

ELDERPARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2012

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 2012

Contents

	<i>Page</i>
<i>Management Committee, Senior Staff and Advisors</i>	<i>1</i>
<i>Report of the Management Committee</i>	<i>2-4</i>
<i>Report of the Independent Auditors on Corporate Governance Matters</i>	<i>5</i>
<i>Report of the Independent Auditors on the Financial Statements</i>	<i>6-7</i>
<i>Income and Expenditure Account</i>	<i>8</i>
<i>Statement of Total Recognised Surpluses and Deficits</i>	<i>9</i>
<i>Balance Sheet</i>	<i>10</i>
<i>Cash Flow Statement</i>	<i>11</i>
<i>Notes to the Financial Statements</i>	<i>12-26</i>

ELDERPARK HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, SENIOR STAFF AND ADVISORS

YEAR ENDED 31 MARCH 2012

THE MANAGEMENT COMMITTEE

Elspeth Millen	Chairperson
Susan Peters	Vice-Chairperson
Barbara Wilson	Treasurer
Agnes Carey	Secretary
Sophia Kaseke	Resigned 18 th October 2011
Janet Evans	
Paul Hendry	
Irene Love	Elected 30 th June 2011
Anne Melvin	Elected 30 th June 2011
Marri Holmes	Elected 30 th June 2011
Marie Martin	Elected 30 th June 2011
Ann McEachan	Co-opted 15 th May 2012

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 Statutory 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 2012

The Management Committee present their report and the audited financial statements for the Year Ended 31 March 2012.

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 an operating surplus for the year of £1,196,125 (2011 - £890,094 (Restated)).

During the year, the Association completed the new build scheme at Elder Street/Garmouth Street, Govan (previously St Anthony's school). This new build scheme started on site in October 2010 and was completed in February 2012. The scheme consists of 108 units in total, 24 for outright sale by the developer, 15 for New Supply Shared Equity (NSSE), 59 for rent and 10 for New Supply Shared Equity with Developer.

The total cost of the scheme amounted to £15million and was funded by the Association, Glasgow City Council and a private loan.

In the forthcoming year, the Association hopes to look at the feasibility of carrying out an additional development scheme at Hills Trust New Build. However, due to current restrictions and reduced Housing Association Grant (HAG) availability, this project has been delayed. However, the Association hopes to acquire the site prior to 31st March 2013.

The Committee is satisfied with the results. Of this surplus £277,271 (2011 - £266,606) was transferred to designated reserves to fund future major repairs. The Association now has Housing Properties totalling £69,927,706 (2011 - £64,519,009) and net assets now total £7,040,376 (2011 - £6,096,549).

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 2010). 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 £5,885 (2011 - £1,885).

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

A. Looney
Secretary
05 June 2012

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
Statutory Auditor
375 West George Street
Glasgow
G2 4LW

05 June 2012

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 26, which have been prepared under the accounting policies, set out on pages 12 and 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

As explained more fully in the Committee's Responsibilities Statement set out on pages 2 and 3, the Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee; and the overall presentation of the financial statements. In addition, we read all the financial and non financial information in the report of the Management Committee to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2012 and of its income and expenditure for the year then ended; and
- have been prepared in accordance with the requirements of 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.

ELDERPARK HOUSING ASSOCIATION LIMITED

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

Matters arising on which we are required to report by exception

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts 1965 to 2002 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.



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

05 June 2012

ELDERPARK HOUSING ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2012

	Note	2012 £	2011 (Restated) £
Turnover	2	4,121,786	4,292,651
Less: Operating costs	2	<u>(2,968,800)</u>	<u>(3,402,557)</u>
		1,152,986	890,094
Gain on sale of housing accommodation		<u>43,139</u>	<u>-</u>
Operating surplus	8	1,196,125	890,094
Interest receivable		51,343	39,998
Interest payable	7	<u>(303,656)</u>	<u>(175,536)</u>
Surplus for the year		<u>943,812</u>	<u>754,556</u>

The results for the year relate wholly to continuing activities.

The notes on pages 12 to 26 form an integral part of these financial statements.

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS
YEAR ENDED 31 MARCH 2012

	Note	2012 £	2011 (Restated) £
Surplus for the year		943,812	<u>754,556</u>
Prior year adjustment	27	(251,352)	
Total surpluses and deficits recognised since last reporting period		<u>692,460</u>	

The notes on pages 12 to 26 form an integral part of these financial statements.

