

**ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

Registered Housing Association Number: HAL 108
Charity Registration Number: SCO32823
FCA Reference Number: 1840RS

ELDERPARK HOUSING ASSOCIATION LIMITED

CONTENTS

THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS.....	1
REPORT FROM THE MANAGEMENT COMMITTEE	2
REPORT BY THE AUDITORS ON COPRPORATE GOVERNANCE MATTERS.....	8
INDEPENDENT AUDITORS REPORT	9
STATEMENT OF COMPREHENSIVE INCOME	12
STATEMENT OF FINANCIAL POSITION	13
STATEMENT OF CASH FLOWS.....	14
STATEMENT OF CHANGES IN CAPITAL AND RESERVES	15
NOTES TO THE FINANCIAL STATEMENTS	16

**ELDERPARK HOUSING ASSOCIATION LIMITED
THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2019**

MEMBERS OF THE MANAGEMENT COMMITTEE

Elspeth Millen	Chairperson
Janet Evans	Vice-Chairperson
Barbara Wilson	Treasurer
Maureen McDonald	Secretary
Anne Melvin	
Marri Holmes	
Ann McEachan	
Alan Bell	
Sadie Montgomery	
Lindsay Roches	Co-opted 28 November 2017, Elected 28 June 2018
Dr Evi Viza	Co-opted 31 January 2018
Martin Costick	Co-opted 30 October 2018
John Kane	Co-opted 30 October 2018
Reinhild Gorniak	Resigned 30 April 2018
Helena Smith	Resigned 27 November 2018
Betty Faulkner	Resigned 26 March 2019

EXECUTIVE OFFICERS

Gary Dalziel	Chief Executive Officer
Shirley McKnight	Deputy Chief Executive Officer
Terry Frew	Maintenance Manager
James McGeough	Finance & Corporate Services 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

MSM Hart Smith

**ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2019.

Legal Status

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

Principal Activities

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

Objectives

Our Rules state that the objects of the Association are:

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

Elderpark Housing Association's Business Plan covers the period 2018-2021 and this key strategic document communicates the vision, objectives and strategic direction of the Association and provides a framework for implementation.

Our Vision is that Elderpark Housing will lead the way in delivering outstanding customer services and great places to live.

Our Mission is to provide quality, affordable homes and excellent services which place a focus on our customers and enhancing our communities.

Our Strategic Objectives are:

- Modern, innovative and forward thinking services
- Sound corporate governance and financial management
- Strong asset management to invest in our current and new homes

**ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

- Partnership working with other agencies
- Maximise the talent and engagement of our staff and committee

An internal audit was conducted in early 2019 on our Strategic and Operational Planning which received 'substantial assurance'.

Risk Management

During the year we commenced work on redesigning our risk management processes recognising that these weren't as robust as we would wish. A draft policy and framework is in development and should be operational by summer 2019.

Review of business and future developments

The Management Committee are satisfied that the state of affairs of the Association are satisfactory. Net assets now stand at £11,793,215 (2018 - £10,959,074). Surplus for the year, pre pension re-measurement, was £959,134 (2018 - £1,035,598).

2018/19 has been a year of positive progress for the organisation as we continue to perform to a high standard and focus our activities on meeting the needs of the tenants and residents within our communities.

While we deliver a range of services to our tenants and residents, invest significant sums of money in improving our properties and work in partnership with other stakeholders within each of our communities the single biggest success remains our exceptionally high levels of tenant satisfaction. We are delighted that 96% of our tenants are satisfied with the overall service we provide and importantly 98% are satisfied both with the opportunities to participate in decision making and being kept informed about the activities of the association.

At the beginning of this financial year we held a launch of the Comprehensive Tenement Refurbishment which had recently been completed at Crossloan Road. This £3.5m project funded by Glasgow City Council and ourselves has completely refurbished 31 homes in this street into extremely attractive, modern and desirable accommodation.

In terms of repairs and maintenance we invested £1,450,443 in completing refurbishment upgrades at 168 older tenement properties which included 159 new kitchen units, 48 bathroom suites, 131 gas boilers, 168 internal doors and 168 radio linked smoke detector systems.

