation of Housing Associations "Raising Standards" guidance on "Internal financial control and financial reporting". Their report is set out on page 5.

### ***Charitable Donations***

During the year, the Association made charitable donations amounting to £1,885 (2010 - £1,905).

### ***Charitable Status***

The Association achieved Charitable Status on 29 January 2002.

### ***Auditors***

A resolution to re-appoint the auditors, French Duncan LLP, will be proposed at the Annual General Meeting.

**By Order of the Committee**

*U. Looney*  
Secretary  
14 June 2011

**ELDERPARK HOUSING ASSOCIATION LIMITED**

***Report of the Independent Auditors on Corporate Governance Matters***

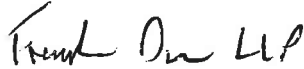
In addition to our audit of the Financial Statements, we have reviewed your Statement on pages 3 and 4 concerning the Association's compliance with the paragraphs of the Internal Financial Control section within the Scottish Federation of Housing Association's publication "Raising Standards in Housing".

***Basis of Opinion***

We carried out our review having regard to Bulletin 2006/5 issued by the Auditing Practices Board. The Bulletin does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Association's system of internal financial control or its corporate governance procedures.

***Opinion***

In our opinion, the statement on internal financial controls on pages 3 and 4 has provided the disclosures required by the Internal Financial Control section within the Scottish Federation of Housing Association's publication "Raising Standards in Housing" and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.



**French Duncan LLP**  
Chartered Accountants and  
Registered Auditor  
375 West George Street  
Glasgow  
G2 4LW

14 June 2011



## **ELDERPARK HOUSING ASSOCIATION LIMITED**

### ***Report of the Independent Auditors to the Members of Elderpark Housing Association Limited***

We have audited the Financial Statements on pages 8 to 25, which have been prepared under the accounting policies, set out on pages 11 and 12.

This report is made solely to the Association's members, as a body, in accordance with Section 9 of the Friendly and Industrial Provident Societies Act 1968. 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 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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Respective responsibilities of the Management Committee and Auditors***

The Management Committee's responsibilities for preparing of the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards, (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Management Committee responsibilities.

Our responsibility is to audit the Financial Statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 7 of the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007. We also report to you if, in our opinion, the Management Committee's report is not consistent with the Financial Statements, if the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions with the Association is not disclosed.

We read the Management Committee's report and consider the implications for our report if we become aware of any apparent misstatements within it.

### ***Basis of opinion***

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgements made by the Management Committee in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the Association's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Financial Statements are free from material mis-statement, whether caused by fraud, other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the Financial Statements.



**ELDERPARK HOUSING ASSOCIATION LIMITED**

**Report of the Independent Auditors to the Members of Elderpark Housing Association Limited  
(cont'd)**

**Opinion**

In our opinion, the Financial Statements:

- Give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Association as at 31 March 2011 and of its income and expenditure for the year then ended; and
- Have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 7 of the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.



**French Duncan LLP**  
Chartered Accountants and  
Registered Auditor  
375 West George Street  
Glasgow  
G2 4LW

14 June 2011

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31 MARCH 2011**

	Note	2011 £	2010 £
<b>Turnover</b>	2	4,292,651	3,248,408
Less: operating costs	2	<u>(3,382,617)</u>	<u>(2,434,871)</u>
<b>Operating surplus</b>	2,8	910,034	813,537
Interest receivable		39,998	42,744
Interest payable	7	<u>(175,536)</u>	<u>(118,393)</u>
<b>Surplus for the year</b>		<u>774,496</u>	<u>737,888</u>

The results for the year relate wholly to continuing activities.

The Association has no recognised surpluses or deficits in the years ended 31 March 2010 or 2011 other than the surplus for the year.

