



ANNUAL REPORT AND FINANCIAL STATEMENTS

For the Year Ended

31 March 2023

West Lothian Housing Partnership Limited

(A Charitable Company Limited by Guarantee)

(Company No. SC188968)

(Scottish Housing Regulator Registration No. 318)

(Scottish Charity No. SC031668)

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year to 31 March 2023.

Principal activities

The principal activity of West Lothian Housing Partnership Limited ("WLHP", "West Lothian" or "the Partnership") is the provision and management of affordable rented accommodation. WLHP is a wholly owned subsidiary of The Wheatley Housing Group Limited ("WHG" or "Wheatley").

Following a successful tenant ballot concluded in 2022/23, the business and assets of WLHP were subject to a transfer of engagements to Dunedin Canmore Housing Limited on 4 September 2022. Immediately following the transfer of engagements, WLHP ceased to trade.

From 12 October 2022, Dunedin Canmore Housing Limited has traded as Wheatley Homes East Limited ("WH East") and is referred to as WH East throughout these Financial Statements.

FINANCIAL REVIEW

The financial results for WLHP reflect the shorter trading period up to the transfer of engagements to WH East in September 2022.

The Partnership reported an operating deficit of £16.6m (2022: surplus of £5.2m) for the year, which includes the gain and losses associated with the transfer to WH East noted above. Excluding the loss attributable to the transfer, an operating surplus of £3.6m was generating during the period of trading up to 4 September 2022.

Income

Turnover for the year totalled £5.2m (2022: £8.6m). Income is derived from the social rental of housing property, with net rental income of £1.8m (2022: £3.9m).

Total grant income of £3.4m (2022: £4.7m) has been recognised in the year on completion of new build properties and medical adaptations grant. The amount of grant income reported varies from year to year depending on the profile of the Partnership's new build development programme. Grant income recognised relates to 48 properties completing in 2022/23 compared to 62 properties in the year 2021/22.

Expenditure

Operating costs in the year totalled £1.6m (2022: £3.4m), with the reduction due to the shorter trading period. Expenditure largely comprised the following:

- Management and administration costs associated with affordable letting activities totalling £0.4m (2022: £0.6m).
- £0.1m of planned and cyclical maintenance costs to our social housing properties (2022: £0.4m).
- £0.3m of reactive maintenance costs to our social letting properties (2022: £0.6m).
- Depreciation expenditure for social and non-social housing assets of £0.8m (2022: £1.7m).

DIRECTORS' REPORT (continued)

FINANCIAL REVIEW (continued)

In other losses, a loss of £20,202k is reported which comprises:

- a loss of £20,220k representing the assets and liabilities which were transferred to WH East; and
- a gain of £18k on transfer of the SHAPS Defined Benefit pension liability to WH East, following a transfer of all WLHP employees and related pension obligations on 31 August 2022.

Other expenditure in the year included £0.4m of interest payable (2022: £0.9m). The prior year result includes a decrease in the revaluation of social housing properties of £5.5m.

Total comprehensive result for the year reported a deficit of £17.1m (2022: deficit of £1.1m) which includes an actuarial loss of £28k (2022: gain of £71k) in respect of the SHAPS pension scheme.

Cashflows

The cash flow statement of the Partnership is shown on page 15. During the year the Partnership generated £2.7m cash inflow from operating activities (2022: £1.8m). Cash and cash equivalents in the year decreased by £0.1m to nil following the transfer of cash balances to WH East (2022: decreased by £0.5m).

Net Current Assets

As at 31 March 2023, the Statement of Financial Position reflects the transfer of the net assets of WLHP to WH East. Net current assets at 31 March 2022 totalled £17.1m and all assets and liabilities were reported as either current assets or current liabilities following the decision by the Board not to use the going concern basis for the preparation of the financial statements in advance of the transfer to WH East.

Reserves policy

Under the Statement of Recommended (Accounting) Practice ("SORP") 2014 and Financial Reporting Standard ("FRS") 102, WLHP operates with one principal reserve: a revenue reserve.

Revenue reserve

Revenue reserve includes historic grant received in respect of the following:

- new build housing properties
- specific projects for which subsidy has been received, such as investment in the energy efficiency of our homes

These grants have been invested for the specific purposes prescribed in the related grant conditions, with this activity typically resulting in an increase in the value of housing properties in WLHP's Statement of Financial Position. WLHP has no ability to realise new cash from this element of reserves, since selling the related assets which were constructed or improved with the grant funds would trigger clawback conditions and require repayment of grant to the Scottish Government or other grant providers. Furthermore, it is not WLHP's policy to sell social housing assets; on the contrary, continuing to own and support these while providing excellent services to customers is core to WLHP's charitable purpose.

DIRECTORS' REPORT (continued)

By order of the Board



Lesley Bloomer, Board member
21 September 2023

Wheatley House
25 Cochrane Street
Glasgow
G1 1HL

DIRECTORS' REPORT (continued)

WEST LOTHIAN HOUSING PARTNERSHIP BOARD AND RELATED MATTERS

Directors and directors' interests

The directors of WLHP who held office during the year and up to the signing of the financial statements were:

Mairi Martin (Chair)
Lesley-Anne Williams*
Lesley Bloomer
Judith McGlashan*
Bryan Sherriff
Gregor Dunlay
Alan McCloskey
Gordon Smith – Resigned 18 November 2022

* tenant of WLHP

No directors who held office during the year held any disclosable interest in the shares of the company.