Our cyclical maintenance programme, which included external paintwork, gas boiler and extractor fan servicing, was accomplished at a total cost of £184,567.

To let our properties to a high standard we also carried out extensive remedial works to 95 void properties at a total cost of £235,005.

During the year we completed 4,458 reactive day to day repairs at a total cost of £484,762 with 99.7% of these repairs completed within the target time set and 93.2% of tenants being either very satisfied or satisfied with the overall repairs service provided.

While we continued to deliver effective and high quality services throughout the year behind the scenes we have also been reviewing how we do things. This is none more evident in our reactive repairs service whereby during the year we sought to procure a single contractor capable of delivering all day to day repairs on behalf of the association. The purpose of this is designed to modernise the service with a greater emphasis on IT and technology

**ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

while at the same time ensuring that the high quality service our tenants currently receive is at the very least maintained. Following a competitive procurement process we appointed the Mears Group with it anticipated they will start working with the association from October 2019.

The other major project during the year was finally the commencement of our development project to build 82 new homes for rent and refurbish the former Hills Trust Primary School into our future office accommodation. After many delays over the last few years we are delighted that this went on site in January 2019 with CCG appointed as contractor following a competitive procurement process. We are grateful to the funding provided through Glasgow City Council and CGAP to assist with these projects. It is hoped that the office will be off-site by early 2020 with the housing all completed by summer 2020.

During the year we recruited two new modern apprentices (Laura and Lauren) who work across our administrative functions. They have been extremely successful in the short time they have been employed and we are delighted to be able to provide valuable employment opportunities. We also continue to work with Community Jobs Scotland to provide funded employment opportunities to individuals working within our estates.

The association was proud that the organisation and our staff were shortlisted for various awards during the year with the association shortlisted for the Housing Association of the Year at the Scottish Home Awards. At the CIH Excellence Awards we were delighted that our Chief Executive, Gary Dalziel won the CIH Excellence in Leadership Award with Elaine Somerville shortlisted for the Frontline Housing Officer of the Year.

While these awards are positive and demonstrate that we have high quality staff and leadership within the organisation the more pleasing aspects throughout the year relate to our work within the community. We continue to provide a range of events including Burns Supper, Easter events and summer fun day together with supporting a range of projects which support our tenants and residents within our areas of operation. We have attained funding for various projects including the Craft Cafe, Spruce Skills for Life, Community Meals and Moogety Foods.

The rent increase for the year was set at 2.9%, which remains comparable to other Housing Associations in our sector.

It is pleasing that across almost all areas of core performance Elderpark Housing Association continued to see a positive performance although disappointingly our rent arrears have risen in the year and while this may be reflective of the universal credit roll-out further analysis will be required to ensure this doesn't worsen.

Financially the Association remains in a strong position and despite the intention to spend significantly in 2019/20 on the new office and new build housing there should remain a healthy cash balance at the end of the year.

Committee of Management and Executive Officers

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

The governance structures are focused on our governing body, the Management Committee. Our Standing Orders state that our Management Committee will meet at least six times per year and during 2018/19 there were 8 meetings of the Management Committee. The Board of Elderpark will meet at least six times per year, but more likely 8-10 meetings. The association has an audit sub-committee (which will meet quarterly) and staffing sub-committee (which will meet when the need arises)

ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019

Further business was delegated to our developing Sub Committee structure, with specific remits delegated and membership drawn from Management Committee.

Our Audit Sub Committee is remitted to meet at least four times per annum. During 2018/19, the Sub Committee met four times. It gave detailed consideration to financial policies, returns and quarterly Management and full Draft Annual Accounts.

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

Statement of Management Committee's responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Management Committee to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit of the Association for that year. In preparing those Financial Statements, the Management Committee is required to:-

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Association will continue in business;
- Prepare a statement on Internal Financial Control.

The Management Committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements - 2014. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.

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

In so far as the Management Committee are aware:

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

**ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

Statement on Internal Financial Control

The Management Committee acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within the Association, or for publication;
- The maintenance of proper accounting records; and
- The safeguarding of assets against unauthorised use or disposition.