The notes on pages 11 to 25 form an integral part of these financial statements.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**BALANCE SHEET**  
**AS AT 31 MARCH 2011**

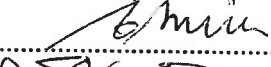

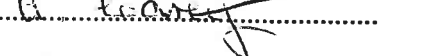
	Note	2011 £	2010 £
<b>Tangible fixed assets</b>	10		
Housing properties - gross cost		64,519,009	60,482,832
Other properties - gross cost		<u>232,495</u>	<u>152,955</u>
		64,751,504	60,635,787
Less: Social Housing Grant		(54,043,927)	(52,800,413)
Depreciation		(1,129,544)	(928,220)
Other grants		<u>(573,293)</u>	<u>(543,293)</u>
		9,004,740	6,363,861
<b>Other fixed assets</b>	11	<u>443,711</u>	<u>326,160</u>
<b>Investments</b>			
Shared Equity Loan	11(a)	389,890	-
Shared Equity Grant		<u>(389,890)</u>	-
		-	-
<b>Total Fixed Assets</b>		<u>9,448,451</u>	<u>6,690,021</u>
<b>Current assets</b>			
NSSE Stock	12	275,024	11,095
Debtors	13	1,490,715	2,624,194
Cash at bank and in hand		<u>4,251,533</u>	<u>2,930,271</u>
		<u>6,017,272</u>	<u>5,565,560</u>
<b>Current Liabilities</b>			
Creditors due within one year	14	<u>(2,516,508)</u>	<u>(4,011,231)</u>
<b>Net current assets</b>		<u>3,500,764</u>	<u>1,554,331</u>
<b>Total assets less current liabilities</b>		12,949,215	8,244,351
<b>Creditors: amounts falling due after more than one year</b>	15	<u>(6,601,314)</u>	<u>(2,670,955)</u>
<b>Net Assets</b>		<u>6,347,901</u>	<u>5,573,396</u>
<b>Capital and Reserves</b>			
Share capital	16	187	201
Forfeited shares		320	296
Designated Reserves	17	2,748,873	2,482,267
Revenue Reserves	18	<u>3,598,521</u>	<u>3,090,632</u>
		<u>6,347,901</u>	<u>5,573,396</u>

Approved on behalf of the Management Committee on 14 June 2011

Elsbeth Millen, Chairperson

Susan Peters, Vice Chairperson

Agnes Carey, Secretary

  
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The notes on pages 11 to 25 form an integral part of these financial statements.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**CASH FLOW STATEMENT**  
**YEAR ENDED 31 MARCH 2011**

	Note	2011	2010
		£	£
<b>Net Cash Inflow From Operating Activities</b>	19a	<u>1,419,892</u>	<u>942,684</u>
<b>Returns on Investments and Servicing of Finance</b>			
Interest received		39,998	42,744
Interest paid		<u>(175,536)</u>	<u>(118,393)</u>
		<u>(135,538)</u>	<u>(75,649)</u>
<b>Net Cash Inflow From Returns on Investments and Servicing of Finance</b>		<u>1,284,354</u>	<u>867,035</u>
<b>Capital Expenditure</b>			
Cash paid for construction and purchase of housing properties		(4,481,255)	(7,498,125)
NSSE Property Purchases		(77,944)	(318,120)
Cash paid for purchase of other fixed assets		(268,364)	(97,332)
Cash received from sale of housing properties		65,966	32,055
Social Housing Grant received		1,397,382	6,116,612
NSSE Funding Received		16,377	307,025
Other Grants received		<u>30,000</u>	<u>-</u>
		<u>(3,317,838)</u>	<u>(1,457,885)</u>
<b>Net Cash (Outflow) before use of Liquid Resources and Financing</b>		<u>(2,033,484)</u>	<u>(590,849)</u>
<b>Financing</b>			
Loan advances received		4,173,622	112,441
Loans repaid		(283,314)	(88,109)
Share Capital		<u>10</u>	<u>13</u>
<b>Increase/(Decrease) in Cash</b>	19b	<u>3,890,318</u>	<u>23,345</u>
		<u>1,856,834</u>	<u>(566,504)</u>

The notes on pages 11 to 25 form an integral part of these financial statements.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**1. Accounting Policies**

a) Accounting Basis

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards, the 2008 Statement of Recommended Practice and comply with the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

b) Turnover

Turnover represents rental and service charge income receivable, fees receivable and revenue grants receivable from Communities Scotland.

c) Social Housing Grant and Other Capital Grants

Where developments have been financed partly by a Social Housing Grant or other capital grant, the cost of those developments has been reduced by the amount of the grant receivable. This amount is shown separately on the balance sheet.

