

**ELDERPARK HOUSING ASSOCIATION LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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

**ELDERPARK HOUSING ASSOCIATION LIMITED**

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**ELDERPARK HOUSING ASSOCIATION LIMITED  
THE MANAGEMENT COMMITTEE, EXECUTIVES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2020**

**MEMBERS OF THE MANAGEMENT COMMITTEE**

Janet Evans	Chairperson
John Kane	Vice Chair
Barbara Wilson	Treasurer
Maureen McDonald	Secretary
Anne Melvin	Resigned 25 February 2020
Marri Holmes	Resigned 27 May 2020
Ann McEachan	
Alan Bell	
Sadie Montgomery	Resigned 27 June 2019
Lindsay Roches	
Dr Evi Viza	Resigned 28 January 2020
Martin Costick	
Elsbeth Millen	Resigned 30 April 2019
Douglas Muir	Appointed 27 June 2020

**EXECUTIVE OFFICERS**

Gary Dalziel	Chief Executive Officer
Shirley McKnight	Deputy Chief Executive Officer
Terry Frew	Director of Maintenance
James McGeough	Director of Finance & Corporate Services
Aidan McGuinness	Director of Housing & Customer Services

**REGISTERED OFFICE**

31 Garmouth Street, Glasgow, G51 3PR

**AUDITOR**

French Duncan LLP, Chartered Accountants and Statutory Auditor

**BANKERS**

Royal Bank of Scotland plc

**SOLICITORS**

T C Young

**ELDERPARK HOUSING ASSOCIATION LIMITED  
REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2020**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2020.

**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

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- 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**

It was identified in 2019 that while the association had an awareness of risk management and considered it within any decision taken by the Management Committee there was a gap in terms of the production, review and implementation of an effective Risk Management Strategy. This was included within the submission of the Annual Assurance Statement to the Scottish Housing Regulator as an area which required further attention.

At the end of 2019 the Management Committee approved a revised Risk Management Policy and Risk Register which includes a process whereby the risk register will be reviewed at the Audit and Finance Sub-Committee quarterly and discussed at the full Management Committee at least on an annual basis. The appointment of a Corporate Governance Officer in April 2020 who will be responsible for maintaining the risk register will ensure that we have an appropriate system in place to manage risk.

It should be recognised that managing risk is often about the management of 'known risks' and the global pandemic has made all organisations reflect on their approach to understanding the risk of an event that it is unlikely many people would have foreseen.

**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 £13,634,623 (2019 - £11,793,215). Surplus for the year, pre pension re-measurement, was £1,161,403 (2019 - £959,134).

The association has seen another positive year in 2019/20 with our performance across most of the services we provide to our tenants and residents again in the top quartile in comparison to other RSL's operating within Scotland.

Perhaps one of the biggest successes over the course of the year was the long awaited commencement of works developing 82 new homes for social rent at the Hills Trust / Nethan Street site after long delays getting the project off the ground. Work continued throughout the year on building these much needed homes and would have been scheduled for completion early in 2020/21 before the Covid-19 global pandemic struck which has delayed the hand-overs until Autumn and Winter 2020.

In addition, works continued on the construction works on the former Hills Trust Primary School which is a 'B' listed building and will become the association's new headquarters. This major project, supported by funding from CGAP, will provide the association with an outstanding office base central to our communities while at the same time restoring an iconic building back into use. It is envisaged that this will be ready to move into around September 2020 following the three/four month delay caused by the 'lock-down'.

The association, working with partners Glasgow Life and Glasgow City Council, has managed to attract significant funding from the Scottish Government's Regeneration Capital Grants Fund and Glasgow City Council's Town Centre Funding which will involve carrying out major construction and refurbishment works to redesign the listed Elderpark Library into a Library and Learning Centre. This will ensure the long term life of this asset and provide an outstanding

**ELDERPARK HOUSING ASSOCIATION LIMITED  
REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2020**

community hub for the whole of Govan. This funding was attained in 2019/20 however like most areas the commencement of works has been delayed following the Covid-19 outbreak and it is hoped that work will be on site towards the end of 2020.