It is the Management Committee's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

- Formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of Association's assets;
- Experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- Forecasts and budgets are prepared which allow the management team and the Management Committee to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- Quarterly financial management reports are prepared promptly, providing relevant, reliable and up to date financial and other information, with significant variances from budget being investigated as appropriate;
- Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- The Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
- Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2019. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

**ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT FROM THE MANAGEMENT COMMITTEE
FOR THE YEAR ENDED 31 MARCH 2019**

Auditors

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

Charitable Donations

During the year the Association made charitable donations amounting to £2,732 (2018 - £3,475)

By order of Management Committee



Maureen McDonald,
Secretary

Date: 10 June 2019

ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT BY THE AUDITORS TO THE MANAGEMENT COMMITTEE OF ELDERPARK HOUSING
ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH
2019

In addition to our audit of the Financial Statements, we have reviewed your statement on page 6 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained in the publication "Our Regulatory Framework" and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

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

Opinion

In our opinion the Statement on Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards with the publication "Our Regulatory Framework" and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of The Management Committee and Officers of the Association, and examination of relevant documents, we have satisfied ourselves that The Management Committee's Statement on Internal Financial Control appropriately reflects the Association's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



French Duncan LLP

Chartered Accountants
Statutory Auditors

GLASGOW

Date:

11/06/2019

ELDERPARK HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT COMMITTEE OF ELDERPARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019

OPINION

We have audited the financial statements of Elderpark Housing Association Limited for the year ended 31 March 2019 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in capital and reserves and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 - The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2019 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements December 2014.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the housing association in accordance with the ethical requirements that are relevant to our audit of financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the committee members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the committee members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OTHER INFORMATION

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our

ELDERPARK HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT COMMITTEE OF ELDERPARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019

knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you, if in our opinion:

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

RESPONSIBILITIES OF COMMITTEE MEMBERS

As explained more fully in the Management Committee's responsibilities statement set out on page 5, the committee members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee are responsible for assessing the housing association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee members either intend to liquidate the housing association or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

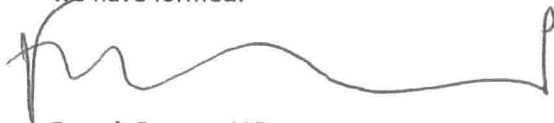
ELDERPARK HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITORS REPORT TO THE MANAGEMENT COMMITTEE OF ELDERPARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2019

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the housing association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee members.
- Conclude on the appropriateness of the Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the housing association to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

USE OF OUR REPORT

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



French Duncan LLP
Chartered Accountants and Statutory Auditors
133 Finnieston Street
GLASGOW
G3 8HB

Date: 11/06/2019.

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 (as restated) £
REVENUE	2	6,445,252	6,237,475
Operating costs	2	<u>(5,028,505)</u>	<u>(4,735,273)</u>
OPERATING SURPLUS	2, 8	1,416,747	1,502,202
Interest receivable and other similar income		100,158	66,479
Interest payable and other similar charges	7	(557,771)	(521,083)
Other Finance Charges	10	<u>-</u>	<u>(12,000)</u>
		<u>(457,613)</u>	<u>(466,604)</u>
SURPLUS FOR THE YEAR		959,134	1,035,598
OTHER COMPREHENSIVE INCOME			
Initial Recognition of multi-employer defined benefit scheme	23	216,000	-
Actuarial losses in respect of pension scheme	23	<u>(341,000)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME		<u>834,134</u>	<u>1,035,598</u>

The results for the year relate wholly to continuing activities.

The notes on page 16 to 37 form part of these financial statements.

