

**ELDERPARK HOUSING ASSOCIATION LIMITED  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

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 2022**

**Members of the management committee**

Janet Evans	Chairperson	Resigned 28/06/2022
John Kane	Chairperson	
Karen Fee	Vice Chair	Appointed 21/09/2021
Maureen McDonald	Secretary	
Ann McEachan	Member	
Lindsay Roches	Member	
Douglas Muir	Member	
Kirsty Wilson	Member	Appointed 21/09/2021
Kirsty Stoddart	Member	Appointed 21/09/2021
Janice Shields	Member	Appointed 21/09/2021
Duncan Smith	Member	Co-opted 26/10/2021
Stephen Williamson	Member	Appointed 21/09/2021
Maureen MacKinnon	Member	Co-opted 26/10/2021

**Executive officers**

Gary Dalziel	Chief Executive Officer
David Adam	Director of Maintenance Services
James McGeough	Director of Finance & Corporate Services
Aidan McGuinness	Director of Housing & Customer Services

**Registered office**

65 Golspie Street  
Glasgow  
G51 3AX

**Auditor**

French Duncan LLP  
Chartered Accountants and Statutory Auditor  
133 Finnieston Street  
Glasgow  
G3 8HB

**Bankers**

Royal Bank of Scotland PLC

**Solicitors**

T C Young  
7 West George Street  
Glasgow  
G2 1BA

## **ELDERPARK HOUSING ASSOCIATION LIMITED REPORT FROM THE MANAGEMENT COMMITTEE FOR THE YEAR ENDED 31 MARCH 2022**

The Management Committee presents their report and the audited Financial Statements for the year ended 31 March 2022.

### **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 of 'a vibrant neighbourhood where everyone can prosper'.

Our Strategic Objectives are:

- To deliver high-quality, modern services.
- To provide good-quality, desirable and sustainable homes & neighbourhoods.
- To work with others effectively and innovatively.
- To support our people to reach their full potential.
- To remain a financially strong, well-governed, and resilient business.

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**FOR THE YEAR ENDED 31 MARCH 2022**

- To encourage our customers & community to participate.
- To work to meet the needs & aspirations of our communities.

**Risk management**

The Association places high importance on Risk Management and our recently developed policy suite has proved beneficial in managing risk. This was further refined in early 2022, a newly designed Strategic Risk Register was developed which was clearer and easier to understand. The day to day operations of the Risk Register are carried out by our Governance and Compliance Manager who would takes 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 risk score of each strategic risk determines the frequency of review to ensure that those risks which present the greatest likelihood and severity are monitored and considered at more regular intervals than this which present a lower risk to the Association. It is the responsibility of the Senior Management Team to consider these risks at regular intervals ensuring that appropriate controls are in place and the full Risk Register is further reported to the Management Committee at six monthly intervals.

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 delivered 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 inevitably 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 is clearly a prime example of this and has identified the importance organisations should place on identifying the risks beyond those which are easily identified. 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 Association is in a satisfactory position both financially and in terms of our business. Net Assets now stand at £15,466,538 (2021 - £13,881,559). Surplus for the year, pre pension re-measurement, was £961,971 (2021 - £1,154,934).

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**FOR THE YEAR ENDED 31 MARCH 2022**

The 12 months from April 2021 until March 2022 continued to be a challenging time as the effects of the pandemic and the wider situation within the UK and beyond impacted at times on our delivery of services and the costs we incurred. The impacts of Brexit, the tensions in Eastern Europe and the significant challenges being experienced across the UK in having adequate supplies of labour and materials have all had, and continue to have, marked influence on areas like the cost of living, increases in prices and rising fuel and energy costs which have all been felt both by the Association and our tenants. In addition, the Association lost a number of key employees who had significant lengths of service and that loss of expertise and knowledge together with the recruitment of a large number of new employees has meant that there has been a real transition in the Association and it has been to the Management Committee and employees credit that we have delivered successful outcomes across a range of areas despite the ever changing internal and external environment.

