

**WEST WHITLAWBURN HOUSING
CO-OPERATIVE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2017**

Registered Housing Association No. C3841

Financial Conduct Authority No. 2308 R S

Charity No. SC038737

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

INDEX

Page	
1 - 6	Report of the Committee of Management
7	Statement of the Committee of Management's Responsibilities
8	Committee of Management's Statement on Internal Financial Controls
9	Report by the Independent Auditor to the Committee on Corporate Governance Matters
10	Report of the Independent Auditors
11	Statement of Comprehensive Income
12	Statement of Financial Position
13	Statement of Changes in Equity
14	Statement of Cash Flows
15 - 29	Notes to the Financial Statements

Registration information

Financial Conduct Authority

Co-operative and Community Benefit Societies Act 2014
Registered Number: 2308 R S

The Scottish Housing Regulator
Registered Number:

Housing (Scotland) Act 2014
C3841

Recognised Scottish Charity

Charities and Trustee Investment (Scotland) Act 2005
Charity Number: SC038737

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

YEAR ENDED 31ST MARCH 2017

The Committee of Management present their report and audited financial statements for the year ended 31st March 2017.

Principal activity

The principal activity of the Co-operative is the provision and management of housing accommodation for rent. This is achieved by acquiring properties in order that they can be refurbished and re-let as rented accommodation, funded by Social Housing Grant (SHG) provided for this purpose. The cost of developments not met by SHG is met by a mortgage secured on the properties, which is repaid by the net rental income receivable, derived from those properties.

Legal status

The Co-operative is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No 2308R(S). The Co-operative is constituted under its Rule Book. The Co-operative is a Registered Scottish Charity with the Charity Number SC038737.

Business review

The Co-operative made a surplus of £ 2,111,979 during the year (2016 - £584,471).

The Co-operative is in a strong financial position with over £2.280m deposited as cash funds, and could access loan facilities if required. The Co-operative continues to have a major repair investment programme and currently meets Scottish Housing Quality Standards and EEESH Regulations in all its properties. Cash surpluses will continue to be made, subject to our planned major repair programme over the next few years.

Members of Committee of Management

The members of the Committee of Management of the Co-operative during the year to 31st March 2017 were as follows:

. Susan Anderson	Chairperson
. Anne Anderson	Vice Chairperson
. Muriel Alcorn	Treasurer
. Cheryl Burnett	Secretary
. Helen Anderson	
. Elizabeth Kerr	
. Kirsty McElhom	
. Muriel M Alcorn	
. Louise Wilson	
. Andy Duffin	
William Glover	
June Smith	Resigned February 2017
Sheila Jamieson	Resigned March 2017

Each member of the Committee of Management holds one fully paid share of £1 in the Co-operative. The Executive Officers of the Co-operative hold no interest in the Co-operative's share capital and although not having the legal status of "director" they act as Executives within the authority delegated by the Committee.

Executive officers

The Executive Officers of the Co-operative during the year to 31st March 2017 was as follows:

. P Farrell	Director
. S Marshall	Depute Director
. L McVie	Assistant Director (Corporate Services)
. R Haughey	Assistant Director (Tenancy Services)
. G. Clayton	Assistant Director (Operations)
. S McPeake	Community Development Co-ordinator
. R Smith	Concierge Manager

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

YEAR ENDED 31ST MARCH 2017

Operational review

1 Corporate governance

West Whitlawburn has a Committee of Management who are elected by the members of the Co-operative. It is the responsibility of the Committee to undertake the strategy, setting of policy and overall direction for the Co-operative. They also monitor the operational activities of the Co-operative. The members of the Committee of Management are unpaid.

The Executive Team of West Whitlawburn (as listed overleaf) are responsible for achieving the strategy set and undertaking the operational activities in line with the policies set.

Our governing body is our Committee of Management, which is responsible to the wider membership. Committee of Management members serve in a voluntary capacity, and we recognise that this puts even more onus on us to ensure that we set and achieve high standards of professionalism in our work. We take governance very seriously, and in the last year we continued to build on work from previous years which strengthened our governance arrangements.

This report details issues that have arisen during the year relating to the main activities undertaken by the Co-operative.

2 Corporate issues

Tenant involvement and participation is a major part of the Co-operative's Aims and Objectives, and we continue to review how the Co-operative involves tenants in its activities.

The Co-operative is committed to involving staff in decision making and policy making. In the year just ended we have continued to improve the staff development system and internal management plan process.