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Notes	2019 £	2018 (as restated) £
NON-CURRENT ASSETS			
Housing properties - depreciated cost	11(a)	60,019,730	58,684,713
Other tangible fixed assets	11(b)	<u>702,914</u>	<u>720,693</u>
		60,722,644	59,405,406
CURRENT ASSETS			
Debtors	12	299,474	459,766
Cash at bank and in hand		<u>11,980,428</u>	<u>11,765,645</u>
		12,279,902	12,225,411
CREDITORS: amounts falling due within one year	13	<u>(2,145,875)</u>	<u>(2,524,063)</u>
NET CURRENT ASSETS		<u>10,134,027</u>	<u>9,701,348</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		70,856,671	69,106,754
CREDITORS: amounts falling due after more than one year	14	(15,007,473)	(15,206,527)
PROVISIONS FOR LIABILITIES			
pension - deficit funding liability		-	(797,000)
pension - defined benefit liability	23	(1,013,887)	-
DEFERRED INCOME			
Social Housing Grants	16	(42,569,617)	(41,658,987)
Other Grants	16	<u>(472,479)</u>	<u>(485,166)</u>
		<u>11,793,215</u>	<u>10,959,074</u>
EQUITY			
Share capital	17	570	563
Revenue reserve	17	<u>11,792,645</u>	<u>10,958,511</u>
		<u>11,793,215</u>	<u>10,959,074</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 10 June 2019.





The notes on page 16 to 37 form part of these financial statements.

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	15	<u>2,152,843</u>	<u>1,945,193</u>
INVESTING ACTIVITIES			
Acquisition and construction of housing properties	(3,331,902)	(4,363,424)	
Purchase of other fixed assets	(19,730)	(374,160)	
Social Housing Grant received	2,221,539	1,548,668	
Social Housing Grant repaid	-	-	
Proceeds of disposals of housing properties	-	-	
NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES		<u>(1,130,093)</u>	<u>(3,188,916)</u>
NET CASH INFLOW / (OUTFLOW) BEFORE FINANCING		1,022,750	(1,243,723)
FINANCING ACTIVITIES			
Issue of ordinary share capital	7	4	
Interest received	100,158	66,479	
Interest paid	(557,771)	(521,083)	
Loan principal repayments	(370,597)	(335,465)	
New Secured Loans	-	1,700,000	
NET CASH (OUTFLOW) / INFLOW FROM FINANCING		<u>(828,203)</u>	<u>909,935</u>
INCREASE / (DECREASE) IN CASH		194,547	(333,788)
OPENING CASH AND CASH EQUIVALENTS		<u>11,765,645</u>	<u>12,099,433</u>
CLOSING CASH AND CASH EQUIVALENTS		<u><u>11,960,192</u></u>	<u><u>11,765,645</u></u>
Cash and cash equivalents at the year end comprise:			
Cash at bank and in hand		11,980,428	11,765,645
Bank overdrafts		(20,236)	-
		<u>11,960,192</u>	<u>11,765,645</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2019

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2018 (as restated)	563	10,958,511	10,959,074
Issue of Shares	7	-	7
Cancelled shares	-	-	-
Surplus for Year	-	959,134	959,134
Other comprehensive income	-	(125,000)	(125,000)
Balance as at 31 March 2019	<u>570</u>	<u>11,792,645</u>	<u>11,793,215</u>

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1 April 2017 (as restated)	559	9,922,913	9,923,472
Issue of Shares	4	-	4
Cancelled shares	-	-	-
Surplus for Year (as restated)	-	1,035,598	1,035,598
Balance as at 31 March 2018 (as restated)	<u>563</u>	<u>10,958,511</u>	<u>10,959,074</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Legal Status

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

Basis of Accounting

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2014 and comply with the requirements of the Determination of Housing Requirements 2014 as issued by the Scottish Housing Regulator.

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

The following principal accounting policies have been applied:

Going concern

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

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

Revenue

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

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

Retirement Benefits

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

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

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Valuation of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Association depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 11. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

Component	Useful Economic Life
Structure	50 years
Roof	40 years
Windows	40 years
Lifts	40 years
External Fabric	40 years
Bathrooms	35 years
Composite Flooring	25 years
Kitchens	20 years
Door Entry	20 years
Heating	15 years

Depreciation and Impairment of Other Non-Current Assets

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

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

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

Social Housing Grant and Other Grants in Advance/Arrears

Social Housing Grants and Other Capital Grants are accounted for using the Accrual Method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same year as the expenditure to which it relates.

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Sales of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Disposals of housing property under the Right to Buy scheme are treated as a non-current asset disposals and any gain and loss on disposal accounted for in the Statement of Comprehensive Income.