During 2019/20 we embarked on a review of our staffing requirements recognising that there were gaps in relation to a number of areas which were restricting the association in delivering on our future plans and objectives. This staffing review took into account various factors including our staff resources in comparison to other peers, how we will deliver our front-line services to customers, a recognition of the need to put in place effective succession planning and the increasing governance and compliance requirements for RSL's. The Management Committee approved this revised structure in January 2020 with implementation to take place in the first quarter of 2020/21. Elderpark Housing looked at how we evolve and innovate to deliver the best services to our tenants, residents and service users. To this end we implemented various products which would provide business benefits, deliver value for money and allow the organisation to modernise its service. A few of the more significant projects were the introduction of RentSense which would reduce the rent arrears caseload for housing officers by using algorithms to identify those cases which needed further action. We have also been one of the first RSL's in Scotland to introduce a customer engagement tool that uses text messages and on-line surveys to gather immediate feedback from our tenants. This has proven extremely successful and the ability to gather information quickly on the needs and priorities of our tenants was crucial in allowing the association to determine how we could support our more vulnerable tenants during the Covid-19 crisis through befriending, food delivery, welfare benefits support and information and advice. We also introduced an on-line tool for the Management Committee process with reports and meeting content provided through this method rather than the paper method which would reduce the time spent in the production of reports and paperwork, modernise the way we engage as a committee and reduce the risks of information being mishandled to meet GDPR requirements.

Following a procurement exercise for the first time in our long history the association commenced with a single contractor for the majority our day-to-day reactive repairs. In October 2019 Mears began working with Elderpark Housing to deliver our day to day repairs however unfortunately at the end of March 2020 Mears advised that they no longer wished to provide this service to ourselves and a number of other RSL's within Scotland and we were in a position of seeking a new contractor together with discussing the legal remedies around their decision to withdraw services from July 2020.

One of the more significant areas to affect all RSL's in Scotland including Elderpark Housing during the financial year was the introduction of the Scottish Housing Regulator's new Regulatory Framework which introduced a range of additional requirements on both the organisation and the Management Committee as a whole. The most significant was the requirement for RSL's to submit an Annual Assurance Statement to the Scottish Housing Regulator no later than the 31<sup>st</sup> October 2019 which would confirm how compliant (or otherwise) the association was in meeting the requirements contained within the Regulatory Framework and the Regulatory Standards of Governance and Financial Management.

Elderpark Housing carried out a detailed review of the areas which required to be considered in relation to this annual assurance statement using external support to assist the Management Committee and we were pleased to note that we were in a position to submit this assurance statement to the Scottish Housing Regulator confirming that we were compliant with the Regulatory Framework. Contained within the Annual Assurance Statement were some non-material areas where we could make enhancements which included the provision of sufficient governance staffing resources, development of a revised risk management strategy and the review of various governance policies and in most areas these have all now been tackled.

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 over 95% of our tenants

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**REPORT FROM THE MANAGEMENT COMMITTEE**  
**FOR THE YEAR ENDED 31 MARCH 2020**

are satisfied with the overall service we provide and importantly 97% are satisfied both with the opportunities to participate in decision making and being kept informed about the activities of the association.

Over the course of 2019/20 the association invested around £2.4 million in maintaining and improving the homes of our tenants and residents with just over £600,000 on day to day reactive repairs, £1.5 million on planned maintenance improvements including kitchen and bathroom renewals and around £300,000 on cyclical maintenance programmes. We have invested heavily in recent years in improving our tenants and residents homes and this will continue in future years to ensure that Elderpark Housing continues to provide safe, modern and high quality homes.

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 supported various projects including the Craft Cafe, Spruce Skills for Life, Community Meals, Aberlour and Moogety Foods and work in partnership with the other local RSL's (Govan and Linthouse Housing Associations) to deliver benefits across the whole of Govan.

The rent increase for the year was set at 3%, which remains comparable to other Housing Associations in our sector. The Covid-19 global pandemic occurred almost at the end of the financial year therefore the performance, successes and achievements being reported in the accounts do not really take into account the challenges that have been experienced in the first six months of 2020. Like almost everyone in the country from the end of March almost all staff have been working from home while still providing services to our tenants and residents. Given the challenges being experienced by the most vulnerable members of our communities significant focus has been on supporting them through the crisis which has involved food provision, befriending services, welfare benefits advice and a whole host of other indirect support.

The pandemic has in some ways accelerated the partnership working within the Govan community and we have worked with Govan Housing Association, Linthouse Housing Association, the local councillors and Thriving Places Govan to attract £400,000 of emergency funding from the Scottish Government which has been crucial in allowing local organisations to provide essential support to those most in need.

