

**ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Registered Housing Association Number: HAL 108
Charity Registration Number: SCO32823
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 2021**

MEMBERS OF THE MANAGEMENT COMMITTEE

Janet Evans	Chairperson
John Kane	Vice Chair
Barbara Wilson	Treasurer, resigned 26 January 2021
Maureen McDonald	Secretary
Marri Holmes	Resigned 27 May 2020
Allan Bell	Resigned 23 November 2020
Ann McEachan	
Lindsay Roches	
Douglas Muir	
Martin Costick	Resigned 19 November 2020
Debbie McCabe	Appointed 23 September 2020, resigned 3 February 2021
Lisa Gordon	Appointed 23 September 2020, resigned 8 February 2021
Kirsty Stoddart	Co-opted 23 September 2020
Kirsty Wilson	Co-opted 23 September 2020
Janice Shields	Co-opted 23 September 2020

EXECUTIVE OFFICERS

Gary Dalziel	Chief Executive Officer
Shirley McKnight	Deputy Chief Executive Officer, resigned February 2021
Terry Frew	Director of Maintenance, resigned February 2021
David Adam	Director of Maintenance Services, appointed February 2021
James McGeough	Director of Finance & Corporate Services
Aidan McGuinness	Director of Housing & Customer Services

REGISTERED OFFICE

65 Golspie Street, Glasgow, G15 3EW.

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 2021**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2021.

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 2021-2024 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

At the end of 2019 the association developed a new Risk Management Policy together with a more formalised approach to reviewing and managing the risks associated with Elderpark Housing. The appointment of the Corporate Governance Officer in spring 2020 solidified this process by having a direct staff member who would take the lead in co-ordinating and reporting to the Audit, Finance and Risk Sub-Committee on a quarterly basis on the risks to the association and the control measures which would be in place.

The association manages risks in a variety of ways. Recognition of these risks is considered in a number of ways including:

- clarity around the Management Committee's appetite to risk; understanding that risk is as much about opportunities as it is about threats;
- having a clear methodology for analysing and reporting on risks including both the overall risks and the individual risks relevant to each specific area of work; project or activity
- and a recognition that the purpose of effective risk management is about having a clear set of principles around how we seek to avoid, accept, transfer or reduce the risk.

Having a clear understanding of the risks to Elderpark Housing is managed in a number of ways including the risk register, committee reporting on individual topics, external and internal audit, external third party consultancy, engagement with the Scottish housing Regulator and ensuring we have a wide external understanding of the sector in which we operate within.

It should always be recognised that most risk management processes focus upon the 'known' factors that we have an awareness of along with the wider understanding and knowledge that has been accrued in the organisation. We should always be aware that there may also be occasions when issues will arise that we could not have reasonably been expected to know. The global pandemic of which we have all been living through is a prime example of this. While the focus will, in most cases, be on those risks which are more likely to have an impact, an awareness along with some forms of mitigation for those less likely risks should form a part of any effective risk management strategy.

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 £13,881,559 (2020 - £13,634,623). Surplus for the year, pre pension re-measurement, was £1,154,934 (2020 - £1,161,403).

The last year has been challenging for so many reasons for all of society, and for Elderpark Housing this is no different. The association has seen another positive year in 2020/21 with our performance across most of the key services we provide to our tenants and residents comparable to previous years. This is despite the challenges and difficulties experienced by our service users and the organisation whilst following Government guidelines on the pandemic.

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Without providing significant detail on the performance aspects we have seen areas like rent arrears, repairs and maintenance services, allocations and voids all remain relatively similar to the previous year's performance with some minor variations. We will be placing a greater emphasis in 2021/22 in reviewing and assessing our performance across all aspects of our service to ensure that we continue to make positive improvements in them and to meet our aspirations of continuing to be one of the best performing RSL's in the sector.