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

Estimation Uncertainty

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

Rent Arrears - Bad Debt Provision

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

Life Cycle of Components

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

Useful Lives of Other Fixed Assets

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

Pension Liabilities

This has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

Costs of Shared Ownership

The Association allocates costs to shared ownership properties on a percentage basis split across the number of properties the Association owns.

Leases/Leased Assets

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives.

Works to Existing Properties

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

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

Development Interest

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

Key Judgements made in the application of Accounting Policies

a) The Categorisation of Housing Properties

In the judgement of the Management Committee the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.

b) Identification of cash generating units

The Association considers its cash-generating units to be the entire housing portfolio in which it manages its housing property for asset management purposes.

c) Pension liability

In May 2019 the Association received details from the Pension Trust of its share of assets, liabilities and scheme deficit. The Association has used this information as the basis of the pension defined benefit liability as disclosed in these accounts. The Management Committee consider this is the best estimate of their scheme liability.

Financial Instruments – Basic

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

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

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

ELDERPARK HOUSING ASSOCIATION LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 NOTES TO THE FINANCIAL STATEMENTS

2. PARTICULARS OF REVENUE, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	2019			2018 (as restated)			
Note	Revenue £	Operating Costs £	Operating surplus/ (deficit) £	Revenue £	Operating Costs £	Operating surplus/ (deficit) £	
Social letting activities	3	6,268,477	(4,803,249)	1,465,228	5,987,925	(4,495,467)	1,492,458
Other activities	4	176,775	(225,256)	(48,481)	249,550	(239,806)	9,744
Total		<u>6,445,252</u>	<u>(5,028,505)</u>	<u>1,416,747</u>	<u>6,237,475</u>	<u>(4,735,273)</u>	<u>1,502,202</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing	Supported Housing	Shared Ownership	2019 Total	2018 Total (as restated)
	£	£	£	£	£
Revenue from lettings					
Rent receivable net of identifiable service charges	4,883,465	-	16,231	4,899,696	4,658,779
Service charges receivable	98,470	-	1,253	99,723	91,825
Gross rents receivable	4,981,935	-	17,484	4,999,419	4,750,604
Less rent losses from voids	(54,538)	-	-	(54,538)	(47,258)
Net rents receivable	4,927,397	-	17,484	4,944,881	4,703,346
Amortisation of Social Housing & Other Grants	1,323,596	-	-	1,323,596	1,284,579
Revenue grants from local authorities and other agencies	-	-	-	-	-
Other Revenue grants	-	-	-	-	-
Total income from social letting	6,250,993	-	17,484	6,268,477	5,987,925
Expenditure on social letting activities					
Management and maintenance administration costs	1,403,263	-	11,350	1,414,613	1,260,008
Service costs	159,599	-	2,057	161,656	150,226
Planned and cyclical maintenance including major repairs	430,607	-	-	430,607	418,685
Reactive maintenance	751,522	-	-	751,522	675,867
Bad debts - rents and service charges	47,966	-	-	47,966	35,062
Depreciation of social housing	1,979,314	-	17,571	1,996,885	1,955,619
Operating costs of social letting	4,772,271	-	30,978	4,803,249	4,495,467
Operating surplus / (deficit) on social letting activities	1,478,722	-	(13,494)	1,465,228	1,492,458
2018	1,504,512	-	(12,054)	1,492,458	

ELDERPARK HOUSING ASSOCIATION LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
 NOTES TO THE FINANCIAL STATEMENTS

4. PARTICULARS OF INCOME AND EXPENDITURE FROM OTHER ACTIVITIES

	Grants from Scottish Ministers	Other revenue grants	Supporting people income	Other income	Total Turnover	Operating costs bad debts	Operating costs other	Operating surplus/ (deficit) 2019	Operating surplus/ (deficit) 2018
	£	£	£	£	£	£	£	£	£
Stage 3 adaptations	-	-	-	-	-	-	-	-	-
Wider Role Activities	-	86,656	-	-	86,656	-	(86,503)	153	(15,244)
Factoring	-	-	-	29,125	29,125	-	(40,172)	(11,047)	(11,517)
Development and Construction of Property	-	-	-	-	-	-	(67,671)	(67,671)	(60,378)
Other income/ (expenditure)	-	-	-	-	-	-	-	-	-
Other Activities	-	-	-	60,994	60,994	-	(30,910)	30,084	96,883
TOTAL FROM OTHER ACTIVITIES	-	86,656	-	90,119	176,775	-	(225,256)	(48,481)	9,744
TOTAL FROM OTHER ACTIVITIES FOR 2018	-	95,090	-	154,460	249,550	-	(239,806)	9,744	

Included in income from other activities is £1,275 received from Glasgow City Council Integrated Grant Fund which is restricted.