From a staffing perspective the Covid-19 crisis has meant our staff have had to adapt quickly to working from home and we are grateful for the dedication, commitment and hard work they have shown in ensuring the organisation continued to function and services to our tenants remained a key priority. The Management Committee took the decision early not to furlough any staff but to redirect our staffing resources to deliver services which our tenants and residents needed and this combined with the internal changes which we continued to progress which included development of a range of governance tools, recruitment of new and vacant posts and re-procurement of a new reactive repairs contractor from July 2020 means we will hopefully exit the Covid-19 crisis in a stronger position than when it started.

Financially the Association remains in a strong position and despite the damaging implications that have occurred through the Covid-19 global pandemic. In the short term at least we expect to see increasing rent arrears and lost rental income through our development project not being off-site when originally anticipated but anticipate these have been off-set with savings from the original budget including staff posts not being in place until later in 2020 than was originally planned and the anticipated reduction in repairs and maintenance costs in the year.

These annual accounts are for the period 2019/20 and as at the end of March 2020 show the association having healthy cash balances. We anticipate, following some work on our longer term projections, and despite the challenging times the world has encountered in 2020 that the association will remain in a strong financial position.

**ELDERPARK HOUSING ASSOCIATION LIMITED  
REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2020**

**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 2019/20 there were 9 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).

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 2019/20, 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 - 2019. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Association's suppliers are paid promptly.



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REPORT FROM THE MANAGEMENT COMMITTEE  
FOR THE YEAR ENDED 31 MARCH 2020**

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

In so far as the Management Committee are aware:

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

**Statement on Internal Financial Control**

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

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

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;

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FOR THE YEAR ENDED 31 MARCH 2020**

- 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 2020. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

**Auditors**

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

**Charitable Donations**

During the year the Association made charitable donations amounting to £2,709 (2019 - £2,732)

By order of Management Committee.

  
Maureen McDonald,  
Secretary

Date: 25 August 2020

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**REPORT BY THE AUDITOR TO THE MANAGEMENT COMMITTEE OF ELDERPARK HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2020**

In addition to our audit of the Financial Statements, we have reviewed your statement on page 7 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 7 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: 31/08/2020.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF ELDERPARK HOUSING**  
**ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

**OPINION**

We have audited the financial statements of Elderpark Housing Association Limited for the year ended 31 March 2020 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 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements February 2019.

**BASIS FOR OPINION**

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

**CONCLUSIONS RELATING TO GOING CONCERN**

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 AUDITOR'S REPORT TO THE MANAGEMENT COMMITTEE OF ELDERPARK HOUSING  
ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

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 6, 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  
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- 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 Auditor  
133 Finnieston Street  
GLASGOW  
G3 8HB

Date: 31/08/2020.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2020**

		2020	2019
	Notes	£	£
<b>REVENUE</b>	2	6,521,194	6,445,252
Operating costs	2	<u>(4,932,555)</u>	<u>(5,028,505)</u>
<b>OPERATING SURPLUS</b>	2, 9	1,588,639	1,416,747
Gain on sale of housing stock	7	35,443	-
Interest receivable and other similar income		91,913	100,158
Interest payable and other similar charges	8	(554,592)	(557,771)
		<u>(427,236)</u>	<u>(457,613)</u>
<b>SURPLUS FOR THE YEAR</b>		1,161,403	959,134
<b>OTHER COMPREHENSIVE INCOME</b>			
Initial Recognition of multi-employer defined benefit scheme	23	-	216,000
Actuarial gains / (losses) in respect of pension scheme	23	680,000	(341,000)
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><u>1,841,403</u></u>	<u><u>834,134</u></u>

The results for the year relate wholly to continuing activities.

The notes on page 17 to 38 form part of these financial statements.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

		2020	2019
	Notes	£	£
<b>NON-CURRENT ASSETS</b>			
Housing properties - depreciated cost	11(a)	66,321,143	60,019,730
Other tangible fixed assets	11(b)	<u>2,859,483</u>	<u>702,914</u>
		69,180,626	60,722,644
<b>CURRENT ASSETS</b>			
Debtors	12	381,189	299,474
Cash at bank and in hand		<u>8,464,084</u>	<u>11,980,428</u>
		8,845,273	12,279,902
<b>CREDITORS:</b> amounts falling due within one year	13	<u>(2,329,882)</u>	<u>(2,145,875)</u>
<b>NET CURRENT ASSETS</b>		<u>6,515,391</u>	<u>10,134,027</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		75,696,017	70,856,671
<b>CREDITORS:</b> amounts falling due after more than one year	14	(14,800,286)	(15,007,473)
<b>PROVISIONS FOR LIABILITIES</b>			
pension - defined benefit liability	23	(153,000)	(1,013,887)
<b>DEFERRED INCOME</b>			
Social Housing Grants	17	(46,333,605)	(42,569,617)
Other Grants	17	<u>(774,503)</u>	<u>(472,479)</u>
		<u>13,634,623</u>	<u>11,793,215</u>
<b>EQUITY</b>			
Share capital	18	575	570
Revenue reserve	18	<u>13,634,048</u>	<u>11,792,645</u>
		<u>13,634,623</u>	<u>11,793,215</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 25 August 2020.