Social Housing Grant received in respect of revenue expenditure is credited to the Income and Expenditure Account 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 primarily following sale of property.

d) Scottish Government New Supplied Shared Equity

The Association sells properties under the NSSE scheme. Under this scheme buyers purchase a majority share of the property with the balance funded by Scottish Government grants. The fixed asset investment represents the total of the loans receivable from purchasers of the property when the equity is released. There is an equal and opposite liability to the Scottish Government amounting to any shared equity release.

e) Fixed Assets - Housing Properties

Housing properties are stated at cost less Social Housing Grants, other capital grants and accumulated depreciation.

f) Depreciation

i. Housing Properties:

Depreciation is provided on housing properties on a straight-line basis over the expected economic useful life of the properties at an annual rate of 2%.

ii. Other Fixed Assets:

Depreciation is charged on heritable office property, office fixtures, fittings, equipment, motor vehicle and office improvements to write off the asset less recoverable value over its anticipated useful life. Depreciation is also provided on improvements to Housing Properties over the useful economic life of the improvements to the properties. The following Rates & Methods are used: -

Heritable Office Property: Straight Line	2%
Improvements: Straight Line	10%
Fixtures, Fittings and Equipment: Reducing Balance	20%
Motor Vehicle: Reducing Balance	25%
Office Improvements: Reducing Balance	20%

A full year's depreciation is charged in the year of purchase, but no charge is made in the year of disposal.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

g) Capitalisation of Interest

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

h) Development Administration Costs

Development administration costs relating to development activities are capitalised based on an apportionment of the staff time spent on this activity.

i) Sales of Housing Properties

Surpluses and deficits on sale of housing properties are accounted for in the Income and Expenditure Account in the year of disposal. The surplus or deficit is shown on the face of the Income and Expenditure Account.

j) Designated Reserves

i. Major Repairs Reserve:

The Association maintains its housing properties in a state of repair which at least maintains their residual value in prices prevailing at the time of acquisition and construction. Provision is made for such future repair expenditure and the actual costs of repairs is charged to this reserve.

ii. Planned Maintenance Reserve:

The reserve is based on the Association's liability to maintain the properties in accordance with a planned programme of works, provided it will not be met from revenue in the year in which it is incurred.

k) Pension Scheme Costs

The Association participates in the centralised Scottish Housing Associations' Pension Scheme administered by the Pension Trust for charities and voluntary organisations. 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. Scheme costs are spread over the average remaining service life of employees. Any deficiencies arising will be spread over this period.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**2. Particulars of turnover, operating costs and operating surplus or deficit**

	Turnover	Operating Costs	2011 Operating Surplus /(Deficit)	2010 Operating Surplus /(Deficit)
	£	£	£	£
Social Lettings	3,360,617	(2,413,572)	947,045	907,818
Other Activities	932,034	(969,045)	(37,011)	(94,281)
<b>Total</b>	<b>4,292,651</b>	<b>(3,382,617)</b>	<b>910,034</b>	<b>813,537</b>
Total for 2010	3,248,408	(2,434,871)	813,537	

**3. Particulars of turnover, operating costs and operating surplus or deficit from social letting activities**

	General Needs Housing £	Supported Housing Accommodation £	Shared Ownership Housing £	Other £	2011 Total £	2010 Total £
Rent receivable net of service charges	3,269,347	-	29,261	-	3,298,608	3,021,356
Service Charges	86,372	-	3,240	-	89,612	83,198
Gross income from rents and service charges	3,355,719	-	32,501	-	3,388,220	3,104,554
Less voids	27,603	-	-	-	27,603	25,263
<b>Total turnover from social letting activities</b>	<b>3,328,116</b>	<b>-</b>	<b>32,501</b>	<b>-</b>	<b>3,360,617</b>	<b>3,079,291</b>
Management and maintenance administration costs	1,145,091	-	19,998	-	1,165,089	1,073,817
Service costs	94,933	-	4,274	-	99,207	85,540
Planned and cyclical maintenance including major repair costs	276,430	-	-	-	276,430	351,496
Reactive maintenance costs	632,563	-	-	-	632,563	550,167
Bad debts – rents and service charges	38,959	-	-	-	38,959	32,700
Depreciation of social housing	201,324	-	-	-	201,324	77,753
<b>Operating costs for social letting activities</b>	<b>2,389,300</b>	<b>-</b>	<b>24,272</b>	<b>-</b>	<b>2,413,572</b>	<b>2,171,473</b>
<b>Operating surplus for social lettings</b>	<b>938,816</b>	<b>-</b>	<b>8,229</b>	<b>-</b>	<b>947,045</b>	<b>907,818</b>
<b>Operating surplus for social lettings for 2010</b>	<b>899,332</b>	<b>-</b>	<b>8,484</b>	<b>-</b>	<b>907,818</b>	