One of the significant early challenges the association experienced in 2020/21 was the decision of our large-scale reactive maintenance contractor to serve notice to terminate their contract as they sought to withdraw services to a large number of RSL's in Scotland. At the height of the pandemic and during this short notice period we had to undertake a comprehensive exercise to liaise with the outgoing contractor together with developing a solution to ensure there was no detrimental impact on the services our tenants received. This was a key business activity for Elderpark Housing, and we were delighted to be able to appoint locally based Turner Property Services for an initial two year term (with an optional one year extension) from July 2020.

Throughout 2020/21 construction continued on the 82 new homes being built at Nethan Street and the new office within the former Hills Trust Primary. There were delays due to the construction works having to cease for a period and then work at a reduced capacity as a result of Covid-19 however the first homes were allocated in Autumn 2020 with almost all of them completed by the end of the financial year, and to date the feedback from new tenants in the homes has been overwhelmingly positive.

The 'B' listed former Hills Trust Primary School was handed over to Elderpark Housing at the end of October 2020. However, throughout the remainder of the year the majority of staff continued to work from home and we unfortunately remained closed to the public. This outstanding building will provide a local office for the association which is rooted in the heart of the community and ensure that a building of public interest and heritage remains in operation for many years to come.

The association has seen significant changes over the last 12 months with the conclusion of a staffing review. This review approved the recruitment of a number of posts where gaps were identified to ensure we met all our regulatory requirements, met the current and future needs of our tenants and delivered on the business objectives of the organisation. This exercise involved the internal and external recruitment of a number of new staff which probably represented the biggest single change in the association's staff team in a number of years which was all the more challenging being implemented during the pandemic. Sadly, a number of staff who had played a large role in the organisation over many decades decided to retire in 2020/21 and while we understood their reasons we were disappointed to see them leave and also mindful of the large loss of knowledge with the best part of 150 years' service among them.

During the year a number of Management Committee members stood down primarily because they had either felt they had given as much as they could to the association and in some cases the difficulties around being a Management Committee member during the pandemic meant they felt it was no longer the role for them – our thanks go to Allan Bell, Martin Costick, Barbara Wilson, Marie Holmes, Debbie McCabe and Lisa Gordon for their participation on the Management Committee of the association. During the year we were fortunate to attract new members who bring their own skills, knowledge and experiences to the role and we welcomed Janice Shields, Kirsty Wilson and Kirsty Stoddart and in 2021/22 we will look to strengthen further with the recruitment of more Management Committee members with an interest in the organisation and where possible a local connection.

The association is regulated by the Scottish Housing Regulator and is required to comply with the Regulatory Framework including the requirement for RSL's to submit an Annual Assurance Statement to the Scottish Housing Regulator no later than the 31st October 2020 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.

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Although the association was compliant in 2019/20 we recognised that improvements could be made and over the course of 2020 the association made strong enhancements in this area in terms of developing a framework, implementing a more robust assurance process for the management committee and updating a range of policies to meet our obligations prior to the Management Committee approving the Annual Assurance Statement prior to submission to the Scottish Housing Regulator.

It was a stop/start year in 2020/21 for repairs and maintenance with a number of programmes and works requiring to be halted due to the Coronavirus restrictions. For reactive repairs this meant that for a considerable period of the year only emergency repairs were carried out as tradespeople were restricted in entering tenants' homes. For major repairs / improvement programmes given these were not generally of an 'emergency' nature they were suspended for a long period, however over the course of the year we still managed to invest £2.2 million in improving our tenants homes with works programmes which included £1.2 million on planned maintenance, £633,000 on day to day reactive repairs and around £400,000 on cyclical maintenance programmes.

We have worked closely over the year with partners including Govan Housing Association, Linthouse Housing Association, Thriving Places, CGAP, Aberlour, Moogety Foods and many others often to try and help attract resources to mitigate some of the worst effects of the pandemic. One aspect of this was that working in partnership with Govan Housing Association, Linthouse Housing Association and Thriving Places as a group we managed to obtain £400,000 funding from the Scottish Government to distribute to organisations / charities which could support the community in Govan.

The rent increase for the year was set at 2.1%, which remains comparable to other Housing Associations in our sector.

