

ELDERPARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

FINANCIAL CONDUCT AUTHORITY NO. 1840RS

REGISTERED HOUSING ASSOCIATION NO. HAL 108

REGISTERED SCOTTISH CHARITY NUMBER SCO32823

ELDERPARK HOUSING ASSOCIATION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

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ELDERPARK HOUSING ASSOCIATION LIMITED

MANAGEMENT COMMITTEE, SENIOR STAFF AND ADVISORS

YEAR ENDED 31 MARCH 2015

THE MANAGEMENT COMMITTEE

Elspeth Millen	Chairperson
Susan Peters	Vice-Chairperson
Barbara Wilson	Treasurer
Janet Evans	Secretary
Anne Melvin	
Marri Holmes	
Ann McEachan	
Elizabeth Faulkner	
Sophia Kaseke	
Christine Brunton	Co-opted 18 th February 2014, resigned 26 th June 2014
Maureen MacDonald	
Andrew McQuilter	Co-opted 19 th August 2014
Alan Bell	Co-opted 19 th August 2014
Sadie Montgomery	Co-opted 19 th August 2014

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
Nationwide Building Society

SOLICITORS

Hart, Smith & Company

ELDERPARK HOUSING ASSOCIATION LIMITED

Report of the Management Committee for the Year Ended 31 March 2015

The Management Committee present their report and the audited financial statements for the Year Ended 31 March 2015.

Legal Status

The Association is registered as a non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010. The Association is constituted under its Rule Book, the Association rules were changed on the 4th December 2014 to SFHA Charitable Model Rules (Scotland) 2013. 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.

Our Mission Statement is to improve the quality of life for the people of Greater Govan by providing high quality housing and associated services in a safe and secure environment.

Business Review

The Management Committee reports an operating surplus for the year of £1,292,638 (2014 - £1,362,322).

During the year, the Association has continued to work on the site it owns at the former Hills Trust Primary School. The final designs are now complete for this scheme and formal Planning Approval is due shortly. The Association hopes to be on site with this scheme by October 2015.

Also, as part of the Acquisition Strategy from Glasgow City Council, the Association acquired 29 units from other owners. These properties will now be brought up to the Association's standard and re-let.

Over the last year, the Association also had a large level of expenditure on planned maintenance. A large part of this planned maintenance expenditure was to complete the Scottish Housing Quality Standards on our properties and this was achieved by November 2014. The requirement for completion of this was March 2015.

The Association carried out a major rent structure review during the year. This was to ensure that our rent levels reflected fully the amenities in our properties and any additional improvements carried out in our tenement properties.

The Association also continues to have in place mechanisms that ensure the requirements of The Scottish Social Housing Charter are fully met and has put in place strategies to minimise any risks associated with the Welfare Reform and Universal Credit.

The Association is also in the process of acquiring new office accommodation at the Hills Trust Learning Academy and hopes also to have within it an Information Technology suite to support residents in the area.

Over the last year, the Association was also successful in applying for grants to the People & Communities Fund and Scottish Legal Aid Board. This has allowed the Association to provide other activities as follows:

Welfare Rights and Financial Inclusion advice. This provides residents in the area with advice on claiming benefits, debt, loans, energy advice and insurance.

Aberlour Street Work Project. This project allows street workers to engage with people aged from 11 to 18 years. It provides early information and informal education to help young people move into further education or employment.

Craft Cafe. This, in conjunction with Impact Arts, continues to provide a Craft Cafe for over 50's for members to learn skills in art and craft.

ELDERPARK HOUSING ASSOCIATION LIMITED

Spruce – Skills for Life. This project, in partnership with Spruce Carpets, is a training and work experience initiative for young people.

The Committee is satisfied with the results. There were no transfers to designated reserves (2014 - £299,896). The Association now has Housing Properties totalling £75,296,895 (2014 - £72,264,805) and net assets now total £10,145,192 (2014- £9,140,618).

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

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 Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010, the Scottish Housing Regulator Determination of Accounting Requirements (April 2012) 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.

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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 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.

Internal Financial Control

The Management Committee acknowledges its ultimate responsibility for ensuring that the RSL 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.
- The safeguarding of assets against unauthorised use or disposition.