Jarret Evans  
Chairperson

Maureen McDonald  
Secretary

Barbara Wilson  
Treasurer

The notes on page 17 to 38 form part of these financial statements.



**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	15	<u>2,622,189</u>	<u>2,152,843</u>
<b>INVESTING ACTIVITIES</b>			
Acquisition and construction of housing properties	11(a)	(8,328,943)	(3,331,902)
Purchase of other fixed assets	11(b)	(2,192,524)	(19,730)
Social Housing Grant received	17	4,685,766	2,221,539
Social Housing Grant repaid	17	(26,167)	-
Proceeds of disposals of housing properties	7	64,517	-
<b>NET CASH (OUTFLOW) FROM INVESTING ACTIVITIES</b>		<u>(5,797,351)</u>	<u>(1,130,093)</u>
<b>NET CASH (OUTFLOW) / INFLOW BEFORE FINANCING</b>		(3,175,162)	1,022,750
<b>FINANCING ACTIVITIES</b>			
Issue of ordinary share capital	18	5	7
Interest received		91,913	100,158
Interest paid	8	(554,592)	(557,771)
Loan principal repayments	16	(376,053)	(370,597)
New Secured Loans		-	-
<b>NET CASH (OUTFLOW) FROM FINANCING</b>		<u>(838,727)</u>	<u>(828,203)</u>
<b>(DECREASE) / INCREASE IN CASH</b>		(4,013,889)	194,547
<b>OPENING CASH AND CASH EQUIVALENTS</b>		<u>11,960,192</u>	<u>11,765,645</u>
<b>CLOSING CASH AND CASH EQUIVALENTS</b>		<u><u>7,946,303</u></u>	<u><u>11,960,192</u></u>
<b>Cash and cash equivalents at the year end comprise:</b>			
Cash at bank and in hand		8,464,084	11,980,428
Bank overdrafts		(517,781)	(20,236)
		<u><u>7,946,303</u></u>	<u><u>11,960,192</u></u>

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CHANGES IN CAPITAL AND RESERVES**  
**FOR THE YEAR ENDED 31 MARCH 2020**

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance as at 1 April 2019	570	11,792,645	11,793,215
Issue of Shares	5	-	5
Cancelled shares	-	-	-
Surplus for Year	-	1,161,403	1,161,403
Other comprehensive income	-	680,000	680,000
Balance as at 31 March 2020	<u>575</u>	<u>13,634,048</u>	<u>13,634,623</u>

	<b>Share Capital</b>	<b>Revenue Reserve</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
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>

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. PRINCIPAL ACCOUNTING POLICIES**

**Legal Status**

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

**Basis of Accounting**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for Social Housing Providers 2018 and comply with the requirements of the Determination of Housing Requirements 2019 as issued by the Scottish Housing Regulator.

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

The following principal accounting policies have been applied:

**Going concern**

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

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

The Association has taken into account the Covid-19 outbreak in its consideration and is satisfied that the Association has adequate resources to manage the impact of the pandemic on an ongoing basis.

**Revenue**

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

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

**Retirement Benefits**

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

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

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**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 2020**  
**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 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. Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation. Since the year end there has been volatility in market assumptions given the Covid-19 pandemic and, in particular, discount rates have fallen which would increase scheme liabilities. However stock market performance has improved which would help to offset any increase in liabilities.