Creditor payment policy

WLHP agrees payment terms with its suppliers when it enters into contracts. The average creditor payment period for the year was within 30 days.

Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Partnership's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

DIRECTORS' REPORT (continued)

DIRECTORS' STATEMENT ON INTERNAL FINANCIAL CONTROL

The Directors acknowledge their responsibility for ensuring that the Partnership has in place systems of control that are appropriate to its business environment.

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

The systems of internal financial control, which are under regular review, are designed to manage rather than to eliminate risk. They can only provide reasonable and not absolute assurance against material misstatement or loss.

The key procedures which have been established are as follows:

- Detailed standing orders covering Board structure, election, membership and meetings;
- Financial regulations and procedures with clear authorisation limits;
- Regular Board meetings, focusing on areas of concern, reviewing management reports;
- Audit and Compliance reporting focusing on areas of concern and reviewing management reports;
- Regular review of cashflow and loan portfolio performance;
- Regular review of tendering process, rent accounting, arrears control and treasury management;
- Segregation of duties of those involved in finance;
- Identification and monitoring of key risks by the management committee; and
- Monitoring the operation of the internal financial control system by considering regular reports from management, internal and external auditors and ensuring appropriate corrective action is taken to address any weaknesses.

The Directors confirm that they have reviewed the effectiveness of the systems of internal control. No weaknesses have been found which would have resulted in material losses, contingencies or uncertainties which require to be disclosed in the financial statements.

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Board is responsible for preparing the Board's Annual Report and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the Board to prepare financial statements for each financial year. Under those laws they are required to prepare the financial statements in accordance with UK Accounting Standards, FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the income and expenditure for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the charitable company or to cease operations, or has no realistic alternative but to do so.

The Board is responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that its financial statements comply with the Companies Act 2006, the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements 2019, the Charities and Trustee Investment (Scotland) Act 2005, and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended). It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the charitable company and to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

By order of the Board



Lesley Bloomer, Board member
21 September 2023

Wheatley House
25 Cochrane Street
Glasgow
G1 1HL

Independent auditor's report to the members of West Lothian Housing Partnership Limited

Opinion

We have audited the Charitable Company financial statements of West Lothian Housing Partnership Limited ("the Charitable Company") for the year ended 31st March 2023 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Reserves, and the Cash Flow Statement and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, of the state of affairs of the Charitable Company as at 31st March 2023 and of the income and expenditure of the Charitable Company for the year then ended;
- comply with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Housing (Scotland) Act 2010, the Registered Social Landlords Determination of Accounting Requirements Order 2019, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Companies Act 2006 and report in accordance with the regulations made under those Acts. We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Charitable Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure note made in Note 2 to the financial statements which explain that the financial statements are not prepared on the going concern basis for the reason set out in the note. Our opinion is not modified in respect of this matter.

Fraud and breaches of laws and regulations – ability to detect

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of board members and management as to the Charitable Company's high-level policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual suspected or alleged fraud; and
- Reading Board minutes

We communicated identified fraud risks throughout the audit team and remained alert to indications of fraud throughout the audit.

As required by auditing standards, taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that the entity management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to income recognition because of the limited opportunity and incentive for fraudulent revenue recognition and the limited judgement in respect of revenue recognition.

We did not identify any additional fraud risks.

Independent auditor's report to West Lothian Housing Partnership Limited (continued)

In determining the audit procedures, we took into account the results of our evaluation and testing of the operating effectiveness of some of the Charitable Company wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These include those posted to unusual accounts.
- Assessing whether the judgements made in making accounting estimates are indicative of a potential bias including assessing the assumptions used in pension and property valuations.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the board and other management (as required by auditing standards), and discussed with the board and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulation throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Charitable Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and registered social landlord legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

Whilst the Charitable Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance allow could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatements. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Charitable Company's Board are responsible for the other information, which comprises the Annual Report, directors' report and the Statement on Internal Financial Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or

Independent auditor's report to West Lothian Housing Partnership Limited (continued)

- in our opinion, the Statement on Internal Financial Control on page 6 does not provide the disclosures required by the relevant Regulatory Standards for systemically important RSLs within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls; or
- in our opinion, the Statement on Internal Financial Control is materially inconsistent with the knowledge acquired by us in the course of performing our audit.

We have nothing to report in these respects.

Matters on which we are required to report by exception

Under the Companies Act 2006 and the Charities (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- the Charitable Company has not kept proper books of account; or
- the Charitable Company has not maintained a satisfactory system of control over its transactions; or
- the financial statements are not in agreement with the Charitable Company's books of account; or
- we have not received all the information and explanations we need for our audit.