It is the Management Committee's responsibility to establish and maintain the system of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements of the Association's systems include ensuring that:

- Formal policies and procedures are in place, including the ongoing documentation of key systems and rules in relation to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the Association's assets.
- Experience 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 the key business risks, financial objectives and 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 Audit Committee/Management Committee received reports from management and from 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.

ELDERPARK HOUSING ASSOCIATION LIMITED

Internal Financial Control

- 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 31st March 2015. No weaknesses were found in 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.

Charitable Donations

During the year, the Association made charitable donations amounting to £4,249 (2014 - £2,595).

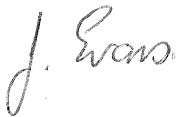
Charitable Status

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



Secretary
02 June 2015

ELDERPARK HOUSING ASSOCIATION LIMITED

Report by the Independent Auditors to the Members of Elderpark Housing Association Limited on Corporate Governance Matters

In addition to our audit of the Financial Statements, we have reviewed your statement on Pages 4 and 5 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

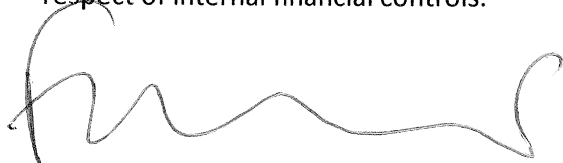
Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on pages 4 and 5 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued 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 contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



French Duncan LLP
Chartered Accountants and
Statutory Auditor
133 Finneston Street
Glasgow
G3 8HB
02 June 2015

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. 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 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 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 page 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 2015 and of its income and expenditure for the year then ended; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Scottish Housing Regulator Determination of Accounting Requirements (April 2012).

ELDERPARK HOUSING ASSOCIATION LIMITED

Matters arising 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.

A handwritten signature in black ink, appearing to read 'French Duncan', written in a cursive style.

French Duncan LLP
Chartered Accountants and
Statutory Auditor
133 Finneston Street
Glasgow
G3 8HB
02 June 2015

ELDERPARK HOUSING ASSOCIATION LIMITED
INCOME AND EXPENDITURE ACCOUNT
YEAR ENDED 31 MARCH 2015

	Note	2015	2014
		£	£
Turnover	2	4,571,883	4,861,533
Less: Operating costs	2	<u>(3,303,402)</u>	<u>(3,497,830)</u>
		1,268,481	1,363,703
Gain/(Loss) on sale of housing accommodation		<u>24,157</u>	<u>(1,381)</u>
Operating surplus	8	1,292,638	1,362,322
Interest receivable		52,221	49,876
Interest payable	7	<u>(340,293)</u>	<u>(341,252)</u>
Surplus for the year		<u>1,004,567</u>	<u>1,070,946</u>

The results for the year relate wholly to continuing activities.

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 2015

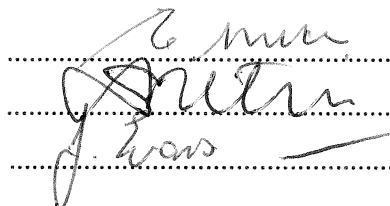
	Note	2015 £	2014 £
Tangible fixed assets	10		
Housing properties - gross cost		75,296,895	72,264,805
Other properties - gross cost		<u>294,807</u>	<u>250,846</u>
		75,591,702	72,515,651
Less: Social Housing Grant		(56,988,143)	(55,037,915)
Depreciation		(3,009,787)	(2,555,768)
Other grants		<u>(679,161)</u>	<u>(679,161)</u>
		14,914,610	14,242,807
Other fixed assets	11	<u>399,411</u>	<u>431,583</u>
Investments			
Shared Equity Loan	11(a)	855,930	800,730
Shared Equity Grant		<u>(855,930)</u>	<u>(800,730)</u>
		-	-
Total Fixed Assets		<u>15,314,021</u>	<u>14,674,390</u>
Current assets			
NSSE Stock	12	-	79,841
Debtors	13	275,802	312,265
Cash at bank and in hand		<u>5,753,074</u>	<u>5,313,071</u>
		<u>6,028,876</u>	<u>5,705,177</u>
Current Liabilities			
Creditors due within one year	14	<u>(1,918,147)</u>	<u>(1,662,537)</u>
Net current assets		<u>4,110,729</u>	<u>4,042,640</u>
Total assets less current liabilities		19,424,750	18,717,030
Creditors: amounts falling due after more than one year	15	<u>(9,279,558)</u>	<u>(9,576,412)</u>
Net Assets		<u>10,145,192</u>	<u>9,140,618</u>
Capital and Reserves			
Share capital	16	183	191
Forfeited shares		363	348
Designated Reserves	17	3,614,402	3,614,402
Revenue Reserves	18	<u>6,530,244</u>	<u>5,525,677</u>
		<u>10,145,192</u>	<u>9,140,618</u>