ELDERPARK HOUSING ASSOCIATION LIMITED
BALANCE SHEET
YEAR ENDED 31 MARCH 2012

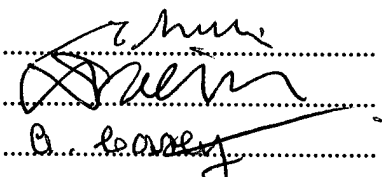
	Note	2012 £	2011 (Restated) £
Tangible fixed assets			
	10		
Housing properties - gross cost		69,927,706	64,519,009
Other properties - gross cost		<u>238,745</u>	<u>232,495</u>
		70,166,451	64,751,504
Less: Social Housing Grant		(54,951,403)	(54,043,927)
Depreciation		(1,710,635)	(1,380,896)
Other grants		<u>(573,293)</u>	<u>(573,293)</u>
		12,931,120	8,753,388
Other fixed assets	11	<u>420,958</u>	<u>443,711</u>
Investments			
Shared Equity Loan	11(a)	143,240	389,890
Shared Equity Grant		<u>(143,240)</u>	<u>(389,890)</u>
		=	=
Total Fixed Assets		<u>13,352,078</u>	<u>9,197,099</u>
Current assets			
NSSE Stock	12	692,506	275,024
Debtors	13	221,592	1,490,715
Cash at bank and in hand		<u>3,663,365</u>	<u>4,251,533</u>
		<u>4,577,463</u>	<u>6,017,272</u>
Current Liabilities			
Creditors due within one year	14	<u>(1,190,172)</u>	<u>(2,516,508)</u>
Net current assets		<u>3,387,291</u>	<u>3,500,764</u>
Total assets less current liabilities		16,739,369	12,697,863
Creditors: amounts falling due after more than one year	15	<u>(9,698,993)</u>	<u>(6,601,314)</u>
Net Assets		<u>7,040,376</u>	<u>6,096,549</u>
Capital and Reserves			
Share capital	16	186	187
Forfeited shares		336	320
Designated Reserves	17	3,026,144	2,748,873
Revenue Reserves	18	<u>4,013,710</u>	<u>3,347,169</u>
		<u>7,040,376</u>	<u>6,096,549</u>

Approved on behalf of the Management Committee on 5th June 2012

Elsbeth Millen, Chairperson

Susan Peters, Vice Chairperson

Agnes Carey, Secretary


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The notes on pages 12 to 26 form an integral part of these financial statements.

ELDERPARK HOUSING ASSOCIATION LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2012

	Note	2012	2011
		£	(Restated) £
Net Cash Inflow From Operating Activities	19a	<u>1,150,027</u>	<u>1,419,892</u>
Returns on Investments and Servicing of Finance			
Interest received		51,343	39,998
Interest paid		<u>(303,656)</u>	<u>(175,536)</u>
		<u>(252,313)</u>	<u>(135,538)</u>
Net Cash Inflow From Returns on Investments and Servicing of Finance		<u>897,714</u>	<u>1,284,354</u>
Capital Expenditure			
Cash paid for construction and purchase of housing properties		(4,205,477)	(4,481,255)
NSSE Property Purchases		(1,146,590)	(77,944)
Cash paid for purchase of other fixed assets		(34,881)	(268,364)
Cash received from sale of housing properties		-	65,966
Social Housing Grant received		141,679	1,397,382
NSSE Funding Received		765,797	16,377
Other Grants received		-	30,000
		<u>(4,479,472)</u>	<u>(3,317,838)</u>
Net Cash (Outflow) before use of Liquid Resources and Financing		<u>(3,581,758)</u>	<u>(2,033,484)</u>
Financing			
Loan advances received		3,487,859	4,173,622
Loans repaid		(401,475)	(283,314)
Share Capital		15	10
		<u>3,086,399</u>	<u>3,890,318</u>
Increase/(Decrease) in Cash	19b	<u>(495,359)</u>	<u>1,856,834</u>

The notes on pages 12 to 26 form an integral part of these financial statements.

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012

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 by major component on a straight-line basis over the expected economic useful life of each identified component. All components are categorised as Housing Properties in Note 10.

Component	Useful Economic Life
Structure	50 Years
Roofs	40 Years
Windows	40 Years
Lifts	40 Years
Bathrooms	35 Years
Kitchens	20 Years
Radiators	25 Years
Door Entry	20 Years
Boilers	15 Years

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

1. Accounting Policies (Cont.)

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 Office improvements 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%
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.