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

5. BOARD MEMBERS AND OFFICERS EMOLUMENTS

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

	2019	2018
	£	£
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	72,669	69,504
Emoluments payable to the director (excluding pension contributions)	72,669	69,504
Pension contributions paid on behalf of the director	4,650	4,448
	<hr/>	<hr/>
	Number	Number
Total number of officers, including the highest paid officer, who received emoluments (excluding pension contributions) over £60,000 was in the following ranges:		
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£80,001 - £90,000	-	-
	<hr/>	<hr/>

Payments made to board members during the year for reimbursement of expenses totalled £1,296 (2018 - £1,272).

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

6. EMPLOYEE INFORMATION

	2019	2018
	£	£
Staff costs during the year:		
Wages and salaries	899,839	849,554
Social security costs	92,275	90,506
Other pension costs	81,096	79,828
	<u>1,073,210</u>	<u>1,019,888</u>

	Number	Number
The average number of full time equivalent persons employed during the year was	<u>24</u>	<u>25</u>
The average total number of Employees employed during the year was	<u>28</u>	<u>26</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2019	2018
	£	£
Bank loans and overdrafts	<u>557,771</u>	<u>521,083</u>

8. SURPLUS FOR THE YEAR

	2019	2018
	£	(as restated)
		£
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	2,032,681	1,993,004
Auditors' remuneration - audit services	10,549	10,280
Loss on disposal of fixed assets	1,713	449
Amortisation of capital grants	<u>(1,323,596)</u>	<u>(1,284,579)</u>

9. TAX ON SURPLUS ON ORDINARY ACTIVITIES

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

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

11. NON-CURRENT ASSETS (Continued)

b) Other tangible assets	Heritable Office Property £	Fixtures, Fittings & Equipment £	Total £
COST			
At start of year	755,949	542,020	1,297,969
Additions	-	19,730	19,730
Disposals	-	(13,481)	(13,481)
At end of year	<u>755,949</u>	<u>548,269</u>	<u>1,304,218</u>
DEPRECIATION			
At start of year	129,706	447,570	577,276
Charged during year	13,302	22,494	35,796
Disposals	-	(11,768)	(11,768)
At end of year	<u>143,008</u>	<u>458,296</u>	<u>601,304</u>
NET BOOK VALUE			
At end of year	<u>612,941</u>	<u>89,973</u>	<u>702,914</u>
At start of year	<u>626,243</u>	<u>94,450</u>	<u>720,693</u>

12. DEBTORS

	2019 £	2018 £
Arrears of Rent & Service Charges	258,239	222,704
Less: Provision for Doubtful Debts	<u>(128,958)</u>	<u>(103,388)</u>
	129,281	119,316
Other Debtors	<u>170,193</u>	<u>340,450</u>
	<u>299,474</u>	<u>459,766</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

13. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Housing Loans	376,053	371,112
Trade Payables	292,415	369,339
Rent in Advance	112,162	116,573
Other Payables	1,238,281	1,225,432
Liability for Past Service Contribution Arrangements	-	268,000
Accruals and Deferred Income	106,728	173,607
Bank overdraft	20,236	-
	<u>2,145,875</u>	<u>2,524,063</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2019	2018
	£	£
Accruals	367,193	190,709
Housing loans	<u>14,640,280</u>	<u>15,015,818</u>
	<u>15,007,473</u>	<u>15,206,527</u>

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

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

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

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR (continued)