Approved on behalf of the Management Committee on 2nd June 2015

Elspeth Millen, Chairperson

Susan Peters, Vice Chairperson

Janet Evans, Secretary



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 2015

	Note	2015	2014
		£	£
Net Cash Inflow From Operating Activities	19a	<u>2,003,542</u>	<u>2,086,268</u>
Returns on Investments and Servicing of Finance			
Interest received		52,221	49,876
Interest paid		<u>(340,293)</u>	<u>(341,252)</u>
		<u>(288,072)</u>	<u>(291,376)</u>
Net Cash Inflow From Returns on Investments and Servicing of Finance		<u>1,715,470</u>	<u>1,794,862</u>
Capital Expenditure			
Cash paid for construction and purchase of housing properties		(3,056,551)	(2,152,846)
NSSE Property Purchases		-	-
Cash paid for purchase of other fixed assets		(38,767)	(41,987)
Cash received from sale of housing properties		-	-
Social Housing Grant received and abated		1,950,228	867,378
NSSE Funding Received		-	-
Other Grants received		-	50,838
		<u>(1,145,090)</u>	<u>(1,276,617)</u>
Net Cash Inflow before use of Liquid Resources and Financing		<u>570,380</u>	<u>518,245</u>
Financing			
Loan advances received		-	-
Loans repaid		(63,291)	(59,036)
Share Capital		7	6
		<u>(63,284)</u>	<u>(59,030)</u>
Increase in Cash	19b	<u>507,096</u>	<u>459,215</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 2015

1. Accounting Policies

a) Accounting Basis

The financial statements are prepared under the historical cost convention, in accordance with applicable accounting standards, the 2010 Statement of Recommended Practice and comply with the Scottish Housing Regulator Determination of Accounting Requirements (April 2012).

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
Composite Flooring	25 Years

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015

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 future repair expenditure, the actual costs of repairs which are 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 2015

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

	Turnover	Operating Costs	2015 Operating Surplus	2014 Operating Surplus/(Deficit)
	£	£	£	£
Social Lettings	4,350,935	(3,035,872)	1,315,063	1,261,012
Other Activities	220,948	(267,530)	(46,582)	102,691
Total	<u>4,571,883</u>	<u>(3,303,402)</u>	<u>1,268,481</u>	<u>1,363,703</u>
Total for 2014	<u>4,861,533</u>	<u>(3,497,830)</u>	<u>1,363,703</u>	

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 £	2015 Total £	2014 Total £
Rent receivable net of service charges	4,253,237	-	23,639	-	4,276,876	4,122,960
Service Charges	103,702	-	2,714	-	106,416	109,071
Gross income from rents and service charges	<u>4,356,939</u>	<u>-</u>	<u>26,353</u>	<u>-</u>	<u>4,383,292</u>	<u>4,232,031</u>
Less Voids	32,357	-	-	-	32,357	41,225
Total turnover from social letting activities	<u>4,324,582</u>	<u>-</u>	<u>26,353</u>	<u>-</u>	<u>4,350,935</u>	<u>4,190,806</u>
Management and maintenance administration costs	1,410,862	-	15,434	-	1,426,296	1,265,585
Service costs	118,045	-	3,260	-	121,305	113,827
Planned and cyclical maintenance including major repair costs	390,482	-	-	-	390,482	340,390
Reactive maintenance costs	600,985	-	-	-	600,985	699,540
Bad debts – rents and service charges	27,569	-	-	-	27,569	63,180
Depreciation of social housing	469,235	-	-	-	469,235	447,251
Operating costs for social letting activities	<u>3,017,178</u>	<u>-</u>	<u>18,694</u>	<u>-</u>	<u>3,035,872</u>	<u>2,929,794</u>
Operating surplus for social lettings	<u>1,307,404</u>	<u>-</u>	<u>7,659</u>	<u>-</u>	<u>1,315,063</u>	<u>1,261,012</u>
Operating surplus for social lettings for 2014	<u>1,253,084</u>	<u>-</u>	<u>7,928</u>	<u>-</u>	<u>1,261,012</u>	