Best use of resources

We regularly conduct risk assessments, and take any action necessary to reduce or limit risk. We have continued with a programme of major investment in our housing stock, which is by far our most costly asset. This includes both carrying out major repairs, and also considering whether any of our older schemes should be remodelled to meet the changing requirements of tenants in the future. We are updating our stock condition information, to ensure that our long-term financial planning reflects our future investment requirements. We have a programme of best value reviews, to look for efficiencies and economies in the way that we carry out business processes.

Services

We aim to deliver high quality services, and we set ourselves the goal of achieving continuous improvement in what we do.

Our rent arrears management is regularly reviewed, and we will continue to seek improvements in our rent collection methods. We continued to deliver many completed adaptations to existing properties, to meet the specific needs of our tenants.

3 Fixed asset issues

The year just completed has been steady. We have spent £41,755 (2016 - £52,114) during the year on kitchen and bathroom renewals and door replacements. The Community Heating project was completed during the year.

4 Housing issues

The Co-operative continues to work on reducing the period of time taken to re-let or let new properties and made significant progress with this during the year. This is to ensure that we maximise our effectiveness in housing people in need and reduce our costs. The rent loss due to empty properties was £14,048 (2016 - £28,145). Work is continuing to reduce this level of voids in future years.

5 Component accounting

West Whitlawburn adopted Component Accounting into its financial statements in compliance with the SORP 2014. Major Components (Note 1) of our buildings are identified and depreciated over specific economic life spans. Their replacement is then capitalised in the financial statements as they occur.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

YEAR ENDED 31ST MARCH 2017

6 Other areas

Risk management policy

The Committee have a formal risk management process in place to assess business risks and implement risk management strategies. This involves identifying the types of risks the Co-operative faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the Committee have reviewed the adequacy of the Co-operative's current internal controls.

Accordingly they have set policies on internal controls which cover the following:

- consideration of the type of risks the Co-operative faces.
- the level of risks which they regard as acceptable.
- the likelihood of the risks concerned materialising.
- the Co-operative's ability to reduce the incidence and impact on the business of risks that do materialise; and the costs of operating particular controls relative to the benefit obtained.
- clarified the responsibility of management to implement the Committee's policies and to identify and evaluate risks for their consideration.
- communicated that employees have responsibility for internal control as part of their accountability for achieving objectives.
- embedded the control system in the Co-operative's operations so that it becomes part of the culture of the Co-operative.
- developed systems to respond quickly to evolving risks arising from factors within the Co-operative to changes in the external environment.
- included procedures for reporting failings immediately to appropriate levels of management and the Committee together with details of corrective action being undertaken.

Maintenance policies

The Co-operative seeks to maintain its properties to the highest standard. To this end, programmes of cyclical repairs are carried out in the medium term to deal with the gradual and predictable deterioration of building components. It is expected that the cost of all these repairs would be charged to the Statement of Comprehensive Income.

In addition, the Co-operative has a long-term programme of major repairs to cover for works which have become necessary since the original developments were completed, including works required by subsequent legislative changes. This includes replacement or repairs to features of the properties, which have come to the end of their economic lives. In line with the SORP 2014, replacements to building components (as identified in Note 1) are capitalised in the financial statements as they occur. All other major repairs are charged to the Statement of Comprehensive Income.

Treasury management

The Co-operative has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Committee of Management. In this way the Co-operative manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst maximising the return on excess cash and liquid resources held.

Internal financial control

The Committee of Management is responsible for establishing and maintaining the Co-operative's system of internal control. Internal control systems are designed to meet the particular needs of the Co-operative and the risks to which it is exposed, and by their nature can provide reasonable but not absolute assurance against material misstatement or loss. The key procedures which the Committee of Management has established with a view to providing effective internal financial control are detailed on page eight.

Quality and integrity of personnel

The integrity and competence of personnel are ensured through high recruitment standards and subsequent training courses. High quality personnel are seen as an essential part of the control environment and the ethical standards expected are communicated through the Director.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

YEAR ENDED 31ST MARCH 2017

Management structure

The Committee of Management has overall responsibility for the Co-operative and there is a formal schedule of matters specifically reserved for decision by the Committee.

Budgetary process

Each year the Committee of Management approves the annual budget and rolling strategic plan. Key risk areas are identified. Performance is monitored and relevant action taken throughout the year through quarterly reporting to the Committee of variances from the budget, updated forecasts for the year together with information on the key risk areas. Approval procedures are in place in respect of major areas of risk such as major contract tenders, expenditure and treasury management.

Rental income

The Co-operative's Rent Policy is a points system based on the size, type and facilities of the accommodation. The policy ensures that the rent structure is easy to administer and covers the wide variations within the Co-operative's properties. This policy follows the generally accepted practice/principles of the Housing Movement.