The Association has seen another positive year in 2021/22 with our performance across most of the key services we provide to our tenants and residents moving back towards pre-pandemic performance levels in areas like the number of days to relet homes, the management of rent arrears, the delivery of our reactive repairs service and sustainment. While we are not complacent and there remains much work to do to continue this positive trend, the fact that these were achieved within the difficult operating environment and during a significant period of change for the Association represents a positive out-turn in the year.

In early April 2022 the conclusion of our new build project at Nethan Street occurred with the final properties being handed over and allocated to new tenants. This large project in total added 82 new homes to the Association's stock and the quality of the properties together with the visual enhancements made to the streetscape have made this a very positive project with the £11m investment by the Association and Glasgow City Council making a positive contribution to the area.

In the early months of 2021, we developed a new Business Plan for the period 2021-2024 which set out a range of ambitious objectives which would further strengthen the Association and deliver across our strategic objectives which focus on modern services, strong governance and financial management, high quality homes and communities, partnership working, meeting the needs of our tenants and developing our people.

Throughout the year we have begun to implement a range of these activities including the development of a partnership with a software supplier to provide a new modernised IT system, recruitment of a Community Regeneration Officer to work closely with the community and local partners, undertaking a large scale resident satisfaction survey to understand the views of our customers, complete review of all aspects of tenant safety within our homes, meeting the revised regulatory requirements in relation to smoke alarms and carbon monoxide detectors and electrical wiring tests and continuing to place an emphasis on working within the community as a supportive and caring landlord.

The above is only a selection of some of the activities that we have been involved in and there has been a continuing focus on ensuring the organisation is well governed, a review of our longer term financial projections, a redesign of our risk management processes and ensuring we meet all legal and regulatory requirements.

The Association is regulated by the Scottish Housing Regulator and is required to comply with the Regulatory Framework including submitting an Annual Assurance Statement to the Scottish Housing Regulator which confirms 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. The Association carries out self-assurance throughout the year and in 2021 we also commissioned an external review of our governance with four other RSL partners which indicated that 'Overall this review of Elderpark governance processes has found high levels of compliance with good processes and systems in place to self-assess, provide assurance and ensure evidence is collated to demonstrate compliance.'

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The assurance statement which was submitted to the Scottish Housing Regulator confirmed that from our assessment we were compliant with the framework. In addition, the Association submits various returns to the Scottish Housing Regulator and these form part of the risk assessment process they undertake annually to determine the level of engagement they will seek to have and whether and organisation is 'Compliant', 'Working towards compliance' or 'Compliant (Under Review)'. On the 31st of March 2022 the Scottish Housing Regulator considered the Association to be compliant although some engagement would take place in relation to an issue which was identified regarding one of our cladded blocks of flats which was in the process of being resolved.

Throughout 2021/22 there was an emphasis on continuing to meet the changing Covid restrictions which were in place while delivering an effective service. Throughout this period the offices of the Association remained closed to the public but as guidelines adjusted services like the reactive repairs service were fully operational which meant that the most widely used service to our tenants could be accessed and ensured that the homes remained in good condition – in the year the Association completed around 3,000 repairs to our tenants homes with emergency repairs completed on average within less than 90 minutes and routine repairs in around 6 ½ days. The expenditure for our reactive repairs service was £826,634 in the year.

Due to the pandemic restrictions the ability to complete investment works to our homes was challenging as in most cases this was non-essential however in the year the investment was £1,569,529 and involved, spending £135,997 on external fabrics, £180,596 on central heating, £403,624 on kitchens and £381,771 on bathrooms.

Partnership working remained a constant theme within the Association and we sought to work with local organisations and those with a common interest throughout the year. We have worked closely over the year with partners including Govan Housing Association, Linthouse Housing Association, Thriving Places, CGAP, Aberlour, No1 Befriending Agency, Impact Arts, Moogety Foods and many others often to try and support community activities and engagement across the area. In April 2021 we launched the Energy Advice Project working with Govan and Linthouse Housing Associations which provided each Association with an energy advisor for a two year period having received around £200k from the Energy Redress Fund following a successful application for funding.

Throughout 2021/22 the Association saw valued colleagues leave the Association to take the opportunity to retire having given significant portions of their life to the Association and our community. Long term employees across all department have retired over the last few years and their contribution has been significant to the ongoing success of the Association. From an internal perspective the period from around Spring 2020 through to March 2022 saw the single biggest turnover of the organisations employees with large number of new employees joining to meet the business needs or replace those valued outgoing colleagues.