We have nothing to report in these respects

Board's responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Charitable Company'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 they either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

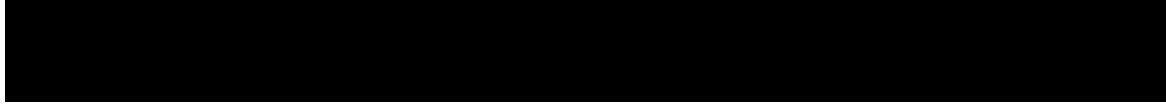
A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and the Charitable Company's trustees, as a body, in accordance with section 44 (1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, regulation 10 of the Charities Accounts (Scotland) Regulations 2006, section 69 of the Housing (Scotland) Act 2010 and the Registered Social Landlords Determination of Accounting Requirements Order 2019. Our audit work has been undertaken so that we might state to the Charitable Company those matters we are required to state to it in an auditor's report and for no

Independent auditor's report to West Lothian Housing Partnership Limited (continued)

other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charitable Company for our audit work, for this report, or for the opinions we have formed.



Michael Wilkie (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

KPMG LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

319 St Vincent Street

Glasgow

G2 5AS

26 September 2023

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Turnover	3	5,181	8,597
Operating expenditure	3	(1,626)	(3,383)
Other losses	8	(20,202)	-
Operating (deficit)/ surplus		(16,647)	5,214
Loss on disposal of fixed asset	8	(1)	-
Finance charges	9	(436)	(875)
Decrease in valuation of housing properties		-	(5,547)
Deficit for the year		(17,084)	(1,208)
Actuarial (loss)/ gain in respect of pension schemes		(28)	71
Total comprehensive result for the year		(17,112)	(1,137)

All trading operations were discontinued on 4 September 2022.

The notes on pages 16 to 35 form part of these financial statements.

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2023

	Revenue
	£'000
Balance at 1 April 2021	18,249
Total comprehensive result	(1,137)
Balance at 1 April 2022	<u>17,112</u>
Total comprehensive result	(17,112)
Balance at 31 March 2023	<u>-</u>

All trading operations were discontinued on 4 September 2022.

The notes on pages 16 to 35 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

		2023 £'000	2022 £'000
	Note		
Current assets			
Social housing properties	13	-	57,218
Other tangible assets	14	-	135
Trade and other debtors	15	-	1,496
Cash and cash equivalents		-	143
		-	58,992
Creditors: amounts falling due within one year	16	-	(41,880)
Provisions for liabilities			
Pension liability	17	-	-
Net current assets		-	17,112
Creditors: amounts falling due after more than one year		-	-
Total net assets		-	17,112
Reserves			
Revenue reserve		-	17,112
Total reserves		-	17,112

These financial statements were approved by the Board on 18 August 2023 and were signed on its behalf on xx September 2023 by:

Mairi Martin
Chair

The notes on pages 16 to 35 form part of these financial statements.
Company Registration Number SC188968

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £'000	2022 £'000
Net cash generated from operating activities	19	<u>2,748</u>	<u>1,799</u>
Cash flow from investing activities			
Improvement of properties	13	(234)	(877)
New build		(2,869)	(8,521)
Purchase of other fixed assets	14	(10)	-
Grants received	16	<u>149</u>	<u>3,190</u>
Net cash from investing activities		(2,964)	(6,208)
Cash flows from financing activities			
Interest paid		(489)	(1,051)
Intra-group loan drawn down		1,500	5,000
Cash transferred on business combination		<u>(938)</u>	<u>-</u>
Net cash from financing activities		73	3,949
Net change in cash and cash equivalents		(143)	(460)
Cash and cash equivalents at 1 April		143	603
Cash and cash equivalents at 31 March		<u>-</u>	<u>143</u>

The notes on pages 16 to 35 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. Legal status

West Lothian Housing Partnership Limited (“WLHP” or “the Partnership”) is a company limited by guarantee registered under the Companies Act, Company No. SC188968, and is a registered Scottish charity No.SC031668. WLHP is registered as a housing association with the Scottish Housing Regulator under the Housing (Scotland) Act 2014. The principle activity of the Association is the provision of social housing and associated housing management services. The registered office is Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL. WLHP is a public benefit entity.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, to all periods presented in these financial statements.

Basis of accounting

The financial statements of WLHP are prepared in accordance with applicable accounting standards and in accordance with the accounting requirements included with the Determination of Accounting Requirements 2019, and under the historical cost accounting rules, modified to include the revaluation of properties held for letting and commercial properties. The financial statements have also been prepared in accordance with the Statement of Recommended Practice for registered social housing providers 2014 (“SORP 2014”), issued by the National Housing Federation, and under FRS 102. The presentational currency of these financial statements is Sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

In 2022/23 a majority of tenants voted in favour of a proposal to transfer of engagements of all business of WLHP to WH East. The transfer of engagements completed on 4 September 2022, WLHP ceased to trade on the same date and the Partnership is expected to be closed in due course. Accordingly, the directors have not prepared the financial statements on a going concern basis.

The effect on the financial statements was for all of the long term assets and liabilities to be shown as current on the balance sheet 2022 comparatives. There are no valuation changes to be made as all activities are being transferred to group entities as trading activities.