Employee involvement and health & safety

The Co-operative encourages employee involvement in all major initiatives. The Co-operative's Health and Safety Systems are subject to regular external H & S audit and always achieves excellent outcomes at such audits. At its external Health and Safety Audit in February 2013 the Co-operative achieved 100% satisfaction across all areas of Health and Safety with no recommendations for improvement required. A subsequent Health and Safety Audit in 2015 also resulted in a very high pass success rate.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Co-operative may continue. It is the policy of the Co-operative that training, career development and promotion opportunities should be available to all employees.

Credit payment policy

The Co-operative's policy concerning the payment of its trade creditors complies with the Confederation of British Industry guidelines. The average payment period is thirty days.

Whitcomm Co-operative Ltd

West Whitlawburn Housing Co-operative (WWHC) established Whitcomm Co-operative Ltd in 2009 as a wholly separate private limited company to further its charitable aims as well as WWHC's organisational objectives for its tenants in WWHC homes. Through a close working relationship and support WWHC has acted as a business incubator for Whitcomm Co-operative Ltd. WWHC has one official appointee on the board of directors of Whitcomm Co-operative Ltd however both organisations have a number of other shared committee members.

WWHC worked with the local community to develop Whitcomm Co-operative Ltd. WWHC has installed a fibre optic infrastructure as part of the 100 home New Build development previously undertaken. The fibre optic infrastructure makes the neighbourhood the first Fibre to the Home project in Scotland and the largest in the UK.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

YEAR ENDED 31ST MARCH 2017

Whitcomm Co-operative Ltd

In addition to the infrastructure Whitcomm Co-operative Ltd provides phone and broadband services to New Build tenants at a lower rate than can be found with commercial providers.

This will meet the following objectives:

- **Reduce digital exclusion in West Whitlawburn**
By providing low cost access to the internet through access to high speed next generation broadband Whitcomm supports the community to become more proficient at using ICT technology.
- **Reduce financial exclusion in West Whitlawburn**
Cheaper broadband services help those on lower incomes. Furthermore, by increasing access to financial advice and advocacy, financial services and cheaper consumer goods over the internet, Whitcomm Co-operative is helping those on lower incomes make their money stretch further.

Social accounts

West Whitlawburn Housing Co-operative completed its first set of social accounts covering the 2007-2008 periods.

Social accounting has provided West Whitlawburn Housing Co-operative with an opportunity to counter a central and significant problem; that much of the Co-operative's work is undervalued and goes largely unrecognised externally as conventional reporting frameworks almost exclusively rely on conventional currency measures. Social Accounts measure the Social, Economic and Environmental impact that the Co-operative has on the local community and insure that the Co-operative is accountable to its stakeholders. The Social Accounts process has also proven to be an invaluable planning and internal management tool.

Pension fund

West Whitlawburn Housing Co-operative is participating in, and taking a lead role in the Committee of, the SHAPS Employers Group which is a group set up by Employers in Voluntary Housing in conjunction with The Glasgow West of Scotland Forum and the Scottish Federation of Housing Associations. This will keep the Co-operative abreast of all developments in the financial environment and pensions industry which could impact on their pension scheme.

Going concern

The Committee of Management has reviewed the results for this year and has also reviewed the projections for the next five years. It, therefore, has a reasonable expectation that the Co-operative 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.

Future developments

The Co-operative will continue with its policy of improving the quality of the housing within its area of operation and continue to examine any opportunities which may arise for future development.

The Co-operative is planning a programme of Lift Refurbishment during the forthcoming financial year.

The Co-operative currently meets all its obligations in relation to SHQS and EEESH requirements.

Statement as to disclosure of information to auditors

So far as the Committee members are aware, there is no relevant audit information of which the Co-operative's auditors are unaware and the Committee members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Co-operative's auditors are aware of that information.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT

YEAR ENDED 31ST MARCH 2017

Auditors

A resolution to re-appoint the auditors, Armstrongs, will be proposed at the Annual General Meeting.