The Bank loans are repayable as follows:	2019	2018
	£	£
Between one and two years	332,992	377,643
Between two and five years	1,169,366	1,192,356
In five years or more	<u>13,137,922</u>	<u>13,445,819</u>
	<u>14,640,280</u>	<u>15,015,818</u>

15. STATEMENT OF CASH FLOWS

Reconciliation of operating surplus to balance as at 31 March 2019	2019	2018
	£	(as restated)
	£	£
Operating Surplus	1,416,747	1,502,202
Depreciation	2,032,681	1,993,004
Amortisation of Capital Grants	(1,323,596)	(1,284,579)
Change in debtors	160,292	(193,125)
Change in creditors	41,119	(63,758)
Loss on sale of fixed assets	1,713	449
SHAPS pension adjustment	-	(9,000)
Movement in Pension Liability	(176,113)	-
Balance as at 31 March 2019	<u>2,152,843</u>	<u>1,945,193</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

16. DEFERRED INCOME

	2019	2018
	£	(as restated)
		£
Social Housing Grants		
Balance as at 1 April 2018 (as restated)	41,658,987	41,417,962
Additions in year	2,221,539	1,512,818
Released / Repaid as the result of property disposal	-	-
Amortisation in Year	(1,310,909)	(1,271,793)
Balance as at 31 March 2019	<u>42,569,617</u>	<u>41,658,987</u>
Other Grants		
Balance as at 1 April 2018	485,166	462,102
Additions in year	-	35,850
Released / Repaid as the result of property disposal	-	-
Amortisation in Year	(12,687)	(12,786)
Balance as at 31 March 2019	<u>472,479</u>	<u>485,166</u>
Total deferred grants	<u><u>43,042,096</u></u>	<u><u>42,144,153</u></u>

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

Amounts due within one year	1,429,445	1,355,891
Amounts due in one year or more	<u>41,612,651</u>	<u>40,788,262</u>
	<u><u>43,042,096</u></u>	<u><u>42,144,153</u></u>

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

17. RESERVES

Share Capital	2019	2018
	£	£
Shares of £1 each Issued and Fully Paid		
At 1 April 2018	563	559
Issued in year	<u>7</u>	<u>4</u>
At 31 March 2019	<u><u>570</u></u>	<u><u>563</u></u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividends or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

	£	(as restated)
	£	£
At 1 April 2018 (as restated)	10,958,511	9,922,913
Surplus for year	959,134	1,035,598
Other comprehensive income	<u>(125,000)</u>	<u>-</u>
At 31 March 2019	<u><u>11,792,645</u></u>	<u><u>10,958,511</u></u>

During the year Restricted funds of £1,275 were received from Glasgow City Council Integrated Grant Fund which were fully spent. There were no restricted funds at the start or end of the year.

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

20. RELATED PARTY TRANSACTIONS

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

- Members are tenants of the Association
- Members are factored owners
- Management Committee members cannot use their position to their advantage. Any transactions between the Association and any entity with which a Management Committee member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Management Committee members were as follows:

- Rent Received from Tenants on the Committee – £48,325.
- Factoring income received from Owner Occupiers in the Committee - £557.
- At the year-end total rent arrears owed by the tenant members of the Committee were Nil.
- At the year-end total rent arrears owed by Owner Occupiers of the Committee were Nil.

21. DETAILS OF ASSOCIATION

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

The Association's principal place of business is 31 Garmouth Street, Glasgow, G51 3PR.

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

22. PRIOR YEAR ADJUSTMENT

During the current year it was identified that amortisation of social housing grants and the depreciation of social housing had been over provided in prior periods. The impact on prior years is as follows: 2015 - £4,919 increase in surplus; 2016 - £12,847 increase in surplus; 2017 - £48,940 increase in surplus; 2018 - £73,712 increase in surplus. The net impact on net assets is to increase the brought forward revenue reserve in the current year by £140,418.

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

23. RETIREMENT BENEFIT OBLIGATIONS

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2015. This valuation revealed a deficit of £198m. A Recovery Plan has been put in place to eliminate the deficit which runs to 28 February 2022 for the majority of employers, although certain employers have different arrangements.