**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**4. Particulars of turnover, operating costs and operating surplus or deficit from other activities**

	Grants from Scottish Ministers	Other Revenue Grants	Supporting People Income	Other income	Total Turnover	Operating Costs – bad debts	Other operating costs	Operating surplus or (deficit)	Operating surplus or (deficit) for 2010
	£	£	£	£	£	£	£	£	£
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	81,049	-	3,028	-	84,077	-	(84,077)	-	(4,023)
Care and Repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	18,796	18,796	-	(17,785)	1,011	7,594
Development and construction of property activities	-	-	-	-	-	-	(96,179)	(96,179)	(92,262)
Support Activities	-	-	-	-	-	-	-	-	-
Care Activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	-	-	-	-	-	-
Other agency/management services	-	-	-	-	-	-	-	-	-
Developments for sale to registered social landlords	-	-	-	-	-	-	-	-	-
Developments for sale to non-registered social landlords	-	-	-	-	-	-	-	-	-
Other activities	-	-	-	829,161	829,161	-	(771,004)	58,157	(5,590)
<b>Total from other activities</b>	<b>81,049</b>	<b>-</b>	<b>3,028</b>	<b>847,957</b>	<b>932,034</b>	<b>-</b>	<b>(969,045)</b>	<b>(37,011)</b>	<b>(94,281)</b>
<b>Total from other activities for 2010</b>	<b>142,191</b>	<b>-</b>	<b>2,812</b>	<b>24,115</b>	<b>169,118</b>	<b>-</b>	<b>(263,398)</b>	<b>(94,281)</b>	

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**5. Directors' Emoluments**

The Management Committee members' are all classed as Directors of the Association. All perform their duties on a voluntary basis and have no emoluments from the Association. In addition the director and any other person who reports directly to the Director or the Management Committee whose total emoluments exceed £60,000 per year are also similarly classed.

	2011 £	2010 £
Total Directors Emoluments (including pension contribution and benefits in kind)	<u>313,900</u>	<u>301,357</u>
Emoluments of highest paid Director (excluding pension contributions)	<u>69,693</u>	<u>64,323</u>

The number of Directors, including the highest paid Director, who received emoluments (excluding pension contributions) in the following ranges were as follows

	Number of Directors	Number of Directors
Greater than £60,000	1	1

The highest paid Director is an ordinary member of the Association's pension scheme described in Note 24. No enhanced or special terms apply to membership and she has no other pension arrangements to which the Association contributes. The Association's contributions for the Director in the year amounted to £9,387 (2010 - £9,180).

	2011 £	2010 £
Total expenses reimbursed insofar as not Chargeable to income tax		
Management Committee	<u>1,261</u>	<u>1,362</u>

Reimbursement to the Management Committee is only made for expenses directly incurred in connection with performing the Association's business. All expenses incurred are within the designated classes under Schedule 7 of the Housing (Scotland) Act 2001.

**6. Staff Costs and Numbers**

Staff Costs were:-	2011 £	2010 £
Wages & Salaries	738,351	704,732
Social Security Costs	58,635	55,126
Other Pension Costs	<u>106,763</u>	<u>104,648</u>
	<u>903,749</u>	<u>864,506</u>

The average number of employees during the year was 23 (2010 - 23).