**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.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. PRINCIPAL ACCOUNTING POLICIES (Continued)**

**Works to Existing Properties**

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

**Development Interest**

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

**Key Judgements made in the application of Accounting Policies**

a) The Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Pension liability

In May 2020 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 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

		2020		2019		
	Note	Revenue £	Operating Costs £	Revenue £	Operating Costs £	Operating surplus/ (deficit) £
Social letting activities	3	6,296,075	(4,693,504)	6,268,477	(4,803,249)	1,465,228
Other activities	4	225,119	(239,051)	176,775	(225,256)	(48,481)
<b>Total</b>		<u>6,521,194</u>	<u>(4,932,555)</u>	<u>6,445,252</u>	<u>(5,028,505)</u>	<u>1,416,747</u>

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS**

	General Needs Housing	Supported Housing	Shared Ownership	2020 Total	2019 Total
	£	£	£	£	£
<b>Revenue from lettings</b>					
Rent receivable net of identifiable service charges	5,046,307	-	14,965	5,061,272	4,899,696
Service charges receivable	97,623	-	1,135	98,758	99,723
<b>Gross rents receivable</b>	<u>5,143,930</u>	<u>-</u>	<u>16,100</u>	<u>5,160,030</u>	<u>4,999,419</u>
Less rent losses from voids	(48,566)	-	-	(48,566)	(54,538)
<b>Net rents receivable</b>	<u>5,095,364</u>	<u>-</u>	<u>16,100</u>	<u>5,111,464</u>	<u>4,944,881</u>
Amortisation of Social Housing & Other Grants	1,184,611	-	-	1,184,611	1,323,596
Revenue grants from local authorities and other agencies	-	-	-	-	-
Other Revenue grants	-	-	-	-	-
<b>Total income from social letting</b>	<u>6,279,975</u>	<u>-</u>	<u>16,100</u>	<u>6,296,075</u>	<u>6,268,477</u>
<b>Expenditure on social letting activities</b>					
Management and maintenance administration costs	1,486,220	-	9,450	1,495,670	1,414,613
Service costs	164,713	-	1,938	166,651	161,656
Planned and cyclical maintenance including major repairs	331,474	-	-	331,474	430,607
Reactive maintenance	616,369	-	-	616,369	751,522
Bad debts - rents and service charges	84,884	-	-	84,884	47,966
Depreciation of social housing	<u>1,982,234</u>	<u>-</u>	<u>16,222</u>	<u>1,998,456</u>	<u>1,996,885</u>
<b>Operating costs of social letting</b>	<u>4,665,894</u>	<u>-</u>	<u>27,610</u>	<u>4,693,504</u>	<u>4,803,249</u>
<b>Operating surplus / (deficit) on social letting activities</b>	<u>1,614,081</u>	<u>-</u>	<u>(11,510)</u>	<u>1,602,571</u>	<u>1,465,228</u>
2019	<u>1,478,722</u>	<u>-</u>	<u>(13,494)</u>	<u>1,465,228</u>	



**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**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) 2020 £	Operating surplus/ (deficit) 2019 £
Stage 3 adaptations	-	-	-	-	-	-	-	-	-
Wider Role Activities	-	50,910	-	-	50,910	-	(72,008)	(21,098)	153
Factoring	-	-	-	30,497	30,497	-	(39,461)	(8,964)	(11,047)
Development and Construction of Property	-	-	-	-	-	-	(69,671)	(69,671)	(67,671)
	-	-	-	-	-	-	-	-	-
Other Activities	-	-	-	143,712	143,712	-	(57,911)	85,801	30,084
<b>TOTAL FROM OTHER ACTIVITIES</b>	<b>-</b>	<b>50,910</b>	<b>-</b>	<b>174,209</b>	<b>225,119</b>	<b>-</b>	<b>(239,051)</b>	<b>(13,932)</b>	<b>(48,481)</b>
<b>TOTAL FROM OTHER ACTIVITIES FOR 2019</b>	<b>-</b>	<b>86,656</b>	<b>-</b>	<b>90,119</b>	<b>176,775</b>	<b>-</b>	<b>(225,256)</b>	<b>(48,481)</b>	<b>-</b>

Included in other reserve grants is £16,331 received from Glasgow City Council Integrated Grant Fund which is restricted.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**5. BOARD MEMBERS AND OFFICERS EMOLUMENTS**

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

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	75,542	72,669
Emoluments payable to the director (excluding pension contributions)	75,542	72,669
Pension contributions paid on behalf of the director	4,834	4,650
	<hr/>	<hr/>
	<b>Number</b>	<b>Number</b>

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	-	-
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
	<hr/>	<hr/>

Payments made to board members during the year for reimbursement of expenses totalled £993 (2019 - £1,296).