Planned and Cyclical Maintenance including repair costs spend in the year totalled £1,317,340

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015

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 2014			
Wider role activities undertaken to support the community, other than the provision, construction, improvement and management of housing	161,733	-	2,812	-	164,545	-	(170,151)	(5,606)	-			
Care and Repair of property	-	-	-	-	-	-	-	-	-			
Factoring	-	-	-	30,294	30,294	-	(26,428)	3,866	3,292			
Development and construction of property activities	-	-	-	-	-	-	(50,615)	(50,615)	(56,509)			
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 -	-	-	-	-	-	-	-	-	-			
Total from other activities	161,733	-	2,812	56,403	220,948	-	(267,530)	(46,582)	155,908			
Total from other activities for 2014	176,098	-	2,812	491,817	670,727	-	(568,036)	102,691	102,691			

**ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015**

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, including pension contributions, exceed £60,000 per year are also similarly classed.

	2015	2014
	£	£
Total Directors Emoluments (including pension contribution and benefits in kind)	<u>359,144</u>	<u>326,412</u>
Emoluments of highest paid Director (excluding pension contributions)	<u>70,534</u>	<u>68,949</u>

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

	2015	2014
	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 £20,140 (2014 - £10,564).

	2015	2014
	£	£
Total expenses reimbursed insofar as not Chargeable to income tax		
Management Committee	<u>1,701</u>	<u>1,135</u>

Reimbursement to the Management Committee is only made for expenses directly incurred in connection with performing the Association's business.

6. Staff Costs and Numbers

Staff Costs were:-	2015	2014
	£	£
Wages & Salaries	799,820	810,809
Social Security Costs	68,181	70,051
Other Pension Costs	<u>327,013</u>	<u>151,973</u>
	<u>1,195,014</u>	<u>1,032,833</u>

The average number of employees during the year was 22 (2014 - 23).

**ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015**

7. Interest Payable

	2015 £	2014 £
Interest Payable on Bank Loans	<u>340,293</u>	<u>341,252</u>

8. Operating Surplus

	2015 £	2014 £
Operating surplus is stated after charging:-		
Pension Past Service Deficit Cost	251,357	86,602
Depreciation of Housing Properties	469,235	447,251
Auditors' Remuneration – Audit Services	13,374	10,620
Depreciation and loss on sale of Other Fixed Assets	<u>34,321</u>	<u>36,889</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 2015

10. Tangible Fixed Assets

Housing Properties

	Housing Properties held for Letting	Completed Shared Ownership Properties	Other Properties	Total
	£	£	£	£
Cost				
At start of year	71,336,963	927,842	250,846	72,515,651
Additions	3,079,639	-	29,639	3,109,278
Disposals	-	(33,228)	-	(33,228)
At end of year	<u>74,416,602</u>	<u>894,614</u>	<u>280,485</u>	<u>75,591,701</u>
Social Housing Grant				
At start of year	54,220,928	816,987	-	55,037,915
Additions	1,980,133	(29,905)	-	1,950,228
Disposals	-	-	-	-
At end of year	<u>56,201,061</u>	<u>787,082</u>	<u>-</u>	<u>56,988,143</u>
Depreciation				
At start of year	2,543,291	-	12,477	2,555,768
Disposals	-	-	-	-
Charge for year	463,640	(15,216)	5,595	454,019
At end of year	<u>3,006,931</u>	<u>(15,216)</u>	<u>18,072</u>	<u>3,009,787</u>
Other Grants				
At start of year	594,131	-	85,030	679,161
Additions	-	-	-	-
At end of year	<u>594,131</u>	<u>-</u>	<u>85,030</u>	<u>679,161</u>
Net Book Value				
At end of year	<u>14,614,479</u>	<u>122,748</u>	<u>177,383</u>	<u>14,914,610</u>
2014	<u>13,978,613</u>	<u>110,855</u>	<u>153,339</u>	<u>14,242,807</u>

Additions to housing properties included capitalised administration costs of £50,615 (2014 - £56,509).

All housing properties are heritable.