Discount rates have previously been used in the valuation of housing properties and in the assessment of the fair value of financial instruments. The rates used are subject to change and are influenced by wider economic factors over time.

Accounting judgements and estimations

Estimates and judgements are continually evaluated and are based on historical experience, advice from qualified experts where required or appropriate and other factors.

Judgements have been made in:

- Determining the appropriate discount rates used in the valuation of housing and investment properties;
- Component accounting and the assessment of useful lives;
- The assessment of the fair value of financial instruments;
- Determining the value of the Association’s share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds;
- Allocation of share of assets and liabilities for multi-employer pension schemes. Judgments in respect of the assets and liabilities to be recognised are based upon source information provided by administrators of the multi-employer pension schemes and estimations performed by the Group's actuarial advisers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. Accounting policies (continued)

Related party disclosures

WLHP has taken advantage of the exemption, available under FRS 102, from disclosing related party transactions with wholly owned entities that are part of the Wheatley Housing Group.

Turnover

Turnover represents income receivable from lettings and service charges, fees receivable, grants and other income. Income from social lettings, service charges, factoring, market and commercial rental activities is recognised when it is receivable.

Grant income

Where grant is paid as a contribution towards revenue expenditure, it is included in turnover. Where grant is received from government and other bodies as a contribution towards the capital cost of housing schemes, which are held at valuation, it is recognised as income using the performance model in accordance with the SORP 2014. Prior to satisfying the performance conditions, capital grant is held as deferred income on the Statement of Financial Position.

Bad and doubtful debts

Provision is made against rent arrears of current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable. Debts are classed as uncollectable after an assessment of the legislative options available to recover and consideration of specific circumstances.

Financial instruments

Loans provided to some subsidiary members of the Group by the banking syndicate through the subsidiary, Wheatley Funding Number 1 Limited ("WFL1"), are classed as basic under the requirements of FRS 102 and are measured at amortised cost. All financial assets and liabilities are held at amortised cost.

Deposits and liquid resources

Cash, for the purpose of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into known amounts of cash at or close to their carrying values.

Pensions

West Lothian Housing Partnership Limited previously participated in the Pensions Trust Scottish Housing Association Pension Scheme ("SHAPS") Defined Benefit Pension Scheme. The scheme is now closed, with members transferring to the SHAPS Defined Contribution Scheme on 1 September 2014. Retirement benefits to employees are funded by 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. In accordance with FRS 102, WLHP's share of the scheme assets and liabilities have been separately identified and are included in the Statement of Financial Position and measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. WLHP's share of the deficit is recognised in full and the movement is split between operating costs, finance items and in the Statement of Comprehensive Income as actuarial gain or loss on pension schemes.

The obligations of WLHP in the SHAPs Defined Benefit scheme were transferred on 31st August 2022 to WH East in advance of the transfer of engagements on 4 September 2022. WH East is also a participating employer in the SHAPs Defined Benefit Scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. Accounting policies (continued)

Pensions (continued)

A Wheatley Group defined contribution scheme administered by the Salvus Master Trust has also been made available to all employees.

Fixed assets - housing properties

In accordance with SORP 2014, WLHP operates a full component accounting policy in relation to the capitalisation and depreciation of its completed housing stock.

• Valuation of Social Housing Stock

Social housing properties are valued annually on an Existing Use Value for Social Housing (“EUVS-SH”) basis by an independent professional adviser qualified by the Royal Institution of Chartered Surveyors to undertake valuation. Annual valuation movements are reported in the Statement of Comprehensive Income. Housing properties are initially stated at cost, being purchase price together with the cost of capitalised improvement works and repairs that result in incremental future benefits from the asset. Included in the cost of capitalised improvement works are the direct costs of staff engaged in the investment programme.

• Depreciation and impairment

Housing properties are split between land, structure and major components which require periodic replacement. Replacement or refurbishment of such major components is capitalised and depreciated over the estimated useful life which has been set taking into account professional advice, WLHP’s asset management strategy and the requirement of Scottish Housing Quality Standard. In determining the remaining useful lives for the housing stock, WLHP has taken account of views provided by both internal and external professional sources. Freehold land is not subject to depreciation.

Major components are treated as separable assets and depreciated over their expected useful economic lives or the lives of the structure to which they relate, if shorter, at the following annual rates:

	<u>Economic Life</u>
Land	Not depreciated
Bathrooms	25 years
External environment	20 years
Heating system boiler	12 years
Internal works & common areas	20 years
Kitchens	20 years
Mechanical, Electrical & Plumbing	25 years
Structure & roofs	50 years
Windows and doors	30 years

Housing assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion.

Where there is evidence of impairment, the fixed assets are written down to the fair value after deducting costs to sell, and any write down is charged to operating surplus.

• New Build

Housing properties in the course of construction are held at cost and are not depreciated. They are transferred to completed properties when ready for letting or sale.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. Accounting policies (continued)

WLHP's policy is to capitalise the following:

- Cost of acquiring land and buildings;
- Interest costs directly attributable;
- Development expenditure including staff costs attributable to the delivery of the capital investment programme;
- The cost of packages of work completed on void properties; and
- Other directly attributable internal and external costs.