The Association remains in a strong position and successfully combated the potentially damaging implications which were anticipated to occur as a result of the Covid-19 global pandemic. Generally speaking our rent arrears have remained relatively stable, our income has been similar to previous years and our expenditure (outwith the significant monies spent in building the new homes and refurbishing the former Hills Trust Primary) has been less than in previous years partly due to our inability to carry out repairs and improvements. Our recruitment for the new posts will help deliver on some of the anticipated projects originally planned for the year, nonetheless from an overall financial position the association has a healthy cashflow which will allow us to deliver on future programmes of work.

Finally, this year has not been without its challenges, but we have managed to deliver some significant projects together with maintaining a level of service for our communities. As we hopefully near the end of the pandemic we can look forward with the implementation of a new Business Plan for the period 2021-24 which focuses on our aspirations to continue to make a positive difference in our communities, provide homes and neighbourhoods which are of high quality and work in partnership with others to strengthen the organisation.

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 2020/21 there were 12 meetings of the Management Committee. The Board of Elderpark will meet at least six times per year,

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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 2020/21, 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.

Going Concern

The Management Committee has reviewed the results for this year and has also reviewed the projections for the next five years. The Management Committee has considered the risks associated with Covid-19 and has updated its plans and financial projections to ensure that it is in a position to deal with the financial implications and uncertainty around Covid-19. It therefore has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

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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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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- 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 2021. 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 £3,626 (2020 - £2,709)

By order of Management Committee.



Secretary

Date: 31/08/2021

ELDERPARK HOUSING ASSOCIATION LIMITED
REPORT BY THE AUDITOR TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED ON
CORPORATE GOVERNANCE MATTERS FOR THE YEAR ENDED 31 MARCH 2021

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: 03/09/2021

ELDERPARK HOUSING ASSOCIATION LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED
FOR THE YEAR ENDED 31 MARCH 2021

OPINION

We have audited the financial statements of Elderpark Housing Association Limited for the year ended 31 March 2021 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 2021 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

In auditing the financial statements, we have concluded that the Management Committee use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the housing associations ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Management Committee with respect to going concern are described in the relevant sections of this report.

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 knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021

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:

- 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

ELDERPARK HOUSING ASSOCIATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2021

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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The Extent to Which the Audit Was Considered Capable of Detecting Irregularities Including Fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the responsible individual ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the association through discussions with management and management committee members and from our sector knowledge;
- we focused on specific laws and regulations, including those specified by the Scottish Housing Regulator, which we considered may have a direct material effect on the financial statements or the operations of the association, including the Co-operative and Community Benefits Societies Act 2014, Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice for Social Housing Providers 2018 and Determination of Housing Requirements 2019, and data protection, anti-bribery, employment, and health and safety legislation;

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- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and committee members and inspecting legal invoices; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the association's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management and management committee members as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed high level analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing internal audit reports prepared during the year;
- enquiring of management and management committee members as to actual and potential litigation and claims;
- inspecting any legal invoices; and
- reviewing correspondence with Scottish Housing Regulator.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the management committee and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED
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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: 03/09/2021

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

		2021	2020
	Notes	£	£
REVENUE	2	6,811,454	6,521,194
Operating costs	2	<u>(5,151,250)</u>	<u>(4,932,555)</u>
OPERATING SURPLUS	2, 9	1,660,204	1,588,639
Gain on sale of housing stock	7	-	35,443
Interest receivable and other similar income		9,341	91,913
Interest payable and other similar charges	8	<u>(514,611)</u>	<u>(554,592)</u>
		<u>(505,270)</u>	<u>(427,236)</u>
SURPLUS FOR THE YEAR		1,154,934	1,161,403
OTHER COMPREHENSIVE INCOME			
Actuarial (losses) / gains in respect of pension scheme	23	<u>(908,000)</u>	<u>680,000</u>
TOTAL COMPREHENSIVE INCOME		<u><u>246,934</u></u>	<u><u>1,841,403</u></u>

The results for the year relate wholly to continuing activities.

The notes on page 19 to 39 form part of these financial statements.