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015

11. Tangible Fixed Assets

Other Fixed Assets

	Heritable Office Property £	Fixtures Fittings And Equipment £	Total £
Cost			
At start of year	415,456	524,041	939,497
Additions during year	-	2,150	2,150
Disposals during year	-	(7,344)	(7,344)
At end of year	415,456	518,847	934,303
Depreciation			
At Start of year	93,373	404,541	497,914
On disposals	-	(4,804)	(4,804)
Charge for year	7,960	23,822	31,782
At end of year	101,333	423,559	524,892
Other Grants	-	10,000	10,000
Net Book Value at end of year	314,123	85,288	399,411
2014	322,083	109,500	431,583

11(a) Fixed Asset Investments

Shared Equity Loans	2015 £	2014 £
Opening Balance	800,730	725,730
Additions in year	<u>55,200</u>	<u>75,000</u>
Closing Balance	<u>855,930</u>	<u>800,730</u>

Shared Equity Loans Received

Opening Balance	800,730	725,730
Additions in year	<u>55,200</u>	<u>75,000</u>
Closing Balance	<u>855,930</u>	<u>800,730</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015

12. Stock

	2015	2014
	£	£
Cost of Developing Properties	79,841	183,625
Grants Received to Develop Properties	<u>(79,841)</u>	<u>(103,784)</u>
NSSE Stock	<u>-</u>	<u>79,841</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:-	2015	2014
	£	£
Arrears of rent and service charges	221,638	206,021
Less: Provision for bad and doubtful debts	<u>(115,947)</u>	<u>(129,993)</u>
	105,691	76,028
Other Debtors	<u>170,111</u>	<u>236,237</u>
	<u>275,802</u>	<u>312,265</u>

14. Creditors Due Within One Year

	2015	2014
	£	£
Bank overdraft & loans	117,472	184,565
Rent paid in advance	71,865	69,116
Trade creditors	139,681	113,913
Accruals and deferred income	67,905	51,042
Loans	296,854	63,291
Other creditors	<u>1,224,370</u>	<u>1,180,610</u>
	<u>1,918,147</u>	<u>1,662,537</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015

15. Creditors Due After More Than One Year

	2015	2014
	£	£
Loans	<u>9,279,558</u>	<u>9,576,412</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:-

	2015	2014
	£	£
In year one or less	296,854	63,291
Between one and two years	303,006	192,776
Between two and five years	629,715	642,138
In more than five years	<u>8,346,837</u>	<u>8,741,498</u>
	9,576,412	9,639,703
Less: loans repayable within one year	<u>(296,854)</u>	<u>(63,291)</u>
	<u>9,279,558</u>	<u>9,576,412</u>

16. Share Capital

	2015	2014
	£	£
Shares of £1 each fully paid and issued		
At start of year	191	191
Shares issued during year	7	6
Shares forfeited during year	<u>(15)</u>	<u>(6)</u>
At end of year	<u>183</u>	<u>191</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	3,064,402	550,000	3,614,402
Transfer from Revenue Reserves	-	-	-
At end of year	<u>3,064,402</u>	<u>550,000</u>	<u>3,614,402</u>

18. Revenue Reserves

	2015	2014
	£	£
At start of year	5,525,677	4,754,626
Surplus for year	1,004,567	1,070,946
Transfer to Designated Reserves	-	(299,896)
At end of year	<u>6,530,244</u>	<u>5,525,677</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015

19. Notes To The Cash Flow Statement

	2015	2014		
	£	£		
a) Reconciliation of operating profit to net cash inflow from Operating Activities				
Operating surplus for year	<u>1,292,638</u>	<u>1,362,322</u>		
Depreciation and loss on sale – Housing Properties	454,019	447,251		
Other Fixed Assets	<u>26,978</u>	<u>37,560</u>		
	480,997	484,811		
Decrease/(Increase) in NSSE Stock	79,841	297,643		
(Increase)/Decrease in Debtors	36,462	(90,975)		
Increase/(Decrease) in Creditors	<u>113,604</u>	<u>32,437</u>		
	<u>229,907</u>	<u>239,105</u>		
Cash Inflows from Operating Activities	<u>2,003,542</u>	<u>2,086,238</u>		
b) Reconciliation of Net Cash Flow to Movement in Funds				
	2015	2014		
	£	£		
Increase/(Decrease) in Cash in the Year	507,096	459,215		
Loans Repaid	<u>63,291</u>	<u>59,036</u>		
Change in Funds	570,387	518,251		
(Debt)/Funds at 1 April 2014	<u>(4,511,197)</u>	<u>(5,029,448)</u>		
Debt at 31 March 2015	<u>(3,940,810)</u>	<u>(4,511,197)</u>		
c) Analysis of Changes in Debt				
	At	Cash Flow	Transfers	At
	1 April			31 March
	2014			2015
	£	£	£	£
Cash at Bank and in Hand	5,313,071	440,003	-	5,753,074
Bank Overdraft	<u>(184,565)</u>	<u>67,093</u>	-	<u>(117,472)</u>
	5,128,506	507,096	-	5,635,602
Debt Due within one year	(63,291)	63,291	(296,854)	(296,854)
Debt Due after one year	<u>(9,576,412)</u>	-	<u>296,854</u>	<u>(9,279,558)</u>
	<u>(4,511,197)</u>	<u>570,387</u>	-	<u>(3,940,810)</u>

**ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015**

20. Capital Commitments

	2015	2014
	£	£
Expenditure Contracted	<u>148,147</u>	<u>14,400</u>
Funded by:		
Social Housing Grant	148,147	-
Private Finance	-	-
Sales	-	-
Own Resources	-	<u>14,400</u>
	<u>148,147</u>	<u>14,400</u>
Authorised Not Contracted	2,112,939	<u>349,606</u>
Funded by:		
Social Housing Grant	-	<u>5,114</u>
Loan facility to be agreed	-	-
Own Resources	<u>2,112,939</u>	<u>344,492</u>
	<u>2,112,939</u>	<u>349,606</u>

21. Housing Stock

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

	2015	2014
General Needs – House	159	169
- Tenement	1,021	988
- Four in a block	8	8
- Other flat/maisonette	60	53
Shared Ownership	<u>10</u>	<u>12</u>
	<u>1,258</u>	<u>1,230</u>

22. Contingent Liabilities

At 31 March 2015 there were no known contingent liabilities other than as disclosed in note 24.

23. Commitments under Operating Leases

At 31 March 2015 there were no commitments under operating leases.

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015

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 six 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- in.
- Defined Contribution (DC) option.

Elderpark Housing Association Limited has elected to operate the final salary with a 1/60th accrual rate and the career average revalued earnings with a 1/80th accrual rate for active members as at 1st April 2014 and the final salary with a 1/60th accrual rate and the career average revalued earnings with a 1/80th accrual rate for new entrants from 1st April 2014.

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 pension obligations as they fall due.

During the accounting period the Association paid contributions at the rate of 12.3% of pensionable salaries. Member contributions were 12.3%.

As at the balance sheet date there were 17 active members of the Scheme employed by Elderpark Housing Association Limited. The annual pensionable payroll in respect of these members was £607,929.

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 2012 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £394 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £304 million, equivalent to a past service funding level of 56.4%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2014. 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 £539 million, and indicate a decrease in the shortfall of assets compared to liabilities to approximately £281 million, equivalent to a past service funding level of 66%.

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015

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

	% pa
- Investment return pre-retirement	5.3
- Investment return post retirement - Non pensioners	3.4
- Investment return post retirement – Pensioners	3.4
- Rate of salary increases	4.1
- Rate of pension increases	
pension accrued pre 6 April 2005 in excess of GMP	2.0
pension accrued from 6 April 2005 (for leavers before 1 October 1993 pension increases are 5.0%)	1.7
- Rate of price inflation	2.6

The valuation was carried out using the SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1.25% 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 2014) were assessed as:

Benefit structure	%
Final salary 1/60 ^{ths}	24.6
Career average revalued earnings 1/60 ^{ths}	22.4
Career average revalued earnings 1/70 ^{ths}	19.2
Career average revalued earnings 1/80 ^{ths}	16.9
Career average revalued earnings 1/120 ^{ths}	11.4
 Additional rate for deficit contributions	 13.8

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 2014. As of this date the estimated employer debt on withdrawal for Elderpark Housing Association Limited has been calculated as £7,857,128.

ELDERPARK HOUSING ASSOCIATION LIMITED
NOTES TO FINANCIAL STATEMENTS (CONT'D)
FOR THE YEAR ENDED 31 MARCH 2015

25. Assured Tenancy Rents	2015	2014
	£	£
Average rent for Housing Accommodation	<u>3,555</u>	<u>3,395</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.