Expenditure on schemes which are subsequently aborted will be written off in the year in which it is recognised that the schemes will not be developed to completion.

New Build Grant and other capital grants

New Build Grant is received from central government agencies and local authorities and is utilised to reduce the capital cost of housing properties.

New Build Grant is recognised as income in the Statement of Comprehensive Income under the performance model. New Build Grant due or received is held as deferred income until the performance conditions are satisfied, at which point it is recognised as income in the Statement of Comprehensive Income within turnover. Grant received in respect of revenue expenditure is recognised as income in the period to which it relates.

Properties are disposed of under the provisions contained in the Housing (Scotland) Act 2014. Any grant that is repayable is accounted for as a liability on disposal of the property. Grant which is repayable but cannot be repaid from the proceeds of sale is accounted for as a liability. Where a disposal is deemed to have taken place for accounting purposes, but the repayment conditions have not been met in relation to the grant funding, the potential future obligation to repay is disclosed as a contingent liability.

Other tangible fixed assets

For other tangible fixed assets, depreciation is charged on a straight-line basis over the expected useful economic lives of fixed assets to write off the cost, or valuation, less estimated residual values over the following expected lives. Assets are depreciated in the month of acquisition, or in the case of a larger project, from the month of completion, at the following rates:

	<u>Economic life</u>
Office improvements	10 years
Furniture, fittings and office equipment	3 years

Leases

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the period of the lease.

Provisions

The Group only provides for liabilities at the period-end where there is a legal or constructive obligation incurred which will likely result in the outflow of resources.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

2. Accounting policies (continued)

Taxation

WLHP is considered to pass the tests as set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Association is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part II Corporation Tax Act 1992 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Value Added Tax

WLHP is registered for VAT. A large portion of its income, including rental receipts, is exempt for VAT purposes.

3. Particulars of turnover, operating expenditure and operating surplus/(deficit)

	2023			2022	
	Turnover	Operating costs	Other losses	Operating surplus/(deficit)	Operating surplus/(deficit)
	£'000	£'000	£'000	£'000	£'000
Affordable letting activities (note 4)	5,181	(1,555)	-	3,626	5,340
Other activities (note 5)	-	(71)	-	(71)	(126)
Loss on business combination (note 8)	-	-	(20,202)	(20,202)	-
Total	5,181	(1,626)	(20,202)	(16,647)	5,214
Total for previous reporting period	8,597	(3,383)	-	5,214	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

4. Particulars of turnover, operating expenditure and operating surplus from affordable letting activities

	General Needs £000	Supported Housing £000	2023 Total £'000	2022 Total £'000
Rent receivable net of service charges	1,654	67	1,721	3,715
Service charges	16	70	86	159
Gross income from rents and service charges	1,670	137	1,807	3,874
Less rent losses from voids	(2)	-	(2)	(19)
Net income from rents and service charges	1,668	137	1,805	3,855
Grants released from deferred income	3,353	-	3,353	4,732
Other grant income	23	-	23	10
Total turnover from affordable letting activities	5,044	137	5,181	8,597
Management and maintenance administration costs	(356)	(15)	(371)	(636)
Service costs	(15)	(1)	(16)	(35)
Planned and cyclical maintenance including major repairs costs	(103)	(4)	(107)	(360)
Reactive maintenance costs	(264)	(11)	(275)	(604)
Bad debts – rents and service charges	(2)	-	(2)	(4)
Depreciation of affordable let properties	(752)	(32)	(784)	(1,618)
Operating costs from affordable letting activities	(1,492)	(63)	(1,555)	(3,257)
Operating surplus from affordable letting activities	3,552	74	3,626	5,340
Operating surplus for affordable letting activities for the previous reporting period	5,222	118	5,340	

The disclosure of turnover, operating costs and operating surpluses from affordable letting activities reflects the requirements of the Housing SORP 2014.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

5. Particulars of turnover, operating expenditure and operating surpluses from other activities

	Grants from Scottish Ministers £'000	Other revenue £'000	Total Turnover £'000	Total Operating Costs £'000	2023 Operating Surplus/ (deficit) £'000	2022 Operating Surplus/ (deficit) £'000
Depreciation – non-social housing	-	-	-	(25)	(25)	(63)
Wider role activities to support the community	-	-	-	(46)	(46)	(63)
Total from other activities	-	-	-	(71)	(71)	(126)
Total from other activities for the previous reporting period	-	-	-	(126)	(126)	

6. Board members' emoluments

Board members received £nil (31 March 2022: £nil) by way of reimbursement of expenses.

7. Employees- Key Management Emoluments

Key management personnel are employed by another Wheatley Group subsidiary and perform an executive management role across all subsidiaries in the Wheatley Group. The total emoluments payable to Wheatley Group key management personnel are disclosed in the Wheatley Housing Group consolidated financial statements. The Partnership pays a share of the costs of these personnel which includes employer pension contributions and benefits in kind.