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

		2021	2020
	Notes	£	£
NON-CURRENT ASSETS			
Housing properties - depreciated cost	11(a)	68,583,861	66,321,143
Other tangible fixed assets	11(b)	<u>3,503,872</u>	<u>2,859,483</u>
		72,087,733	69,180,626
CURRENT ASSETS			
Debtors	12	298,914	381,189
Cash at bank and in hand		<u>4,931,814</u>	<u>8,464,084</u>
		5,230,728	8,845,273
CREDITORS: amounts falling due within one year	13	<u>(2,137,449)</u>	<u>(2,329,882)</u>
NET CURRENT ASSETS		<u>3,093,279</u>	<u>6,515,391</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		75,181,012	75,696,017
CREDITORS: amounts falling due after more than one year	14	(14,589,016)	(14,800,286)
PROVISIONS FOR LIABILITIES			
pension - defined benefit liability	23	(843,000)	(153,000)
DEFERRED INCOME			
Social Housing Grants	17	(45,079,172)	(46,333,605)
Other Grants	17	<u>(788,265)</u>	<u>(774,503)</u>
		<u>13,881,559</u>	<u>13,634,623</u>
EQUITY			
Share capital	18	577	575
Revenue reserve	18	<u>13,880,982</u>	<u>13,634,048</u>
		<u>13,881,559</u>	<u>13,634,623</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 31/08/2021.

Chairperson

Vice Chairperson

Secretary

The notes on page 19 to 39 form part of these financial statements.

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	15	<u>2,896,357</u>	<u>2,622,189</u>
INVESTING ACTIVITIES			
Acquisition and construction of housing properties	11(a)	(4,391,435)	(8,328,943)
Purchase of other fixed assets	11(b)	(761,104)	(2,192,524)
Grants received	17	70,257	4,685,766
Grants repaid	17	-	(26,167)
Proceeds of disposals of housing properties	7	-	64,517
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		<u>(5,082,282)</u>	<u>(5,797,351)</u>
NET CASH OUTFLOW BEFORE FINANCING		(2,185,925)	(3,175,162)
FINANCING ACTIVITIES			
Issue of ordinary share capital	18	2	5
Interest received		9,341	91,913
Interest paid	8	(514,611)	(554,592)
Loan principal repayments	16	(390,520)	(376,053)
New Secured Loans		-	-
NET CASH OUTFLOW FROM FINANCING		<u>(895,788)</u>	<u>(838,727)</u>
DECREASE IN CASH		(3,081,713)	(4,013,889)
OPENING CASH AND CASH EQUIVALENTS		<u>7,946,303</u>	<u>11,960,192</u>
CLOSING CASH AND CASH EQUIVALENTS		<u><u>4,864,590</u></u>	<u><u>7,946,303</u></u>
Cash and cash equivalents at the year end comprise:			
Cash at bank and in hand		4,931,814	8,464,084
Bank overdrafts		(67,224)	(517,781)
		<u><u>4,864,590</u></u>	<u><u>7,946,303</u></u>

ELDERPARK HOUSING ASSOCIATION LIMITED
STATEMENT OF CHANGES IN CAPITAL AND RESERVES
FOR THE YEAR ENDED 31 MARCH 2021

	Share Capital	Revenue Reserve	Total
	<u>£</u>	<u>£</u>	<u>£</u>
Balance as at 1 April 2020	575	13,634,048	13,634,623
Issue of Shares	2	-	2
Cancelled shares	-	-	-
Surplus for Year	-	1,154,934	1,154,934
Other comprehensive loss	-	(908,000)	(908,000)
Balance as at 31 March 2021	<u>577</u>	<u>13,880,982</u>	<u>13,881,559</u>

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

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
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 2021
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 2021
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 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.