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**6. EMPLOYEE INFORMATION**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Staff costs during the year:		
Wages and salaries	885,136	899,839
Social security costs	91,603	92,275
Other pension costs	75,608	81,096
	<u>1,052,347</u>	<u>1,073,210</u>

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

**7. GAIN ON SALE OF HOUSING STOCK**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Sales proceeds	64,517	-
Cost of sales	(29,074)	-
Gain/(loss) on sale	<u>35,443</u>	<u>-</u>

**8. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>554,592</u>	<u>557,771</u>

**9. SURPLUS FOR THE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	2,033,724	2,032,681
Auditors' remuneration - audit services	13,946	10,549
Loss on disposal of fixed assets	687	1,713
Amortisation of capital grants	<u>(1,184,611)</u>	<u>(1,323,596)</u>

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**10. TAX ON SURPLUS ON ORDINARY ACTIVITIES**

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

**11. NON-CURRENT ASSETS**

<b>a) Housing Properties</b>	<b>Housing Properties Held for Letting £</b>	<b>Housing Properties Under Construction £</b>	<b>Completed Shared Ownership Properties £</b>	<b>Total £</b>
<b>COST</b>				
At start of year	83,474,885	2,088,224	840,197	86,403,306
Additions	1,561,435	6,767,508	-	8,328,943
Disposals	(353,579)	-	(29,074)	(382,653)
Transfers between categories	-	-	-	-
At end of year	<u>84,682,741</u>	<u>8,855,732</u>	<u>811,123</u>	<u>94,349,596</u>
<b>DEPRECIATION</b>				
At start of year	26,081,031	-	302,545	26,383,576
Charged during year	1,982,234	-	16,222	1,998,456
Eliminated on disposal	(353,579)	-	-	(353,579)
At end of year	<u>27,709,686</u>	<u>-</u>	<u>318,767</u>	<u>28,028,453</u>
<b>NET BOOK VALUE</b>				
At end of year	<u>56,973,055</u>	<u>8,855,732</u>	<u>492,356</u>	<u>66,321,143</u>
At start of year	<u>57,393,854</u>	<u>2,088,224</u>	<u>537,652</u>	<u>60,019,730</u>

Additions to Housing Properties includes Capitalised Development Administration Costs totalling £69,671 (2019 - £67,671) and Capitalised Major Repair Costs of £1,551,543 (2019 - £1,472,843).

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**11. NON-CURRENT ASSETS (Continued)**

b) Other tangible assets	Heritable Office Property £	Fixtures, Fittings & Equipment £	Total £
<b>COST</b>			
At start of year	755,949	548,269	1,304,218
Additions	2,171,208	21,316	2,192,524
Disposals	-	(5,739)	(5,739)
At end of year	<u>2,927,157</u>	<u>563,846</u>	<u>3,491,003</u>
<b>DEPRECIATION</b>			
At start of year	143,008	458,296	601,304
Charged during year	13,147	22,121	35,268
Disposals	-	(5,052)	(5,052)
At end of year	<u>156,155</u>	<u>475,365</u>	<u>631,520</u>
<b>NET BOOK VALUE</b>			
At end of year	<u>2,771,002</u>	<u>88,481</u>	<u>2,859,483</u>
At start of year	<u>612,941</u>	<u>89,973</u>	<u>702,914</u>

**12. DEBTORS**

	2020 £	2019 £
Arrears of Rent & Service Charges	281,100	258,239
Less: Provision for Doubtful Debts	<u>(163,088)</u>	<u>(128,958)</u>
	118,012	129,281
Other Debtors	<u>263,177</u>	<u>170,193</u>
	<u>381,189</u>	<u>299,474</u>

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

**13. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Housing Loans	389,672	376,053
Trade Payables	307,957	292,415
Rent in Advance	140,069	112,162
Other Payables	878,245	1,238,281
Accruals and Deferred Income	96,158	106,728
Bank overdraft	517,781	20,236
	<u>2,329,882</u>	<u>2,145,875</u>

**14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Accruals	549,678	367,193
Housing loans	<u>14,250,608</u>	<u>14,640,280</u>
	<u>14,800,286</u>	<u>15,007,473</u>

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

<b>Lender</b>	<b>Security</b>	<b>Effective</b>		
		<b>Interest Rate</b>	<b>Maturity</b>	<b>Variable/Fixed</b>
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 2020**  
**NOTES TO THE FINANCIAL STATEMENTS**

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

The Bank loans are repayable as follows:	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Between one and two years	389,672	332,992
Between two and five years	1,227,355	1,169,366
In five years or more	<u>12,633,581</u>	<u>13,137,922</u>
	<u>14,250,608</u>	<u>14,640,280</u>