	2023 £ 000	2022 £ 000
Aggregate emoluments payable to key management (excluding pension contributions)	25	63

During the periods the key management's emoluments (excluding pension contributions) fell within the following band distributions:

More than £nil but not more than £10,000	7	1
More than £10,000 but not more than £20,000	-	4
More than £20,000 but not more than £30,000	-	1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

7. Employees - Key Management Emoluments (continued)

The key management are defined for this purpose as the Chief Executive and the Group Executive team in post at 31 March 2023. Emoluments include relocation expenses where appropriate.

The senior officers are eligible to join the Strathclyde Pension Fund and employer's contributions are paid on the same basis as other members of staff. Pension contributions of £5k (2022: £12k) were paid for the Chief Executive and the Group Executive team in post at 31 March 2023.

There were seven senior officers in post at 31 March 2023.

Steven Henderson	Group Chief Executive
Hazel Young	Group Director of Housing and Property Management
Laura Pluck	Group Director of Communities
Pauline Turnock	Group Director of Finance
Anthony Allison	Group Director of Governance and Business Solutions
Graham Isdale	Group Director of Corporate Affairs
Frank McCafferty	Group Director of Assets and Repairs

Employees – Staff

	2023	2022
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	6	6
The average total number of employees employed during the year was	7	7
	2023	2022
	£'000	£'000
Staff costs during the year were as follows:		
Wages and salaries	99	226
Social security costs	11	22
Pension costs	12	28
FRS 102 pension adjustment	(10)	-
	<u>112</u>	<u>276</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

8. Other losses

Following a successful tenant ballot in 2022/23, the assets and liabilities of West Lothian Housing Partnership (WLHP) transferred to WH East on 4 September 2022, resulting in a loss on the transfer of £20,220k. The assets and liabilities attributable to WLHP in the SHAPS defined benefit pension scheme transferred to WH East on 31 August 2022, resulting in a gain of £18k.

	2023
	£'000
Loss on transfer to WH East	(20,220)
Gain on transfer of SHAPS pension to WH East	18
	<u>(20,202)</u>

The following amounts were transferred to WH East

	£000
Fixed assets	59,708
Current assets	1,645
Current liabilities	<u>(41,133)</u>
Net current liabilities	(39,488)
Transfer of SHAPS DB Pension	(18)
	<u>20,202</u>

Loss on disposal of fixed assets

	2023	2022
	£'000	£'000
Proceeds	-	-
Value of components (properties held for let) disposed	<u>(1)</u>	<u>-</u>
	<u>(1)</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

9. Finance charges

	2023 £'000	2022 £'000
Interest payable on intra group loans	434	869
Other financing costs	2	5
Net interest charge on pension liability	-	1
	436	875

10. Auditor's remuneration

	2023 £'000	2022 £'000
The remuneration of the auditor (excluding VAT) is as follows:		
Audit of these financial statements	15	15

11. Financial commitments

Capital commitments

All capital commitments of WLHP were as follows:

	2023 £'000	2022 £'000
Expenditure contracted for, but not provided in the financial statements	-	1,629
Expenditure authorised by the Board but not contracted	-	9,921
	-	11,550

12. Operating leases

At 31 March WLHP had total commitments under non-cancellable operating leases as follows:

	2023 £'000 Land and Buildings	2022 £'000 Land and Buildings
Commitments falling due:		
Within one year	-	18
In the second to fifth years inclusive	-	72
Over five years	-	50
	-	140

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

13. Social Housing Properties

	Core Stock £'000	Housing Under Construction £'000	Total £'000
At valuation			
At 1 April 2022	39,779	17,439	57,218
Additions	234	2,921	3,155
Acquired in the year	-	-	-
Transfers	5,596	(5,596)	-
Disposals	(6)	-	(6)
Transferred to WH East	(45,603)	(14,764)	(60,367)
Revaluation	-	-	-
At 31 March 2023	-	-	-
Accumulated Depreciation			
At 1 April 2022	-	-	-
Acquired in the year	-	-	-
Charge for year	784	-	784
Disposals	(5)	-	(5)
Transferred to WH East	(779)	-	(779)
Revaluation	-	-	-
At 31 March 2023	-	-	-
Net Book Value – valuation			
At 31 March 2023	-	-	-
At 31 March 2022	39,779	17,439	57,218
Net Book Value – cost			
At 31 March 2023	-	-	-
At 31 March 2022	63,074	17,439	80,513

Total expenditure in the year on existing properties was £616k (2022: £1,841k). Of this, repair costs of £382k (2022: £964k) were charged to the Statement of Comprehensive Income (note 4) and capital works of £234k (2022: £877k) were included as additions to properties held for letting on the Statement of Financial Position. Additions to core stock in the year of £234k (31 March 2022: £877k) include:

- £163k for component additions including:
 - £35k on bathrooms;
 - £10k on heating system boilers; and
 - £5k on kitchens
 - £57k on windows

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

13. Social Housing Properties (continued)

- The remaining balance of £71k of additions to existing properties not associated with a specific component includes £33k on void improvements and £16k of medical adaptations.