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 2021
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 2021 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 2021
 NOTES TO THE FINANCIAL STATEMENTS

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

		2021		2020			
	Note	Revenue	Operating Costs	Operating surplus/ (deficit)	Revenue	Operating Costs	Operating surplus/ (deficit)
		£	£	£	£	£	£
Social letting activities	3	6,624,060	(4,938,559)	1,685,501	6,296,075	(4,693,504)	1,602,571
Other activities	4	187,394	(212,691)	(25,297)	225,119	(239,051)	(13,932)
Total		<u>6,811,454</u>	<u>(5,151,250)</u>	<u>1,660,204</u>	<u>6,521,194</u>	<u>(4,932,555)</u>	<u>1,588,639</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

3. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL LETTINGS

	General Needs Housing	Supported Housing	Shared Ownership	2021 Total	2020 Total
	£	£	£	£	£
Revenue from lettings					
Rent receivable net of identifiable service charges	5,261,128	-	14,560	5,275,688	5,061,272
Service charges receivable	104,162	-	1,225	105,387	98,758
Gross rents receivable	<u>5,365,290</u>	<u>-</u>	<u>15,785</u>	<u>5,381,075</u>	<u>5,160,030</u>
Less rent losses from voids	(67,943)	-	-	(67,943)	(48,566)
Net rents receivable	<u>5,297,347</u>	<u>-</u>	<u>15,785</u>	<u>5,313,132</u>	<u>5,111,464</u>
Amortisation of Social Housing & Other Grants	1,298,697	-	12,231	1,310,928	1,184,611
Revenue grants from local authorities and other agencies	-	-	-	-	-
Other Revenue grants	-	-	-	-	-
Total income from social letting	<u><u>6,596,044</u></u>	<u><u>-</u></u>	<u><u>28,016</u></u>	<u><u>6,624,060</u></u>	<u><u>6,296,075</u></u>
Expenditure on social letting activities					
Management and maintenance administration costs	1,633,874	-	10,047	1,643,921	1,495,670
Service costs	103,506	-	1,218	104,724	166,651
Planned and cyclical maintenance including major repairs	391,406	-	-	391,406	331,474
Reactive maintenance	633,005	-	-	633,005	616,369
Bad debts - rents and service charges	36,786	-	-	36,786	84,884
Depreciation of social housing	<u>2,112,495</u>	<u>-</u>	<u>16,222</u>	<u>2,128,717</u>	<u>1,998,456</u>
Operating costs of social letting	<u><u>4,911,072</u></u>	<u><u>-</u></u>	<u><u>27,487</u></u>	<u><u>4,938,559</u></u>	<u><u>4,693,504</u></u>
Operating surplus on social letting activities	<u><u>1,684,972</u></u>	<u><u>-</u></u>	<u><u>529</u></u>	<u><u>1,685,501</u></u>	<u><u>1,602,571</u></u>
2020	<u><u>1,614,081</u></u>	<u><u>-</u></u>	<u><u>(11,510)</u></u>	<u><u>1,602,571</u></u>	

ELDERPARK HOUSING ASSOCIATION LIMITED
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
 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) 2021	Operating surplus/ (deficit) 2020
	£	£	£	£	£	£	£	£	£
Wider Role Activities	-	24,370	-	-	24,370	-	(65,284)	(40,914)	(21,098)
Factoring	-	-	-	30,865	30,865	-	(41,951)	(11,086)	(8,964)
Development and Construction of Property	-	-	-	-	-	-	(73,176)	(73,176)	(69,671)
Other Activities	-	-	-	132,159	132,159	-	(32,280)	99,879	85,801
TOTAL FROM OTHER ACTIVITIES	-	24,370	-	163,024	187,394	-	(212,691)	(25,297)	(13,932)
TOTAL FROM OTHER ACTIVITIES FOR 2020	-	50,910	-	174,209	225,119	-	(239,051)	(13,932)	

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
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.

	2021	2020
	£	£
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	78,220	75,542
Emoluments payable to the director (excluding pension contributions)	78,220	75,542
Pension contributions paid on behalf of the director	6,294	4,834
	<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	-	-
£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 £123 (2020 - £993).