The rent increase for the year 2021/22 was set at 0.5% which represented a significantly reduced increase than had originally been planned within our financial plans. This was in recognition of the challenging times being experienced through the pandemic which at the time of consulting with tenants in early 2021 the country remained in lockdown.

Finally, the Association remains in a strong position financially and from a business perspective. We have positive cashflows and future financial projections continue to show a healthy financial position. Our new business plan developed within the year sets out a strong vision for growing the organisation together with the primary role of enhancing our homes and communities and providing excellent services to our tenants and residents.

**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.

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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 2021/22 there were 12 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, finance, and risk sub-committee (which will meet quarterly), housing and maintenance 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. The Association implemented a new Housing and Maintenance sub-committee in the year to allow for greater discussion and debate on these particular topics with a recognition that the Management Committee has an increasing emphasis on areas like governance, assurance, health and safety, financial management and strategy with limited capacity to discuss in-depth housing and maintenance related issues.

Our Audit, Finance and Risk Sub Committee is remitted to meet at least four times per annum. During 2021/22, 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 its activities and has updated its plans and financial projections to ensure that it is able to manage those risks to minimise any financial implications and uncertainties. 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.

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**REPORT FROM THE MANAGEMENT COMMITTEE**  
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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.

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;

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- Regulatory returns are prepared, authorised, and submitted promptly to the relevant regulatory bodies;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- The Management Committee receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Association is undertaken; and
- Formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial control in existence in the Association for the year ended 31 March 2022. 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.

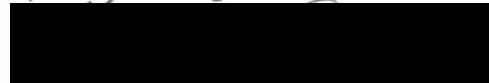
**Auditors**

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 £3,510 (2021 - £3,626)

By order of Management Committee.



Maureen McDonald,  
Secretary

Date: 2/4/2022

## **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 2022**

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 and Statutory Auditor  
133 Finnieston Street  
GLASGOW  
G3 8HB

Date: 2 September 2022

## **ELDERPARK HOUSING ASSOCIATION LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

#### **Opinion**

We have audited the financial statements of Elderpark Housing Association Limited for the year ended 31 March 2022 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 2022 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.

## **ELDERPARK HOUSING ASSOCIATION LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022**

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 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.

## ELDERPARK HOUSING ASSOCIATION LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022

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 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;

## ELDERPARK HOUSING ASSOCIATION LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED FOR THE YEAR ENDED 31 MARCH 2022

- 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;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and committee members; 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;
- 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.

**ELDERPARK HOUSING ASSOCIATION LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELDERPARK HOUSING ASSOCIATION LIMITED  
FOR THE YEAR ENDED 31 MARCH 2022**

**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:** 2 September 2022

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 MARCH 2022**

		2022	2021
	Notes	£	£
Revenue	2	7,338,000	6,811,454
Operating costs	2	<u>(5,905,242)</u>	<u>(5,151,250)</u>
<b>Operating surplus</b>	2, 8	1,432,758	1,660,204
Interest receivable and other similar income		6,701	9,341
Interest payable and other similar charges	7	<u>(477,488)</u>	<u>(514,611)</u>
		<u>(470,787)</u>	<u>(505,270)</u>
<b>Surplus for the year</b>		961,971	1,154,934
<b>Other comprehensive income</b>			
Actuarial gains / (losses) in respect of pension scheme	22	<u>623,000</u>	<u>(908,000)</u>
<b>Total comprehensive income</b>		<u><u>1,584,971</u></u>	<u><u>246,934</u></u>

The results for the year relate wholly to continuing activities.