**15. STATEMENT OF CASH FLOWS**

Reconciliation of operating surplus to balance as at 31 March 2020	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Operating Surplus	1,588,639	1,416,747
Depreciation	2,033,724	2,032,681
Amortisation of Capital Grants	(1,184,611)	(1,323,596)
Change in debtors	(81,715)	160,292
Change in creditors	442,686	41,119
Loss on sale of fixed assets	687	1,713
SHAPS pension adjustment	-	-
Movement in Pension Liability	(177,221)	(176,113)
Balance as at 31 March 2020	<u>2,622,189</u>	<u>2,152,843</u>

**16. ANALYSIS OF NET DEBT**

Reconciliation of net debt as at 31 March 2020	<b>1 April</b>	<b>Cash flows</b>	<b>Other</b>	<b>31 March</b>
	<b>2019</b>		<b>changes</b>	<b>2020</b>
Cash at bank	11,980,428	(3,516,344)	-	8,464,084
Overdrafts	(20,236)	<u>(497,545)</u>	-	(517,781)
		(4,013,889)		
Housing loans due within one year	(376,053)	376,053	(389,672)	(389,672)
Housing loans due after one year	(14,640,280)	-	389,672	(14,250,608)
	<u>(3,056,141)</u>	<u>(3,637,836)</u>	-	<u>(6,693,977)</u>

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**17. DEFERRED INCOME**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Social Housing Grants</b>		
Balance as at 1 April 2019	42,569,617	41,658,987
Additions in year	4,371,055	2,221,539
Recycled grant	591,024	-
Released / Repaid as the result of property disposal	(26,167)	
Amortisation in Year	(1,171,924)	(1,310,909)
Balance as at 31 March 2020	<u>46,333,605</u>	<u>42,569,617</u>
<b>Other Grants</b>		
Balance as at 1 April 2019	472,479	485,166
Additions in year	314,711	-
Amortisation in Year	(12,687)	(12,687)
Balance as at 31 March 2020	<u>774,503</u>	<u>472,479</u>
<b>Total deferred grants</b>	<u><b>47,108,108</b></u>	<u><b>43,042,096</b></u>

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

Amounts due within one year	1,184,611	1,429,445
Amounts due in one year or more	<u>45,923,497</u>	<u>41,612,651</u>
	<u><b>47,108,108</b></u>	<u><b>43,042,096</b></u>



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**18. RESERVES**

Share Capital	2020	2019
	£	£
<b>Shares of £1 each Issued and Fully Paid</b>		
At 1 April 2019	570	563
Issued in year	<u>5</u>	<u>7</u>
At 31 March 2020	<u>575</u>	<u>570</u>

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

Reserves	2020	2019
	£	£
At 1 April 2019	11,792,645	10,958,511
Surplus for year	1,161,403	959,134
Other comprehensive income	<u>680,000</u>	<u>(125,000)</u>
At 31 March 2020	<u>13,634,048</u>	<u>11,792,645</u>

During the year Restricted funds of £16,331 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.

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**19. CAPITAL COMMITMENTS**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Expenditure contracted but not provided for in accounts	4,593,787	13,131,286
Funded by:		
Social Housing Grant	38,300	4,425,780
Private Finance	3,929,329	5,000,000
Other Public Subsidy	-	407,486
Reserves	<u>626,158</u>	<u>3,298,020</u>
	<u><u>4,593,787</u></u>	<u><u>13,131,286</u></u>

**20. HOUSING STOCK**

The number of units of accommodation in management at the year end was:-	<b>2020</b>	<b>2019</b>
	<b>No.</b>	<b>No.</b>
General Needs - House	160	160
- Tenement	1,029	1,029
- Four in a block	8	8
- Other flat/maisonette	59	59
Shared ownership	<u>6</u>	<u>7</u>
	<u><u>1,262</u></u>	<u><u>1,263</u></u>

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**21. 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 – £38,497.
- Factoring income received from Owner Occupiers in the Committee - £Nil.
- At the year-end total rent arrears owed by the tenant members of the Committee were £338.
- At the year-end total rent arrears owed by Owner Occupiers of the Committee were Nil.

**22. 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.

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**23. RETIREMENT BENEFIT OBLIGATIONS**

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which will run to either 30 September 2022 or 31 March 2023 (depending on funding levels) 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 was not 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, a valuation of the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward for accounting year ends from 31 March 2019 to 29 February 2020 inclusive. The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.