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

6. EMPLOYEE INFORMATION

	2021	2020
	£	£
Staff costs during the year:		
Wages and salaries	979,625	885,136
Social security costs	96,569	91,603
Other pension costs	95,840	75,608
	<u>1,172,034</u>	<u>1,052,347</u>
	Number	Number
The average number of full time equivalent persons employed during the year was	<u>24</u>	<u>26</u>
The average total number of Employees employed during the year was	<u>29</u>	<u>28</u>

7. GAIN ON SALE OF HOUSING STOCK

	2021	2020
	£	£
Sales proceeds	-	64,517
Cost of sales	-	(29,074)
	<u>-</u>	<u>35,443</u>

8. INTEREST PAYABLE AND SIMILAR CHARGES

	2021	2020
	£	£
Bank loans and overdrafts	<u>514,611</u>	<u>554,592</u>

9. SURPLUS FOR THE YEAR

	2021	2020
	£	£
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	2,245,432	2,033,724
Auditors' remuneration - audit services	13,356	13,946
Loss on disposal of fixed assets	-	687
Amortisation of capital grants	<u>(1,310,928)</u>	<u>(1,184,611)</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
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

a) Housing Properties	Housing Properties Held for Letting £	Housing Properties Under Construction £	Completed Shared Ownership Properties £	Total £
COST				
At start of year	84,682,741	8,855,732	811,123	94,349,596
Additions	1,162,103	3,229,332	-	4,391,435
Disposals	(363,997)	-	-	(363,997)
Transfers between categories	10,047,662	(10,047,662)	-	-
At end of year	<u>95,528,509</u>	<u>2,037,402</u>	<u>811,123</u>	<u>98,377,034</u>
DEPRECIATION				
At start of year	27,709,686	-	318,767	28,028,453
Charged during year	2,112,495	-	16,222	2,128,717
Eliminated on disposal	(363,997)	-	-	(363,997)
At end of year	<u>29,458,184</u>	<u>-</u>	<u>334,989</u>	<u>29,793,173</u>
NET BOOK VALUE				
At end of year	<u>66,070,325</u>	<u>2,037,402</u>	<u>476,134</u>	<u>68,583,861</u>
At start of year	<u>56,973,055</u>	<u>8,855,732</u>	<u>492,356</u>	<u>66,321,143</u>

Additions to Housing Properties includes Capitalised Development Administration Costs totalling £73,176 (2020 - £69,671) and Capitalised Major Repair Costs of £1,151,339 (2020 - £1,551,543).

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
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	2,927,157	563,846	3,491,003
Additions	620,806	140,298	761,104
Disposals	-	-	-
At end of year	<u>3,547,963</u>	<u>704,144</u>	<u>4,252,107</u>
DEPRECIATION			
At start of year	156,155	475,365	631,520
Charged during year	70,959	45,756	116,715
Disposals	-	-	-
At end of year	<u>227,114</u>	<u>521,121</u>	<u>748,235</u>
NET BOOK VALUE			
At end of year	<u>3,320,849</u>	<u>183,023</u>	<u>3,503,872</u>
At start of year	<u>2,771,002</u>	<u>88,481</u>	<u>2,859,483</u>

12. DEBTORS

	2021 £	2020 £
Arrears of Rent & Service Charges	329,149	281,100
Less: Provision for Doubtful Debts	<u>(172,416)</u>	<u>(163,088)</u>
	156,733	118,012
Other Debtors	<u>142,181</u>	<u>263,177</u>
	<u>298,914</u>	<u>381,189</u>

ELDERPARK HOUSING ASSOCIATION LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021
NOTES TO THE FINANCIAL STATEMENTS

13. CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Housing Loans	399,112	389,672
Trade Payables	217,266	307,957
Rent in Advance	185,581	140,069
Other Payables	1,074,932	878,245
Accruals and Deferred Income	193,334	96,158
Bank overdraft	67,224	517,781
	<u>2,137,449</u>	<u>2,329,882</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2021	2020
	£	£
Accruals	738,368	549,678
Housing loans	<u>13,850,648</u>	<u>14,250,608</u>
	<u>14,589,016</u>	<u>14,800,286</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 2021
NOTES TO THE FINANCIAL STATEMENTS

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

The Bank loans are repayable as follows:	2021	2020
	£	£
Between one and two years	399,112	389,672
Between two and five years	828,243	1,227,355
In five years or more	<u>12,623,293</u>	<u>12,633,581</u>
	<u>13,850,648</u>	<u>14,250,608</u>