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 2012

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

	Turnover	Operating Costs	2012 Operating Surplus	2011 Operating Surplus /(Deficit) (Restated)
	£	£	£	£
Social Lettings	3,751,890	(2,607,432)	1,144,458	927,105
Other Activities	369,896	(361,368)	8,528	(37,011)
Total	4,121,786	(2,968,800)	1,152,986	890,094
Total for 2011	4,292,651	(3,402,557)	890,094	

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 £	2012 Total £	2011 Total (Restated) £
Rent receivable net of service charges	3,677,974	-	23,625	-	3,701,599	3,298,608
Service Charges	85,096	-	3,113	-	88,209	89,612
Gross income from rents and service charges	3,763,070	-	26,738	-	3,789,808	3,388,220
Less voids	37,918	-	-	-	37,918	27,603
Total turnover from social letting activities	3,725,152	-	26,738	-	3,751,890	3,360,617
Management and maintenance administration costs	1,116,043	-	14,992	-	1,131,035	1,165,089
Service costs	102,685	-	4,055	-	106,740	99,207
Planned and cyclical maintenance including major repair costs	318,636	-	-	-	318,636	276,430
Reactive maintenance costs	678,660	-	-	-	678,660	632,563
Bad debts – rents and service charges	14,204	-	-	-	14,204	38,959
Depreciation of social housing	358,157	-	-	-	358,157	221,264
Operating costs for social letting activities	2,588,385	-	19,047	-	2,607,432	2,433,512
Operating surplus for social lettings	1,136,768	-	7,690	-	1,144,458	927,105
Operating surplus for social lettings for 2011	918,876	-	8,229	-	927,105	

Planned Maintenance expenditure is now treated as capital expenditure and is a Balance Sheet item.
 Planned and Cyclical Maintenance including repair costs spend in the year totalled £1,081,957.

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

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 2011
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	63,353	-	2,550	-	65,903	-	(65,903)	-	-
Care and Repair of property	-	-	-	-	-	-	-	-	-
Factoring	-	-	23,556	-	23,556	-	(21,690)	1,866	1,011
Development and construction of property activities	-	-	-	-	-	-	(93,745)	(93,745)	(96,179)
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	-	-	280,437	-	280,437	-	(180,030)	100,407	58,157
Total from other activities	63,353	-	2,550	303,993	369,896	-	(361,368)	8,528	(37,011)
Total from other activities for 2011	81,409	-	3,028	847,957	932,034	-	(969,045)	(37,011)	(37,011)

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

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.

	2012 £	2011 £
Total Directors Emoluments (including pension contribution and benefits in kind)	<u>314,374</u>	<u>313,900</u>
Emoluments of highest paid Director (excluding pension contributions)	<u>68,194</u>	<u>69,693</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 £9,372 (2011 - £9,387).

	2012 £	2011 £
Total expenses reimbursed insofar as not Chargeable to income tax		
Management Committee	<u>1,091</u>	<u>1,261</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:-	2012 £	2011 £
Wages & Salaries	764,882	738,351
Social Security Costs	62,604	58,635
Other Pension Costs	<u>143,578</u>	<u>106,763</u>
	<u>971,064</u>	<u>903,749</u>

The average number of employees during the year was 22 (2011 - 23).

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

7. Interest Payable

	2012 £	2011 £
Interest Payable on Bank Loans	<u>303,656</u>	<u>175,536</u>

8. Operating Surplus

	2012 £	2011 (Restated) £
Operating surplus is stated after charging:-		
Depreciation of Housing Properties	362,332	221,264
Auditors' Remuneration – Audit Services	8,393	7,039
Depreciation and loss on sale of Other Fixed Assets	<u>43,430</u>	<u>52,715</u>

9. Taxation

No liability to Corporation Tax has occurred during the year because the Association's activities are charitable.

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

10. Tangible Fixed Assets

Housing Properties

	Housing Properties held for Letting £	Housing Properties In course of Construction £	Completed Shared Ownership Properties £	Other Properties £	Total £
Cost					
At start of year	61,974,149	1,508,375	1,036,485	232,495	64,751,504
Additions	5,517,340	-	-	6,250	5,523,590
Transfers	1,508,375	(1,508,375)	-	-	-
Disposals	-	-	(108,643)	-	(108,643)
Transfer to Current Assets	-	-	-	-	-
At end of year	68,999,864	-	927,842	238,745	70,166,451
Social Housing Grant					
At start of year	52,534,251	692,689	816,987	-	54,043,927
Additions	907,476	-	-	-	907,476
Transfers	692,689	(692,689)	-	-	-
At end of year	54,134,416	-	816,987	-	54,951,403
Depreciation					
At start of year (Restated)	1,380,896	-	-	-	1,380,896
Transfers	(32,593)	-	32,593	-	-
Disposals	-	-	(32,593)	-	(32,593)
Charge for year	358,157	-	-	4,175	362,332
At end of year	1,706,460	-	-	4,175	1,710,635
Other Grants					
At start of year	543,293	-	-	30,000	573,293
Additions	-	-	-	-	-
At end of year	543,293	-	-	30,000	573,293
Net Book Value					
At end of year	12,615,695	-	110,855	204,570	12,931,020
2011 (Restated)	7,515,709	815,686	219,498	202,495	8,753,388

Additions to housing properties included capitalised administration costs of £93,746 (2011 - £96,179).