The notes on page 19 to 40 form part of these financial statements.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

		2022	2021
	Notes	£	£
<b>Non-current assets</b>			
Housing properties - depreciated cost	10(a)	67,680,690	68,583,861
Other tangible fixed assets	10(b)	<u>3,557,947</u>	<u>3,503,872</u>
		71,238,637	72,087,733
<b>Current assets</b>			
Debtors	11	311,925	298,914
Cash at bank and in hand		<u>4,866,403</u>	<u>4,931,814</u>
		5,178,328	5,230,728
<b>Creditors:</b> amounts falling due within one year	12	<u>(1,986,055)</u>	<u>(2,137,449)</u>
<b>Net current assets</b>		<u>3,192,273</u>	<u>3,093,279</u>
<b>Total assets less current liabilities</b>		74,430,910	75,181,012
<b>Creditors:</b> amounts falling due after more than one year	13	(14,350,934)	(14,589,016)
<b>Provisions for liabilities</b>			
pension - defined benefit liability	22	(69,000)	(843,000)
<b>Deferred income</b>			
Social housing grants	16	(43,723,847)	(45,079,172)
Other grants	16	<u>(820,591)</u>	<u>(788,265)</u>
		<u>15,466,538</u>	<u>13,881,559</u>
<b>Equity</b>			
Share capital	17	585	577
Revenue reserve	17	<u>15,465,953</u>	<u>13,880,982</u>
		<u>15,466,538</u>	<u>13,881,559</u>

The financial statements were approved by the Management Committee, authorised for issue, and signed on its behalf on 2 September 2022

[Redacted Signature]

John Kane  
Chairperson

[Redacted Signature]

Karen Fee  
Vice Chairperson

[Redacted Signature]

Maureen McDonald  
Secretary

The notes on page 19 to 40 form part of these financial statements.

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Notes	2022 £	2021 £
<b>Net cash inflow from operating activities</b>	14	<u>2,186,608</u>	<u>2,896,357</u>
<b>Investing activities</b>			
Acquisition and construction of housing properties	10(a)	(1,477,136)	(4,391,435)
Purchase of other fixed assets	10(b)	(165,379)	(761,104)
Grants received	16	<u>151,635</u>	<u>70,257</u>
<b>Net cash outflow from investing activities</b>		<u>(1,490,880)</u>	<u>(5,082,282)</u>
<b>Net cash inflow/ (outflow) before financing</b>		695,728	(2,185,925)
<b>Financing activities</b>			
Issue of ordinary share capital	17	8	2
Interest received		6,701	9,341
Interest paid		(311,713)	(514,611)
Loan principal repayments	15	<u>(397,547)</u>	<u>(390,520)</u>
<b>Net cash outflow from financing</b>		<u>(702,551)</u>	<u>(895,788)</u>
<b>Decrease in cash</b>		(6,823)	(3,081,713)
<b>Opening cash and cash equivalents</b>		<u>4,864,590</u>	<u>7,946,303</u>
<b>Closing cash and cash equivalents</b>		<u><u>4,857,767</u></u>	<u><u>4,864,590</u></u>
<b>Cash and cash equivalents at the year end comprise:</b>			
Cash at bank and in hand		4,866,403	4,931,814
Bank overdrafts		<u>(8,636)</u>	<u>(67,224)</u>
		<u><u>4,857,767</u></u>	<u><u>4,864,590</u></u>

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**STATEMENT OF CHANGES IN CAPITAL AND RESERVES**  
**FOR THE YEAR ENDED 31 MARCH 2022**

	Share capital £	Revenue reserve £	Total £
Balance as at 1 April 2021	577	13,880,982	13,881,559
Issue of shares	8	-	8
Cancelled shares	-	-	-
Surplus for year	-	961,971	961,971
Other comprehensive income	-	623,000	623,000
Balance as at 31 March 2022	<u>585</u>	<u>15,465,953</u>	<u>15,466,538</u>

	Share capital £	Revenue reserve £	Total £
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 income	-	(908,000)	(908,000)
Balance as at 31 March 2021	<u>577</u>	<u>13,880,982</u>	<u>13,881,559</u>

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**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 current economic situation, the cost of living crisis, and any ongoing Covid 19 impact in its consideration and is satisfied that the Association has adequate resources to manage the impact 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 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**1. Principal accounting policies (continued)**

**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 10. 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 2022**  
**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 2022**  
**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 2022  
 NOTES TO THE FINANCIAL STATEMENTS