15. STATEMENT OF CASH FLOWS

Reconciliation of operating surplus to balance as at 31 March 2021	2021	2020
	£	£
Operating Surplus	1,660,204	1,588,639
Depreciation	2,245,432	2,033,724
Amortisation of Capital Grants	(1,310,928)	(1,184,611)
Change in debtors	82,275	(81,715)
Change in creditors	437,374	442,686
Loss on sale of fixed assets	-	687
Movement in Pension Liability	(218,000)	(177,221)
Balance as at 31 March 2021	<u>2,896,357</u>	<u>2,622,189</u>

16. ANALYSIS OF NET DEBT

Reconciliation of net debt as at 31 March 2021	1 April	Cash flows	Other	31 March
	2020		changes	2021
Cash at bank	8,464,084	(3,532,270)	-	4,931,814
Overdrafts	(517,781)	<u>450,557</u>	-	(67,224)
		(3,081,713)		
Housing loans due within one year	(389,672)	390,520	(399,960)	(399,112)
Housing loans due after one year	(14,250,608)		399,960	(13,850,648)
	<u>(6,693,977)</u>	<u>(2,691,193)</u>	-	<u>(9,385,170)</u>

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17. DEFERRED INCOME

	2021	2020
	£	£
Social Housing Grants		
Balance as at 1 April 2020	46,333,605	42,569,617
Additions in year	44,264	4,371,055
Recycled grant	-	591,024
Released / Repaid as the result of property disposal	-	(26,167)
Amortisation in Year	(1,298,697)	(1,171,924)
Balance as at 31 March 2021	<u>45,079,172</u>	<u>46,333,605</u>
Other Grants		
Balance as at 1 April 2020	774,503	472,479
Additions in year	25,993	314,711
Amortisation in Year	(12,231)	(12,687)
Balance as at 31 March 2021	<u>788,265</u>	<u>774,503</u>
Total deferred grants	<u><u>45,867,437</u></u>	<u><u>47,108,108</u></u>

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

Amounts due within one year	1,310,928	1,184,611
Amounts due in one year or more	<u>44,556,509</u>	<u>45,923,497</u>
	<u><u>45,867,437</u></u>	<u><u>47,108,108</u></u>

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18. RESERVES

Share Capital	2021	2020
	£	£
Shares of £1 each Issued and Fully Paid		
At 1 April 2020	575	570
Issued in year	<u>2</u>	<u>5</u>
At 31 March 2021	<u><u>577</u></u>	<u><u>575</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.

Reserves	2021	2020
	£	£
At 1 April 2020	13,634,048	11,792,645
Surplus for year	1,154,934	1,161,403
Other comprehensive income	<u>(908,000)</u>	<u>680,000</u>
At 31 March 2021	<u><u>13,880,982</u></u>	<u><u>13,634,048</u></u>

During the year no Restricted funds (2020: £16,331) were received from Glasgow City Council Integrated Grant Fund. There were no restricted funds at the start or end of the year.

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19. CAPITAL COMMITMENTS

	2021	2020
	£	£
Expenditure contracted but not provided for in accounts	240,500	4,593,787
Funded by:		
Social Housing Grant	-	38,300
Private Finance	240,500	3,929,329
Other Public Subsidy	-	-
Reserves	-	626,158
	<u>240,500</u>	<u>4,593,787</u>

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2021	2020
	No.	No.
General Needs - House	172	160
- Tenement	1,083	1,029
- Four in a block	8	8
- Other flat/maisonette	62	59
Shared ownership	6	6
	<u>1,331</u>	<u>1,262</u>

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 – £50,280.
- 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 £197.
- At the year-end total rent arrears owed by Owner Occupiers of the Committee were Nil.

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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 65 Golspie Street, Glasgow, G51 3EW.

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

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 company 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 company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company 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 company 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.