All housing properties are heritable.

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

11. Tangible Fixed Assets

Other Fixed Assets

	Heritable Office Property £	Fixtures, Fittings And Equipment £	Total £
Cost			
At start of year	345,071	501,949	847,020
Additions during year	7,471	17,513	24,984
Disposals during year	-	(9,408)	(9,408)
At end of year	<u>352,542</u>	<u>510,054</u>	<u>862,596</u>
Depreciation			
At Start of year	64,443	328,866	393,309
On disposals	-	(5,101)	(5,101)
Charge for year	8,452	34,978	43,430
At end of year	<u>72,895</u>	<u>358,743</u>	<u>431,638</u>
Other Grants	-	10,000	10,000
Net Book Value at end of year	<u>279,647</u>	<u>141,311</u>	<u>420,958</u>
2011	<u>280,628</u>	<u>163,083</u>	<u>443,711</u>

11(a) Fixed Asset Investments

Shared Equity Loans	2012	2011
	£	£
Additions in year	<u>143,240</u>	<u>389,890</u>
Shared Equity Loans Received		
Additions in year	<u>143,240</u>	<u>389,890</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

12. Stock

	2012 £	2011 £
Cost of Developing Properties	1,592,676	771,892
Grants Received to Develop Properties	<u>(900,170)</u>	<u>(496,868)</u>
NSSE Stock	<u>692,506</u>	<u>275,024</u>

The Association participates in the Scottish Government's 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:-	2012 £	2011 £
Arrears of rent and service charges	201,039	173,698
Less: Provision for bad and doubtful debts	<u>(99,974)</u>	<u>(115,929)</u>
	101,065	57,769
Social Housing Grant Receivable	-	-
Glasgow City Council Front Funding	-	1,273,404
Other Debtors	<u>120,527</u>	<u>159,542</u>
	<u>221,592</u>	<u>1,490,715</u>

14. Creditors Due Within One Year

	2012 £	2011 £
Bank overdraft	51,893	144,706
Rent paid in advance	87,962	105,106
Trade creditors	183,527	527,343
Accruals and deferred income	66,910	49,832
Loans	57,761	69,054
Bank Front Funding	-	1,177,572
Other creditors	<u>742,119</u>	<u>442,895</u>
	<u>1,190,172</u>	<u>2,516,508</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

15. Creditors Due After More Than One Year

	2012	2011
	£	£
Loans	<u>9,698,993</u>	<u>6,601,314</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:-

	2012	2011
	£	£
In year one or less	57,761	69,054
Between one and two years	59,342	71,607
Between two and five years	549,377	219,190
In more than five years	<u>9,090,274</u>	<u>6,310,517</u>
	9,756,754	6,670,368
Less: loans repayable within one year	<u>(57,761)</u>	<u>(69,054)</u>
	<u>9,698,993</u>	<u>6,601,314</u>

16. Share Capital

	2012	2011
	£	£
Shares of £1 each fully paid and issued		
At start of year	187	201
Shares issued during year	15	10
Shares forfeited during year	<u>(16)</u>	<u>(24)</u>
At end of year	<u>186</u>	<u>187</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	2,198,873	550,000	2,748,873
Transfer from Revenue Reserves	277,271	-	277,271
At end of year	<u>2,476,144</u>	<u>550,000</u>	<u>3,026,144</u>

18. Revenue Reserves

	2012	2011 (Restated)
	£	£
At start of year as previously stated	3,347,169	3,090,631
Prior year adjustment		<u>(231,412)</u>
At start of year as restated	<u>3,347,169</u>	<u>2,859,219</u>
Surplus for year	943,812	754,556
Transfer to Designated Reserves	<u>(277,271)</u>	<u>(266,606)</u>
At end of year	<u>4,013,710</u>	<u>3,347,169</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