2. Particulars of revenue, cost of sales, operating costs and operating surplus

		2022				2021			
	Note	Revenue		Operating costs		Operating surplus/ (deficit)		Revenue	
		£		£		£		£	
Social letting activities	3	7,108,849		(5,711,851)		1,396,998		6,624,060	
Other activities	4	229,151		(193,391)		35,760		187,394	
<b>Total</b>		<u>7,338,000</u>		<u>(5,905,242)</u>		<u>1,432,758</u>		<u>6,811,454</u>	
								<u>(212,691)</u>	
								<u>(5,151,250)</u>	
									<u>1,660,204</u>

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**3. Particulars of income and expenditure from social lettings**

	General needs housing	Supported housing	Shared ownership	2022 Total	2021 Total
	£	£	£	£	£
<b>Revenue from lettings</b>					
Rent receivable net of identifiable service charges	5,582,745	-	12,560	5,595,305	5,275,688
Service charges receivable	111,410	-	1,311	112,721	105,387
<b>Gross rents receivable</b>	5,694,155	-	13,871	5,708,026	5,381,075
Less rent losses from voids	(73,212)	-	(599)	(73,811)	(67,943)
<b>Net rents receivable</b>	5,620,943	-	13,272	5,634,215	5,313,132
Amortisation of social housing & other grants	1,474,634	-	-	1,474,634	1,310,928
Revenue grants from local authorities and other agencies	-	-	-	-	-
Other revenue grants	-	-	-	-	-
<b>Total income from social letting</b>	<u>7,095,577</u>	<u>-</u>	<u>13,272</u>	<u>7,108,849</u>	<u>6,624,060</u>
<b>Expenditure on social letting activities</b>					
Management and maintenance administration costs	1,987,756	-	8,182	1,995,938	1,643,921
Service costs	128,637	-	1,513	130,150	104,724
Planned and cyclical maintenance including major repairs	370,326	-	-	370,326	391,406
Reactive maintenance	826,634	-	-	826,634	633,005
Bad debts - rents and service charges	8,496	-	-	8,496	36,786
Depreciation of social housing	2,304,950	-	16,222	2,321,172	2,128,717
Loss on disposal	59,135	-	-	59,135	-
<b>Operating costs of social letting</b>	<u>5,685,934</u>	<u>-</u>	<u>25,917</u>	<u>5,711,851</u>	<u>4,938,559</u>
<b>Operating surplus on social letting activities</b>	<u>1,409,643</u>	<u>-</u>	<u>(12,645)</u>	<u>1,396,998</u>	<u>1,685,501</u>
<b>2021</b>	<u>1,684,972</u>	<u>-</u>	<u>529</u>	<u>1,685,501</u>	

ELDERPARK HOUSING ASSOCIATION LIMITED  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
 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) 2022	Operating surplus/ (deficit) 2021
	£	£	£	£	£	£	£	£	£
Wider Role activities	-	40,546	-	-	40,546	-	(108,704)	(68,158)	(40,914)
Factoring	-	-	-	30,564	30,564	-	(46,829)	(16,265)	(11,086)
Development and construction of property	-	-	-	-	-	-	-	-	(73,176)
Other activities	-	-	-	158,041	158,041	-	(37,858)	120,183	99,879
<b>Total from other activities</b>	-	40,546	-	188,605	229,151	-	(193,391)	35,760	(25,297)
<b>Total from other activities for 2021</b>	-	24,370	-	163,024	187,394	-	(212,691)	(25,297)	

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**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.

	2022	2021
	£	£
Aggregate emoluments payable to officers with emoluments greater than £60,000 (excluding pension contributions)	77,364	78,220
Emoluments payable to the director (excluding pension contributions)	77,364	78,220
Pension contributions paid on behalf of the director	6,344	6,294
	<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 £155 (2021 - £123).