Additions to housing under construction include capitalised interest costs of £53k (31 March 2022: £177k). Interest has been capitalised at the weighted average interest cost for the Association of 3.90% (31 March 2022: 4.08%)

In 2021/22 social housing properties were valued by Jones Lang LaSalle Limited, an independent professional adviser qualified by the Royal Institution of Chartered Surveyors (“RICS”) to undertake valuations. This valuation was prepared in accordance with the appraisal and valuation manual of the RCIS at 4 September 2022 on an Existing Use Valuation for Social Housing (“EUV-SH”). Discount rates between 5.75 - 7.00 % were used depending on the property archetype (2021: 5.75-6.50 % retained stock). The valuation assumed a real rental income growth of 0.5% for the first two years, followed by long-term real rental growth of 1.0% per annum, in line with the Association’s 30-year Business Plan (2021/22). The capital investment made in housing properties each year may not translate directly into an increase in the value of the assets by virtue of the nature of the EUV-SH valuation methodology.

A total of 852 units were transferred to WH East on 4 September 2022. The number of units of accommodation (excluding unlettable voids) held by the Partnership is shown below:

	2023	2022
	No.	No.
General Needs	-	777
Supported housing	-	27
Total units	-	804

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

14. Other tangible assets

	Office improvements £'000	Furniture and equipment £'000	Total £'000
At valuation			
At 1 April 2022	574	24	598
Additions	10	-	10
Transferred to WH East	(584)	(24)	(608)
At 31 March 2023	-	-	-
Accumulated Depreciation			
At 1 April 2022	439	24	463
Charge for year	25	-	25
Transferred to WH East	(464)	(24)	(488)
At 31 March 2023	-	-	-
Net Book Value			
At 31 March 2023	-	-	-
At 31 March 2022	135	-	135

15. Trade and other debtors

	2023 £'000	2022 £'000
Arrears of rent and service charges	-	147
Less: provision for bad and doubtful debts	-	(60)
	-	87
Prepayments and accrued income	-	141
Other debtors	-	1,268
Due from other group companies	-	-
Total	-	1,496

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

16. Creditors: amounts falling due within one year

Bank lending facility

Borrowing arrangements are in place via a Group facility consisting of bank and capital markets debt, secured on charged properties belonging to each of the RSLs within the Wheatley Housing Group. This facility was made up of a committed facility of £698.22m from a syndicate of commercial banks, two committed facilities totalling £274.46m from the European Investment Bank, £300.0m raised through the issue of a public bond, £150.0m private placement loan notes with BlackRock Real Assets, £114.0m note placement with M&G, £35.0m from Allia Social Impact Finance Ltd, a committed facility of £35.0m with Royal Bank of Scotland and a £50.0m facility with Barclays. This provided total facilities of £1,656.68 for RSLs within the Wheatley Group to develop new housing.

This facility is provided through Wheatley Funding No.1 Ltd, a wholly owned subsidiary of the Wheatley Housing Group Limited, with WLHP having access to an intra-group facility of £49.5m, secured on its housing stock. Interest for the period to 4 September 2022 has been charged at 4.15% (2022: 4.15%).

The Partnership has secured a major portion of its housing stock against this facility, however the remainder of its housing stock and any future new build properties will remain unsecured.

	2023 £'000	2022 £'000
Trade creditors	-	5
Accruals	-	599
Deferred income	-	11,133
Other creditors	-	81
Rent and service charges received in advance	-	102
Tax and social security	-	2
Due to other group companies	-	2,480
Due to other group companies (loan)	-	27,478
Total	-	41,880

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Borrowings are repayable as follows:

	2023 £'000	2022 £'000
In less than one year	-	27,478
In more than one year but less than five years	-	-
In more than five years	-	-
	-	27,478

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

16. Creditors: amounts falling due within one year (continued)

The deferred income balance is made up as follows:

	New Build Grant £'000
Deferred income as at 31 March 2022	11,133
Additional income received	149
Released to the Statement of Comprehensive Income	(3,353)
Transferred to WH East	(7,929)
Deferred income as at 31 March 2023	<u>-</u>

This is expected to be released to the Statement of Comprehensive Income in the following years:

Deferred income to be released to the Statement of Comprehensive Income:	2023 £'000	2022 £'000
In less than one year	-	11,133
In more than one year but less than five years	-	-
In more than five years	-	-
	<u>-</u>	<u>11,133</u>

17. Pensions

Pensions Trust Scottish Housing Association Pension Scheme – Defined Benefit

West Lothian Housing Partnership participated in the Pensions Trust Scottish Housing Association Pension Scheme (“SHAPS”) defined benefit section. This is a multi-employer defined benefit scheme and is funded and contracted out of the State Pension Scheme. West Lothian Housing Partnership transferred to the SHAPS Defined Contribution scheme with effect from 1 September 2014.

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A Recovery Plan was put in place to eliminate the deficit which ran to 30 September 2022.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

17. Pensions (continued)

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figure from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 29 February 2024 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.

The TPT benefits Review is ongoing, with legal opinion being sought on whether pre-2003 benefits should have continued to receive pension increases in line with RPI inflation, rather than being switched to CPI inflation from 2011 onwards. The choice of inflation measure can have an impact on members' benefits because RPI is generally expected to be higher than CPI. Guidance from the Court, and therefore whether any increases to members benefits will be needed, is not expected before late 2024.