Similarly, an actuarial valuation of the scheme was carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive.

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

	31 March 2020	31 March 2019
	(£000s)	(£000s)
Fair value of plan assets	6,575	6,552
Present value of defined benefit obligation	6,728	7,566
Surplus (deficit) in plan	(153)	(1,014)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(153)	(1,014)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(153)	(1,014)

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**23. RETIREMENT BENEFIT OBLIGATIONS (continued)**

**RECONCILIATION OF THE IMPACT OF THE ASSET CEILING**

	Period ended 31 March 2020 (£000s)	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 2020 (£000s)	Period ended 31 March 2019 (£000s)
Defined benefit obligation at start of period	7,566	7,350
Current service cost	149	153
Expenses	8	8
Interest expense	172	182
Contributions by plan participants	71	75
Actuarial losses (gains) due to scheme experience	(85)	33
Actuarial losses (gains) due to changes in demographic assumptions	(45)	21
Actuarial losses (gains) due to changes in financial assumptions	(760)	430
Benefits paid and expenses	(348)	(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	6,728	7,566

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**23. RETIREMENT BENEFIT OBLIGATIONS (continued)**

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

	Period ended 31 March 2020 (£000s)	Period ended 31 March 2019 (£000s)
Fair value of plan assets at start of period	6,552	6,501
Interest income	151	162
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(210)	143
Contributions by the employer	359	357
Contributions by plan participants	71	75
Benefits paid and expenses	(348)	(686)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	6,575	6,552

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was (£59,000).

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

	Period from 31 March 2019 to 31 March 2020 (£000s)	Period from 31 March 2018 to 31 March 2019 (£000s)
Current service cost	149	153
Expenses	8	8
Net interest expense	21	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)	178	181

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**23. RETIREMENT BENEFIT OBLIGATIONS (continued)**

**DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME**

	Period ended 31 March 2020	Period ended 31 March 2019
	(£000s)	(£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(210)	143
Experience gains and losses arising on the plan liabilities - gain (loss)	85	(33)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	45	(21)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	760	(430)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	680	(341)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost) - gain (loss)	-	-
<b>Total amount recognised in other comprehensive income - gain (loss)</b>	<b>680</b>	<b>(341)</b>

**ASSETS**

	31 March 2020	31 March 2019
	(£000s)	(£000s)
Global Equity	904	1,054
Absolute Return	404	555
Distressed Opportunities	120	112
Credit Relative Value	158	114
Alternative Risk Premia	527	366
Fund of Hedge Funds	-	18
Emerging Markets Debt	234	210
Risk Sharing	208	190
Insurance-Linked Securities	176	170
Property	122	130
Infrastructure	388	275
Private Debt	130	85
Opportunistic Illiquid Credit	160	-
Corporate Bond Fund	481	459
Liquid Credit	172	-
Long Lease Property	161	79
Secured Income	365	229
Over 15 Year Gilts	83	168
Index Linked All Stock Gilts	-	-
Liability Driven Investment	1,732	2,331
Net Current Assets	50	7
<b>Total assets</b>	<b>6,575</b>	<b>6,552</b>

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**23. RETIREMENT BENEFIT OBLIGATIONS (continued)**

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

**KEY ASSUMPTIONS**

	31 March 2020	31 March 2019
	% per annum	% per annum
Discount Rate	2.38	2.29
Inflation (RPI)	2.63	3.30
Inflation (CPI)	1.63	2.30
Salary Growth	2.63	3.30
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2020	21.5
Female retiring in 2020	23.2
Male retiring in 2040	22.8
Female retiring in 2040	24.5

Assumptions in respect of discount rates and inflation will vary from year to year, as will the value of assets and will be dependent on circumstances at the date of valuation. Since the year end there has been volatility in market assumptions given the Covid-19 pandemic and, in particular, discount rates have fallen which would increase scheme liabilities. However stock market performance has improved which would help to offset any increase in liabilities.

**24. CONTINGENT LIABILITIES**

The pension withdrawal debt as at 30 September 2019 for Elderpark Housing Association Limited is £4,910,033.

**25. POST BALANCE SHEET EVENT**

Since the year end the Covid-19 pandemic has had a significant impact on everyday life. There will clearly be a severe impact on the Association's finances, however it is not at this time remotely possible to know how long and how lasting the impact of Covid will be on this and other Associations.