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**7. Interest Payable**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Interest Payable on Bank Loans	<u>175,536</u>	<u>118,393</u>

**8. Operating Surplus**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Operating surplus is stated after charging:-		
Depreciation of Housing Properties	201,324	77,753
Auditors' Remuneration – Audit Services	7,039	6,693
Depreciation and loss on sale of Other Fixed Assets	<u>52,715</u>	<u>60,299</u>

**9. Taxation**

No liability to Corporation Tax has occurred during the year because the Association is a registered charity.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**10. Tangible Fixed Assets**

**Housing Properties**

	Housing Properties held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Other Properties £	Total £
<b>Cost</b>					
At start of year	54,547,269	4,857,125	1,078,438	152,955	60,635,787
Additions	3,407,593	1,522,158	-	79,540	5,009,291
Transfers	4,085,253	(4,085,253)	-	-	-
Disposals	(65,966)	-	(41,953)	-	(107,919)
Transfer to Current Assets	-	(785,655)	-	-	(785,655)
At end of year	61,974,149	1,508,375	1,036,485	232,495	64,751,504
<b>Social Housing Grant</b>					
At start of year	48,204,443	3,778,983	816,987	-	52,800,413
Additions	550,825	692,689	-	-	1,243,514
Transfers	3,778,983	(3,778,983)	-	-	-
At end of year	52,534,251	692,689	816,987	-	54,043,927
<b>Depreciation</b>					
At start of year	928,220	-	-	-	928,220
Charge for year	201,324	-	-	-	201,324
At end of year	1,129,544	-	-	-	1,129,544
<b>Other Grants</b>					
At start of year	543,293	-	-	-	543,293
Additions	-	-	-	30,000	30,000
At end of year	543,293	-	-	30,000	573,293
<b>Net Book Value</b>					
At end of year	7,767,061	815,686	219,498	202,495	9,004,740
<b>2010</b>	4,871,313	1,078,142	261,451	152,955	6,363,861

Additions to housing properties included capitalised administration costs of £96,179 (2010 - £92,262).

All housing properties are heritable.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**11. Tangible Fixed Assets**

**Other Fixed Assets**

	<b>Heritable Office Property £</b>	<b>Fixtures Fittings And Equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At start of year	175,652	603,824	779,476
Disposals in year	-	(121,280)	(121,280)
Additions during year	169,419	19,405	188,824
<b>At end of year</b>	<b>345,071</b>	<b>501,949</b>	<b>847,020</b>
<b>Depreciation</b>			
At start of year	48,068	395,248	443,316
Re-classification	6,930	(6,930)	-
On disposals	-	(102,723)	(102,723)
Charge for year	9,445	43,271	52,716
<b>At end of year</b>	<b>64,443</b>	<b>328,866</b>	<b>393,309</b>
<b>Other Grants</b>		10,000	10,000
<b>Net Book Value at end of year</b>	<b>280,628</b>	<b>163,083</b>	<b>443,711</b>
<b>2010</b>	<b>127,584</b>	<b>198,576</b>	<b>326,160</b>

**11(a) Fixed Asset Investments**

	<b>2011 £</b>	<b>2010 £</b>
<b>Shared Equity Loans</b>		
Additions in year	<u>389,890</u>	-
<b>Shared Equity Loans Received</b>		
Additions in year	<u>389,890</u>	-

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**12. Stock**

	2011 £	2010 £
Cost of Developing Properties	771,892	318,120
Grants Received to Develop Properties	<u>(496,868)</u>	<u>(307,025)</u>
NSSE Stock	<u>275,024</u>	<u>11,095</u>

The Association participates in the Scottish Governments New Supplied Shared Equity Scheme with the aim of providing assistance to those on lower incomes to own their own home. Grants are made to equity sharing owners to reduce the purchase cost to an affordable level. A standard security is taken over the property in favour of the Scottish Government and no interest or rent is receivable from the equity sharing owner.

**13. Debtors**

Amounts falling due within one year:-	2011 £	2010 £
Arrears of rent and service charges	173,698	173,617
Less: Provision for bad and doubtful debts	<u>(115,929)</u>	<u>(122,641)</u>
	57,769	50,976
Social Housing Grant Receivable	-	170,245
Glasgow City Council Front Funding	1,273,404	2,302,227
Other Debtors	<u>159,542</u>	<u>100,746</u>
	<u>1,490,715</u>	<u>2,624,194</u>

**14. Creditors Due Within One Year**

	2011 £	2010 £
Bank overdraft	144,706	680,278
Rent paid in advance	105,106	100,368
Trade creditors	527,343	80,569
Accruals and deferred income	49,832	60,293
Loans	69,054	109,107
Bank Front Funding	1,177,572	2,302,227
Other creditors	<u>442,895</u>	<u>678,389</u>
	<u>2,516,508</u>	<u>4,011,231</u>

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**15. Creditors Due After More Than One Year**