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**6. Employee information**

	2022	2021
	£	£
Staff costs during the year:		
Wages and salaries	1,162,907	979,625
Social security costs	114,852	96,569
Other pension costs	102,273	95,840
	<u>1,380,032</u>	<u>1,172,034</u>

	Number	Number
The average number of full time equivalent persons employed during the year was	<u>27</u>	<u>24</u>
The average total number of employees employed during the year was	<u>34</u>	<u>29</u>

**7. Interest payable and similar charges**

	2022	2021
	£	£
Bank loans and overdrafts	<u>477,488</u>	<u>514,611</u>

**8. Surplus for the year**

	2022	2021
	£	£
Surplus is stated after charging:		
Depreciation of tangible owned fixed assets	2,432,476	2,245,432
Auditors' remuneration - audit services	14,652	13,356
Loss on disposal of fixed assets	59,135	-
Amortisation of capital grants	<u>(1,474,634)</u>	<u>(1,310,928)</u>

**9. Tax on surplus on ordinary activities**

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

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**10. Non-current assets**

**a) Housing Properties**

	Housing properties held for letting £	Housing properties under construction £	Completed shared ownership properties £	Total £
<b>Cost</b>				
At start of year	95,528,509	2,037,402	811,123	98,377,034
Additions	1,216,707	260,429	-	1,477,136
Disposals	(659,900)	-	-	(659,900)
Transfers between categories	2,297,831	(2,297,831)	-	-
At end of year	<u>98,383,147</u>	<u>-</u>	<u>811,123</u>	<u>99,194,270</u>
<b>Depreciation</b>				
At start of year	29,458,184	-	334,989	29,793,173
Charged during year	2,304,950	-	16,222	2,321,172
Eliminated on disposal	(600,765)	-	-	(600,765)
At end of year	<u>31,162,369</u>	<u>-</u>	<u>351,211</u>	<u>31,513,580</u>
<b>Net book value</b>				
At end of year	<u>67,220,778</u>	<u>-</u>	<u>459,912</u>	<u>67,680,690</u>
At start of year	<u>66,070,325</u>	<u>2,037,402</u>	<u>476,134</u>	<u>68,583,861</u>

Additions to Housing Properties includes Capitalised Development Administration Costs totalling £Nil (2021 - £73,176) and Capitalised Major Repair Costs of £1,199,203 (2021 - £1,151,339).

ELDERPARK HOUSING ASSOCIATION LIMITED  
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022  
 NOTES TO THE FINANCIAL STATEMENTS

10. Non-current assets (continued)

b) Other tangible assets	Heritable office property £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At start of year	3,547,963	704,144	4,252,107
Additions	123,693	41,686	165,379
Disposals	-	-	-
At end of year	<u>3,671,656</u>	<u>745,830</u>	<u>4,417,486</u>
<b>Depreciation</b>			
At start of year	227,114	521,121	748,235
Charged during year	71,069	40,235	111,304
Disposals	-	-	-
At end of year	<u>298,183</u>	<u>561,356</u>	<u>859,539</u>
<b>Net book value</b>			
At end of year	<u>3,373,473</u>	<u>184,474</u>	<u>3,557,947</u>
At start of year	<u>3,320,849</u>	<u>183,023</u>	<u>3,503,872</u>

11. Debtors

	2022 £	2021 £
Arrears of rent & service charges	296,536	329,149
Less: Provision for doubtful debts	<u>(161,697)</u>	<u>(172,416)</u>
	134,839	156,733
Other Debtors	<u>177,086</u>	<u>142,181</u>
	<u>311,925</u>	<u>298,914</u>

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022**  
**NOTES TO THE FINANCIAL STATEMENTS**

**12. Creditors: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Housing loans	405,422	399,112
Trade payables	370,079	217,266
Rent in advance	219,063	185,581
Other payables	754,600	1,074,932
Accruals and deferred income	228,255	193,334
Bank overdraft	8,636	67,224
	<u>1,986,055</u>	<u>2,137,449</u>

**13. Creditors: Amounts falling due after one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Accruals	904,143	738,368
Housing loans	<u>13,446,791</u>	<u>13,850,648</u>
	<u>14,350,934</u>	<u>14,589,016</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>Variable/Fixed</b>
		<b>Interest Rate</b>	<b>Maturity</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.