Defined Benefit assets and obligations

The assumptions that have the most significant effect on the results of the valuation of the Group defined benefit pension arrangements are those relating to the rate of return on investments and the rates of increases in salaries and pensions. The principal actuarial assumptions (expressed as weighted averages) at the year-end were as follows:

	31 August 2022	31 March 2022
Discount rate	4.25%	2.70%
Future salary increases	2.60%*	2.20%
Inflation (CPI)	3.10%	3.20%

* future salary increases assumed to be 7.0% p.a. for the first year, 3.0% in year two and 2.00% p.a. thereafter.

In valuing the liabilities of the pension fund at 31 August 2022, mortality assumptions have been made as indicated below. The assumptions relating to longevity underlying the pension liabilities at the balance sheet date are based on standard mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows:

- Current pensioner aged 65: 21.6 years (male) (31 March 2022 21.6 years) 23.9 years (female) (31 March 2022 23.9 years).
- Future retiree upon reaching 65: 22.9 years (male) (31 March 2022 22.9 years), 25.4 years (female) (31 March 2022 25.4 years).

The assumptions used by the actuary are chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

The information disclosed below is in respect of the whole of the plans for which WLHP has been allocated a share of cost under an agreed policy throughout the periods shown.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

17. Pensions (continued)

Pensions Trust Scottish Housing Association Pension Scheme – Defined Benefit

Movements in present value of defined benefit obligation

	2023	2022
	£'000	£'000
Opening defined benefit obligation	718	736
Expenses	-	1
Interest cost	8	15
Actuarial gains	(154)	(33)
Estimated benefits paid	-	(1)
Closing defined benefit obligation	572	718

Movements in fair value of plan assets

	2023	2022
	£'000	£'000
Opening fair value of plan assets	742	666
Expected return on plan assets	(206)	62
Interest income	8	14
Contributions by the employer	10	1
Estimated benefits paid	-	(1)
Closing fair value of plan assets	554	742

Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)

- (loss)	-	(24)
Net liability	(18)	-
Transferred to WH East 31 August 2022	18	-
Net liability at 31 March 2023	-	-

Expense recognised in statement of comprehensive income

	2023	2022
	£'000	£'000
Administration costs	-	1
Interest on defined benefit pension plan obligation	-	1
Net cost	-	2

The total amount recognised in the Statement of Comprehensive Income in respect of actuarial gains and losses is £28k loss (2022: £71k gain).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

17. Pensions (continued)

Pensions Trust Scottish Housing Association Pension Scheme – Defined Benefit

The fair value of the plan assets and the return on those assets were as follows:

	2023 £ 000	2022 £ 000
Bonds	-	108
Equity	-	146
Liability Driven Investments	-	179
Property	-	41
Other	-	263
Cash	-	5
	<u>-</u>	<u>742</u>
 Actual return on plan assets	 (197)	 76

18. Related party transactions

In general, WLHP gives West Lothian Council full nomination rights for all initial house lets, reverting to 50% nominations for subsequent vacancies thereafter.

WLHP retains a register of members' interests. The following interests in related parties are required to be declared:

Tenant Board Members

The following members are tenants of WLHP and have tenancies that are on WLHP's normal tenancy terms and they cannot use their positions to their advantage.

Lesley -Anne Williams - tenancy transferred to WH East 4 September 2022

Judith McGlashan - tenancy transferred to WH East 4 September 2022

Transactions and arrear balances outstanding at 31 March 2023 are as follows:

	2023 £'000
Rent charged during the year	4
Arrear balances outstanding at 31 March 2023	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

18. Related party transactions (continued)

Other related parties

Related party interests and transactions during the year are as follows:

	Paid in the year	Year end Balance
	£'000	£'000
2023		
Pensions Trust Scottish Housing Association Pension Scheme	(10)	-

All transactions were on commercial terms and at arm's length.

There were no other related party transactions during the year.

19. Cash Flow Analysis

Reconciliation of deficit to net cash inflow from operating activities

	2023 £'000	2022 £'000
Deficit for the financial year	(17,084)	(1,208)
Add loss on business combination	20,202	-
	<u>3,118</u>	<u>(1,208)</u>
Depreciation of property, plant and equipment	809	1,681
Decrease/ (increase) in trade and other receivables	787	(1,233)
Increase in trade payables	960	879
Pension costs less contributions payable	(10)	-
<i>Adjustments for investing or financing activities:</i>		
Loss on disposal of fixed assets	1	-
Government grants utilised in the year	(3,353)	(4,742)
Interest paid	436	875
Decrease in valuation of housing properties	-	5,547
Net cash generated from operating activities	<u>2,748</u>	<u>1,799</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023 (continued)

20. Ultimate parent organisation

WLHP is a wholly owned subsidiary undertaking of Wheatley Housing Group Limited, a company limited by guarantee and registered in Scotland.

The only group into which the results of WLHP are consolidated is Wheatley Housing Group Limited. The consolidated financial statements of Wheatley Housing Group Limited may be obtained from the registered office at Wheatley House, 25 Cochrane Street, Glasgow, G1 1HL.

INFORMATION

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