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

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

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

For accounting purposes, two actuarial valuations for the Scheme were carried out with effective dates of 31 March 2018 and 30 September 2018. The liability figures from each valuation are rolled forward to the relevant accounting dates, if applicable, and are used in conjunction with the Association's fair share of the Scheme's total assets to calculate the Association's net deficit or surplus at the accounting period start and end dates.

**PRESENT VALUES OF DEFINED BENEFIT OBLIGATION,
 FAIR VALUE OF ASSETS AND DEFINED BENEFIT ASSET (LIABILITY)**

	31 March 2019	31 March 2018
	(£000s)	(£000s)
Fair value of plan assets	6,552	6,501
Present value of defined benefit obligation	7,566	7,350
Surplus (deficit) in plan	(1,014)	(849)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(1,014)	(849)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(1,014)	(849)

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

23. RETIREMENT BENEFIT OBLIGATIONS (continued)

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period ended 31 March 2019 (£000s)
Impact of asset ceiling at start of period	-
Effect of the asset ceiling included in net interest cost	-
Actuarial losses (gains) on asset ceiling	-
Impact of asset ceiling at end of period	-

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE DEFINED BENEFIT OBLIGATION

	Period ended 31 March 2019 (£000s)
Defined benefit obligation at start of period	7,350
Current service cost	153
Expenses	8
Interest expense	182
Contributions by plan participants	75
Actuarial losses (gains) due to scheme experience	33
Actuarial losses (gains) due to changes in demographic assumptions	21
Actuarial losses (gains) due to changes in financial assumptions	430
Benefits paid and expenses	(686)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-
Defined benefit obligation at end of period	7,566

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

23. RETIREMENT BENEFIT OBLIGATIONS (continued)

RECONCILIATION OF OPENING AND CLOSING BALANCES OF THE FAIR VALUE OF PLAN ASSETS

	Period ended 31 March 2019 (£000s)
Fair value of plan assets at start of period	6,501
Interest income	162
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	143
Contributions by the employer	357
Contributions by plan participants	75
Benefits paid and expenses	(686)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-
Fair value of plan assets at end of period	6,552

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2019 was £305,000.

DEFINED BENEFIT COSTS RECOGNISED IN STATEMENT OF COMPREHENSIVE INCOME (SOCl)

	Period from 31 March 2018 to 31 March 2019 (£000s)
Current service cost	153
Expenses	8
Net interest expense	20
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) on curtailments	-
Losses (gains) due to benefit changes	-
Defined benefit costs recognised in statement of comprehensive income (SoCl)	181

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

23. RETIREMENT BENEFIT OBLIGATIONS (continued)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2019 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	143
Experience gains and losses arising on the plan liabilities - gain (loss)	(33)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(21)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(430)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(341)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-
Total amount recognised in other comprehensive income - gain (loss)	(341)

ASSETS

	31 March 2019 (£000s)	31 March 2018 (£000s)
Global Equity	1,054	1,170
Absolute Return	555	772
Distressed Opportunities	112	29
Credit Relative Value	114	-
Alternative Risk Premia	366	246
Fund of Hedge Funds	18	187
Emerging Markets Debt	210	222
Risk Sharing	190	59
Insurance-Linked Securities	170	178
Property	130	257
Infrastructure	275	119
Private Debt	85	60
Corporate Bond Fund	459	454
Long Lease Property	79	-
Secured Income	229	238
Over 15 Year Gilts	168	210
Index Linked All Stock Gilts	-	-
Liability Driven Investment	2,331	2,288
Net Current Assets	7	12
Total assets	6,552	6,501

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

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019
NOTES TO THE FINANCIAL STATEMENTS

23. RETIREMENT BENEFIT OBLIGATIONS (continued)

KEY ASSUMPTIONS

	31 March 2019	31 March 2018
	% per annum	% per annum
Discount Rate	2.29	2.55
Inflation (RPI)	3.30	3.20
Inflation (CPI)	2.30	2.20
Salary Growth	3.30	3.20
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2019 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2019	21.7
Female retiring in 2019	23.4
Male retiring in 2039	23.1
Female retiring in 2039	24.7

As a result of the pension remeasurement basis during the year the movement in the opening pension liability of £216,000 is shown separately in the Statement of Comprehensive Income.