The bank loans are repayable as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Between one and two years	417,178	399,112
Between two and five years	6,279,261	828,243
In five years or more	<u>6,750,352</u>	<u>12,623,293</u>
	<u>13,446,791</u>	<u>13,850,648</u>

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**14. Statement of cash flows**

Reconciliation of operating surplus to balance as at 31 March 2022	2022	2021
	£	£
Operating surplus	1,432,758	1,660,204
Depreciation	2,432,476	2,245,432
Loss on disposal	59,135	-
Amortisation of capital grants	(1,474,634)	(1,310,928)
Change in debtors	(13,011)	82,275
Change in creditors	(99,116)	437,374
Movement in pension liability	(151,000)	(218,000)
Balance as at 31 March 2022	<u>2,186,608</u>	<u>2,896,357</u>

**15. Analysis of net debt**

Reconciliation of net debt as at 31 March 2022	1 April 2021	Cash flows	Other changes	31 March 2022
Cash at bank	4,931,814	(65,411)	-	4,866,403
Overdrafts	(67,224)	<u>58,588</u>	-	(8,636)
		(6,823)		
Housing loans due within one year	(399,112)	397,547	(403,857)	(405,422)
Housing loans due after one year	(13,850,648)		403,857	(13,446,791)
	<u>(9,385,170)</u>	<u>390,724</u>	<u>-</u>	<u>(8,994,446)</u>

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16. Deferred income

	2022	2021
	£	£
<b>Social housing grants</b>		
Balance as at 1 April 2021	45,079,172	46,333,605
Additions in year	106,375	44,264
Recycled grant	-	-
Released / repaid as the result of property disposal	-	-
Amortisation in Year	(1,461,700)	(1,298,697)
Balance as at 31 March 2022	<u>43,723,847</u>	<u>45,079,172</u>
<b>Other grants</b>		
Balance as at 1 April 2021	788,265	774,503
Additions in year	45,260	25,993
Amortisation in Year	(12,934)	(12,231)
Balance as at 31 March 2022	<u>820,591</u>	<u>788,265</u>
<b>Total deferred grants</b>	<u><u>44,544,438</u></u>	<u><u>45,867,437</u></u>

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

Amounts due within one year	1,473,896	1,310,928
Amounts due in one year or more	<u>43,070,542</u>	<u>44,556,509</u>
	<u><u>44,544,438</u></u>	<u><u>45,867,437</u></u>

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**17. Reserves**

Share capital	2022	2021
	£	£
<b>Shares of £1 each issued and fully paid</b>		
At 1 April 2021	577	575
Issued in year	8	2
At 31 March 2022	<u>585</u>	<u>577</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	2022	2021
	£	£
At 1 April 2021	13,880,982	13,634,048
Surplus for year	961,971	1,154,934
Other comprehensive income	623,000	(908,000)
At 31 March 2022	<u>15,465,953</u>	<u>13,880,982</u>

**18. Capital commitments**

	2022	2021
	£	£
Expenditure contracted but not provided for in accounts	-	240,500
Funded by:		
Social housing grant	-	-
Private finance	-	240,500
Other public subsidy	-	-
Reserves	<u>-</u>	<u>-</u>
	<u>-</u>	<u>240,500</u>

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**19. Housing stock**

The number of units of accommodation in management at the year end was:-	2022 No.	2021 No.
General needs - House	172	172
- Tenement	1,098	1,083
- Four in a block	8	8
- Other flat/maisonette	62	62
Shared ownership	5	6
	<u>1,345</u>	<u>1,331</u>

**20. Related party transactions**

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

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

Transactions with Management Committee members were as follows:

- Rent Received from Tenants on the Committee – £2,787.
- 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 £389.
- At the year-end total rent arrears owed by Owner Occupiers of the Committee were Nil.

**21. Details of association**

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

The Association's principal place of business is 65 Golspie Street, Glasgow, G51 3AX.