19. Notes To The Cash Flow Statement

	2012	2011
	£	(Restated)
	£	£
a) Reconciliation of operating profit to net cash inflow from Operating Activities		
Operating surplus for year	<u>1,196,125</u>	<u>890,094</u>
Depreciation and loss on sale – Housing Properties	329,739	221,264
Other Fixed Assets	<u>47,737</u>	<u>71,272</u>
	377,476	292,536
Decrease in Stock	-	-
Increase in NSSE Stock	(417,482)	(263,930)
Decrease in Debtors	1,269,123	963,234
Decrease in Creditors	<u>(1,275,215)</u>	<u>(462,042)</u>
	<u>(423,574)</u>	<u>237,162</u>
Cash Inflows from Operating Activities	<u>1,150,027</u>	<u>1,419,892</u>

b) Reconciliation of Net Cash Flow to Movement in Funds

	2012	2011
	£	£
New Loans	(3,487,859)	(4,173,622)
Increase/(Decrease) in Cash in the Year	(495,359)	1,856,834
Loans Repaid	<u>401,475</u>	<u>283,314</u>
Change in Funds	(3,581,743)	(2,033,474)
(Debt)/Funds at 1 April 2011	<u>(2,563,540)</u>	<u>(530,066)</u>
Debt at 31 March 2012	<u>(6,145,283)</u>	<u>(2,563,540)</u>

c) Analysis of Changes in Debt

	At	Cash Flow	At
	1 April		31 March
	2011		2012
	£	£	£
Cash at Bank and in Hand	4,251,532	(588,168)	3,663,364
Bank Overdraft	<u>(144,706)</u>	<u>92,813</u>	<u>(51,893)</u>
	4,106,826	(495,355)	3,611,471
Debt Due within one year	(69,054)	11,293	(57,761)
Debt Due after one year	<u>(6,601,316)</u>	<u>(3,097,677)</u>	<u>(9,698,993)</u>
	<u>(2,563,544)</u>	<u>(3,581,739)</u>	<u>(6,145,283)</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

20. Capital Commitments

	2012	2011
	£	£
Expenditure Contracted	<u>50,000</u>	<u>4,267,323</u>
Funded by:		
Social Housing Grant	-	2,065,765
Private Finance	-	1,367,438
Sales	-	804,000
Own Resources	50,000	-
Other Public Subsidy	-	<u>30,120</u>
	<u>50,000</u>	<u>4,267,323</u>
Authorised Not Contracted	=	=
Funded by:		
Social Housing Grant	-	-
Loan facility to be agreed	-	-
Anticipated Sales	-	-
	=	=

21. Housing Stock

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

	2012	2011
General Needs – House	169	136
- Tenement	869	870
- Four in a block	8	8
- Other flat/maisonette	216	180
- House of Multiple Occupancy	3	1
Shared Ownership	<u>12</u>	<u>14</u>
	<u>1,277</u>	<u>1,209</u>

22. Contingent Liabilities

At 31 March 2012 there were no known contingent liabilities.

23. Commitments under Operating Leases

At 31 March 2012 there were no commitments under operating leases.

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

24. Pension Scheme

Elderpark Housing Association Limited 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 Pension scheme.

The Scheme offers five benefit structures to employers, namely:

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

Elderpark Housing Association Limited has elected to operate the final salary with a 1/60th accrual rate benefit option for active members as at 1st April 2012 and the final salary with a 1/60th accrual rate benefit structure for new entrants from 1st April 2012.

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 9.6% of pensionable salaries. Member contributions were 9.6%.

As at the balance sheet date there were 21 active members of the Scheme employed by Elderpark Housing Association Limited. The annual pensionable payroll in respect of these members was £703,396.

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 year 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 2011. 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 £341 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £207 million, equivalent to a past service funding level of 62.2%.

**ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012**

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 (payable from 1st April 2011) were assessed as:

Benefit structure	%
Final salary 1/60 ^{ths}	19.2
Career average revalued earnings 1/60 ^{ths}	17.1
Career average revalued earnings 1/70 ^{ths}	14.9
Career average revalued earnings 1/80 ^{ths}	13.2
Career average revalued earnings 1/120 ^{ths}	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 2011. As of this date the estimated employer debt on withdrawal for Elderpark Housing Association Limited has been calculated as £6,757,547.

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2012

25. Assured Tenancy Rents	2012	2011
	£	£
Average Scottish Secure tenancy rent for Housing Accommodation	<u>3,147</u>	<u>2,815</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.

27. Prior Year Adjustment

During the year the Association adopted component accounting, this resulted in a restatement of previous years' results whereby costs which had previously been capitalised at varying useful lives were now capitalised as a component of the property and depreciated over standard useful lives. Grants which had been credited to these components were similarly capitalised. The 2011 surplus was reduced by £19,940. The total adjustment resulted in a reduction in reserves of £251,352.