	2011 £	2010 £
Loans	<u>6,601,314</u>	<u>2,670,955</u>

**Analysis of Borrowings**

Loans are secured by specific charges on the Association's properties and are repayable at varying interest rates with instalments due as follows:-

	2011 £	2010 £
In year one or less	69,054	128,529
Between one and two years	71,607	128,529
Between two and five years	219,190	385,587
In more than five years	<u>6,310,517</u>	<u>2,156,839</u>
	6,670,368	2,799,484
Less: loans repayable within one year	<u>(69,054)</u>	<u>(128,529)</u>
	<u>6,601,314</u>	<u>2,670,955</u>

**16. Share Capital**

	2011 £	2010 £
Shares of £1 each fully paid and issued		
At start of year	201	192
Shares issued during year	10	13
Shares forfeited during year	<u>(24)</u>	<u>(4)</u>
At end of year	<u>187</u>	<u>201</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. Each member has a right to vote at members' meetings.

**17. Designated Reserves**

	Major Repair Reserve £	Planned Maintenance Reserve £	Total £
At start of year	1,932,267	550,000	2,482,267
Transfer from Revenue Reserves	266,606		266,606
At end of year	<u>2,198,873</u>	<u>550,000</u>	<u>2,748,873</u>

**18. Revenue Reserves**

	2011 £	2010 £
At start of year	3,090,631	2,609,097
Surplus for year	774,496	737,888
Transfer to Designated Reserves	<u>(266,606)</u>	<u>(256,353)</u>
At end of year	<u>3,598,521</u>	<u>3,090,632</u>



**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**19. Notes To The Cash Flow Statement**

	2011	2010
	£	£
<b>a) Reconciliation of operating profit to net cash inflow from Operating Activities</b>		
Operating surplus for year	<u>910,034</u>	<u>813,537</u>
Depreciation and loss on sale – Housing Properties	201,324	77,753
Other Fixed Assets	<u>71,272</u>	<u>63,369</u>
	272,596	141,122
Decrease in Stock	-	2,908
Increase in NSSE Stock	(263,930)	(11,095)
Decrease in Debtors	963,234	(2,142,841)
Decrease in Creditors	<u>(462,042)</u>	<u>2,139,053</u>
Cash Inflows from Operating Activities	<u>1,419,892</u>	<u>942,684</u>

**b) Reconciliation of Net Cash Flow to Movement in Funds**

	2011	2010
	£	£
New Loans	(4,173,622)	(112,441)
Increase/(Decrease) in Cash in the Year	1,856,834	(565,504)
Loans Repaid	<u>283,314</u>	<u>88,109</u>
Change in Funds	(2,033,474)	(590,836)
(Debt)/Funds at 1 April 2010	<u>(530,066)</u>	<u>60,768</u>
Debt at 31 March 2011	<u>(2,563,540)</u>	<u>(530,068)</u>

**c) Analysis of Changes in Debt**

	At		At
	1 April	Cash Flow	31 March
	2010		2011
	£	£	£
Cash at Bank and in Hand	2,930,271	1,321,261	4,251,532
Bank Overdraft	<u>(680,278)</u>	<u>535,572</u>	<u>(144,706)</u>
	2,249,993	1,856,833	4,106,826
Debt Due within one year	(109,107)	40,053	(69,054)
Debt Due after one year	<u>(2,670,955)</u>	<u>(3,930,361)</u>	<u>(6,601,316)</u>
	<u>(530,069)</u>	<u>(2,033,475)</u>	<u>(2,563,544)</u>

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**20. Capital Commitments**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Expenditure Contracted</b>	<b><u>4,267,323</u></b>	<b><u>12,002,966</u></b>
Funded by:		
Social Housing Grant	2,065,765	6,079,699
Private Finance	1,367,438	3,757,950
Sales	804,000	2,060,200
Own Resources	-	74,997
Other Public Subsidy	<u>30,120</u>	<u>30,120</u>
	<b><u>4,267,323</u></b>	<b><u>12,002,966</u></b>
<b>Authorised Not Contracted</b>	<b>=</b>	<b>=</b>
Funded by:		
Social Housing Grant	-	-
Loan facility to be agreed	-	-
Anticipated Sales	-	-
	<b>=</b>	<b>=</b>

**21. Housing Stock**

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

	<b>2011</b>	<b>2010</b>
General Needs – New Build	323	273
- Rehabilitation	830	842
- Unimproved	42	42
Shared Ownership	<u>14</u>	<u>16</u>
	<b><u>1,209</u></b>	<b><u>1,173</u></b>

**22. Contingent Liabilities**

At 31 March 2011 there were no known contingent liabilities.