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

**ELDERPARK HOUSING ASSOCIATION LIMITED**  
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**22. 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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**22. Retirement benefit obligations (continued)**

Present values of defined benefit obligation,

Fair value of assets and defined benefit asset (liability)

	31 March 2022	31 March 2021
	(£000s)	(£000s)
Fair value of plan assets	8,147	7,791
Present value of defined benefit obligation	8,216	8,634
Surplus (deficit) in plan	(69)	(843)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(69)	(843)
Deferred tax	-	-
Net defined benefit asset (liability) to be recognised	(69)	(843)

**Reconciliation of the impact of the asset ceiling**

	Period from 31 March 2021 to 31 March 2022	Period from 31 March 2020 to 31 March 2021
	(£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 from 31 March 2021 to 31 March 2022	Period from 31 March 2020 to 31 March 2021
	(£000s)	(£000s)
Defined benefit obligation at start of period	8,634	6,728
Current service cost	154	95
Expenses	7	7
Interest expense	186	159
Contributions by plan participants	92	87
Actuarial losses (gains) due to scheme experience	(8)	380
Actuarial losses (gains) due to changes in demographic assumptions	27	-
Actuarial losses (gains) due to changes in financial assumptions	(683)	1,410
Benefits paid and expenses	(193)	(232)
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	8,216	8,634

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**22. Retirement benefit obligations (continued)**

**Reconciliation of opening and closing balances of the fair value of plan assets**

	Period from 31 March 2021 to 31 March 2022 (£000s)	Period from 31 March 2020 to 31 March 2021 (£000s)
Fair value of plan assets at start of period	7,791	6,575
Interest income	170	158
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	(41)	882
Contributions by the employer	328	321
Contributions by plan participants	92	87
Benefits paid and expenses	(193)	(232)
Assets acquired in a business combination	-	-
Assets distributed on settlements	-	-
Exchange rate changes	-	-
Fair value of plan assets at end of period	8,147	7,791

The actual return on the plan assets (including any changes in share of assets) over the period from 31 March 2021 to 31 March 2022 was £129,000.

**Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)**

	Period from 31 March 2021 to 31 March 2022 (£000s)	Period from 31 March 2020 to 31 March 2021 (£000s)
Current service cost	154	95
Expenses	7	7
Net interest expense	16	1
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 (SoCI)	177	103

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**22. Retirement benefit obligations (continued)**

**Reconciliation of defined benefit pension liability (SOPF)**

	Period from 31 March 2021 to 31 March 2022 (£000s)	Period from 31 March 2020 to 31 March 2021 (£000s)
Opening pension liability	843	153
Current service cost	154	95
Expenses	7	7
Net interest expense	16	1
Employer contributions	(328)	(321)
Actuarial loss / (gain)	(623)	908
Closing pension liability	69	843

**Defined benefit costs recognised in Other Comprehensive Income (OCI)**

	Period from 31 March 2021 to 31 March 2022 (£000s)	Period from 31 March 2020 to 31 March 2021 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(41)	882
Experience gains and losses arising on the plan liabilities - gain (loss)	8	(380)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	(27)	-
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	683	(1,410)
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	623	(908)
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)	623	(908)

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22. Retirement benefit obligations (continued)

Assets	31 March 2022 (£000s)	31 March 2021 (£000s)
Global Equity	1,611	1,205
Absolute Return	374	384
Distressed Opportunities	292	266
Credit Relative Value	261	225
Alternative Risk Premia	337	312
Emerging Markets Debt	303	314
Risk Sharing	266	278
Insurance-Linked Securities	171	163
Property	211	140
Infrastructure	509	435
Private Debt	205	184
Opportunistic Illiquid Credit	270	199
High Yield	79	204
Opportunistic Credit	28	213
Cash	23	3
Corporate Bond Fund	515	588
Liquid Credit	52	134
Long Lease Property	235	181
Secured Income	435	428
Over 15 Year Gilts	3	4
Liability Driven Investment	1,971	1,873
Currency Hedging	(30)	-
Net Current Assets	26	58
Total assets	8,147	7,791

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.

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**22. Retirement benefit obligations (continued)**

Key assumptions		
	31 March 2022	31 March 2021
	% per annum	% per annum
Discount Rate	2.79	2.15
Inflation (RPI)	3.59	3.29
Inflation (CPI)	3.20	2.86
Salary Growth	4.20	3.86
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies:

	Life expectancy at age 65 (Years)
Male retiring in 2022	21.6
Female retiring in 2022	23.9
Male retiring in 2042	22.9
Female retiring in 2042	25.4

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.

**23. Contingent liabilities**

The pension withdrawal debt as at 30 September 2021 for Elderpark Housing Association Limited is £3,513,348.

## Document Activity Report

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