Similarly, actuarial valuations of the scheme were carried out as at 30 September 2019 to inform the liabilities for accounting year ends from 31 March 2020 to 28 February 2021 inclusive, and as at 30 September 2020 to inform the liabilities for accounting year ends from 31 March 2021 to 28 February 2022 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.

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23. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	31 March 2021	31 March 2020
	(£000s)	(£000s)
Fair value of plan assets	7,791	6,575
Present value of defined benefit obligation	8,634	6,728
Surplus (deficit) in plan	(843)	(153)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(843)	(153)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(843)	(153)

RECONCILIATION OF THE IMPACT OF THE ASSET CEILING

	Period ended	Period ended
	31 March 2021	31 March 2020
	(£000s)	(£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	Period ended
	31 March 2021	31 March 2020
	(£000s)	(£000s)
Defined benefit obligation at start of period	6,728	7,566
Current service cost	95	149
Expenses	7	8
Interest expense	159	172
Contributions by plan participants	87	71
Actuarial losses (gains) due to scheme experience	380	(85)
Actuarial losses (gains) due to changes in demographic assumptions	-	(45)
Actuarial losses (gains) due to changes in financial assumptions	1,410	(760)
Benefits paid and expenses	(232)	(348)
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	8,634	6,728

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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 2021 (£000s)	Period ended 31 March 2020 (£000s)
Fair value of plan assets at start of period	6,575	6,552
Interest income	158	151
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	882	(210)
Contributions by the employer	321	359
Contributions by plan participants	87	71
Benefits paid and expenses	(232)	(348)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	7,791	6,575

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2021 was £1,040,000.

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

	Period from 31 March 2020 to 31 March 2021 (£000s)	Period from 31 March 2019 to 31 March 2020 (£000s)
Current service cost	95	149
Expenses	7	8
Net interest expense	1	21
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)	103	178

RECONCILIATION OF DEFINED BENEFIT PENSION LIABILITY (SOFP)

	Period from 31 March 2020 to 31 March 2021 (£000s)	Period from 31 March 2019 to 31 March 2020 (£000s)
Opening pension liability	153	1,014
Current service cost	95	149
Expenses	7	8
Net interest expense	1	21
Employer contributions	(321)	(359)
Actuarial loss / (gain)	908	(680)
Closing pension liability	843	153

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23. RETIREMENT BENEFIT OBLIGATIONS (continued)

DEFINED BENEFIT COSTS RECOGNISED IN OTHER COMPREHENSIVE INCOME

	Period ended 31 March 2021	Period ended 31 March 2020
	(£000s)	(£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	882	(210)
Experience gains and losses arising on the plan liabilities - gain (loss)	(380)	85
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	-	45
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	(1,410)	760
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(908)	680
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)	(908)	680

ASSETS

	31 March 2021	31 March 2020
	(£000s)	(£000s)
Global Equity	1,205	904
Absolute Return	384	404
Distressed Opportunities	266	120
Credit Relative Value	225	158
Alternative Risk Premia	312	527
Fund of Hedge Funds	-	-
Emerging Markets Debt	314	234
Risk Sharing	278	208
Insurance-Linked Securities	163	176
Property	140	122
Infrastructure	435	388
Private Debt	184	130
Opportunistic Illiquid Credit	199	160
High Yield	204	-
Opportunistic Credit	213	-
Cash	3	-
Corporate Bond Fund	588	481
Liquid Credit	134	172
Long Lease Property	181	161
Secured Income	428	365
Over 15 Year Gilts	4	83
Index Linked All Stock Gilts	-	-
Liability Driven Investment	1,873	1,732
Net Current Assets	58	50
Total assets	7,791	6,575

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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 2021	31 March 2020
	% per annum	% per annum
Discount Rate	2.15	2.38
Inflation (RPI)	3.29	2.63
Inflation (CPI)	2.86	1.63
Salary Growth	3.86	2.63
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2021 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2021	21.5
Female retiring in 2021	23.4
Male retiring in 2041	22.8
Female retiring in 2041	25.0

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.

24. CONTINGENT LIABILITIES

The pension withdrawal debt as at 30 September 2020 for Elderpark Housing Association Limited is £5,266,432.