**23. Commitments under Operating Leases**

At 31 March 2011 there were no commitments under operating leases.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

**24. Pension Scheme**

Elderpark Housing Association participates in the Scottish Housing Associations' Pension Scheme, administered by the Pension Trust. The scheme is a multi-employer defined benefit scheme. The scheme is funded and contracted out of the state scheme.

The Scheme offers five benefit structures to employers, namely:

- Final salary with a 1/60<sup>th</sup> accrual rate.
- Career average revalued earnings with a 1/60<sup>th</sup> accrual rate.
- Career average revalued earnings with a 1/70<sup>th</sup> accrual rate.
- Career average revalued earnings with a 1/80<sup>th</sup> accrual rate
- Career average revalued earnings with a 1/120<sup>th</sup> accrual rate, contracted in,

Elderpark Housing Association has elected to operate the final salary with a 1/60th accrual rate benefit option for active members as at 1<sup>st</sup> April 2010 and the final salary with a 1/60th accrual rate benefit structure for new entrants from 1<sup>st</sup> April 2010.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required so that the Scheme can meet its obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market values. Accrued pension benefits are valued by discounting expected future benefit payments using a discounted rate calculated by reference to the expected future investment returns.

During the accounting period the Association paid contributions at the rate of 15.4% of pensionable salaries. Member contributions were 7.7%.

As at the balance sheet date there were 22 active members of the Scheme employed by Elderpark Housing Association. The annual pensionable payroll in respect of these members was £691,630. Elderpark Housing Association continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to an individual participating employer as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2009 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £295 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £160 million, equivalent to a past service funding level of 64.8%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2010. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £335 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £162 million, equivalent to a past service funding level of 67.4%.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**NOTES TO FINANCIAL STATEMENTS (CONT'D)**  
**FOR THE YEAR ENDED 31 MARCH 2011**

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 30 September 2009.

The key valuation assumptions used to determine the assets and liabilities of the Scottish Housing Associations' Pension Scheme are:

	% pa
- Investment return pre-retirement	7.4
- Investment return post retirement - Non pensioners	4.6
- Investment return post retirement – Pensioners	4.8
- Rate of salary increases	4.5
- Rate of pension increases	
pension accrued pre 6 April 2005 in excess of GMP	2.9
pension accrued from 6 April 2005 (for leavers before 1 October 1993 pension increases are 5.0%)	2.2
- Rate of price inflation	3.0

The valuation was carried out using the SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement mortality tables for non-pensioners and Pensioners.

The contribution rates required from employers and members to meet the cost of future benefit accrual were assessed as:

<b>Benefit structure</b>	<b>%</b>
Final salary 1/60 <sup>ths</sup>	19.2
Career average revalued earnings 1/60 <sup>ths</sup>	17.1
Career average revalued earnings 1/70 <sup>ths</sup>	14.9
Career average revalued earnings 1/80 <sup>ths</sup>	13.2
Career average revalued earnings 1/120 <sup>ths</sup>	9.4
 Additional rate for deficit contributions	 10.4

The Association has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scottish Housing Associations' Pension Scheme based on the financial position of the Scheme as at 30 September 2010. As of this date the estimated employer debt on withdrawal for Elderpark Housing Association Limited has been calculated as £5,685,871.

Percentage increase from previous year	<u>2.3%</u>	<u>6%</u>
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**ELDERPARK HOUSING ASSOCIATION LIMITED  
NOTES TO FINANCIAL STATEMENTS (CONT'D)  
FOR THE YEAR ENDED 31 MARCH 2011**

<b>25. Assured Tenancy Rents</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Average Scottish Secure tenancy rent for Housing Accommodation	<u>2,815</u>	<u>2,715</u>

**26. Related Party Transactions**

The Management Committee members are tenants, owners, sharing owners or interested parties. For those who are tenants, their tenancies are on the Association's normal tenancy terms and they cannot use their position to their advantage.