On behalf of the Committee of Management



Secretary

57 Belmont Road
Whitlawburn
Cambuslang
G72 8PG

Date : 21 / 05 / 2017

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED
STATEMENT OF THE COMMITTEE OF MANAGEMENT'S RESPONSIBILITIES
YEAR ENDED 31ST MARCH 2017

The Committee of Management is responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The Co-operative and Community Benefit Societies Act 2014 require the Committee of Management to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Co-operative and of the income and expenditure of the Co-operative for the year ended on that date. In preparing those financial statements the Committee of Management are required to:

- select suitable accounting policies and apply them consistently;
- make judgements 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 Co-operative will continue in business.
- prepare a statement on internal financial control

The Committee of Management is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Co-operative and to enable them to ensure that the financial statements comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2014. It is also responsible for safeguarding the assets of the Co-operative and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

COMMITTEE OF MANAGEMENT'S STATEMENT ON INTERNAL FINANCIAL CONTROL

YEAR ENDED 31ST MARCH 2017

The Committee of Management acknowledge their ultimate responsibility for ensuring that the Co-operative has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- . the reliability of financial information used within the Co-operative or for publication;
- . the maintenance of proper accounting records; and
- . the safeguarding of assets (against unauthorised use or disposition).

It is the Committee of Management'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 include ensuring that:

- . formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restricts the unauthorised use of the Co-operative's assets.
- . experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance.
- . forecasts and budgets are prepared regularly which allow the Committee of Management and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term.
- . regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets being investigated as appropriate.
- . Regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- . all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Committee of Management members and others.
- . the Committee of Management review reports from management, from directors, staff and from the external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the Co-operative.
- . formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Committee of Management have reviewed the system of internal financial control in existence in the Co-operative for the year ended 31st March 2017 and until the below date. No weaknesses were found in internal financial controls which could result in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the Auditor's Report on the financial statements.

By order of the Committee of Management



Secretary

Date : 21/08/2017

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED
REPORT BY THE INDEPENDENT AUDITOR TO THE COMMITTEE
ON CORPORATE GOVERNANCE MATTERS
YEAR ENDED 31ST MARCH 2017

Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Committee's statement on page eight concerning the Co-operative's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within 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 to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Co-operative'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 eight has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued 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 Committee members, directors and officers of the Co-operative, and examination of relevant documents, we have satisfied ourselves that the Committee's Statement on Internal Financial Control appropriately reflects the Co-operative's compliance with the information required by the Regulatory Standards contained within the publication "Our Regulatory Framework" and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.



Adam Armstrong, LLB, CA, (Senior Statutory Auditor),
for and on behalf of Armstrongs,
Statutory Auditor,
Chartered Accountants,
Victoria Chambers,
142, West Nile Street,
Glasgow,
G1 2RQ.

Date: 21st August 2017

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED**

We have audited the financial statements of West Whitlawburn Housing Co-operative Limited for the year ended 31st March 2017 which comprise a Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

This report is made solely to the Co-operative'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 Co-operative's members those matters we are required to state to them in an auditor's 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 Co-operative and the Co-operative's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Committee and Auditor

As explained more fully in the Committee's Responsibilities Statement set out on page seven, the Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices' Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Co-operative's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Committee of Management to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Co-operative's affairs as at 31st March 2017 and of its profit for the year then ended; and
- have been properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, Schedule 7 of the Housing (Scotland) Act 2014, and the Determination of Accounting Requirements 2014.

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 information given in the Report of the Committee of Management is inconsistent in any material respect with the financial statements; or
- the Co-operative has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we require for our audit.



Adam Armstrong, LLB, CA, (Senior Statutory Auditor),
for and on behalf of Armstrongs,
Statutory Auditor,
Chartered Accountants,
Victoria Chambers,
142 West Nile Street,
Glasgow,
G1 2RQ.

Date: 21st August 2017

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST MARCH 2017

	Notes	2017	2016
		£	£
Turnover	2	5,049,720	4,072,760
Operating costs	2	3,755,103	3,277,352
Operating surplus		<u>1,294,617</u>	<u>795,408</u>
Interest receivable and other income		5,640	6,928
Interest payable and similar charges		(146,089)	(178,066)
Other finance charges	10	(75,189)	(39,799)
Surplus before tax		<u>1,078,979</u>	<u>584,471</u>
Other comprehensive income		-	-
Remeasurement - amendments to contribution schedule		1,033,000	-
Total comprehensive income for the year		<u><u>2,111,979</u></u>	<u><u>584,471</u></u>

The results for the year relate wholly to continuing activities.

There are no recognised gains and losses in 2017 and 2016 other than the surplus for the year.

The notes form part of these financial statements.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED


STATEMENT OF FINANCIAL POSITION

AS AT 31ST MARCH 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets - social housing	5	37,708,485	34,460,537
Other tangible assets - property, plant and equipment	5	3,027,314	6,381,825
		<u>40,735,799</u>	<u>40,842,362</u>
Current assets			
Debtors	6	443,900	670,244
Cash and cash equivalents		2,280,021	3,352,009
		<u>2,723,921</u>	<u>4,022,253</u>
Less: Creditors falling due within one year	7	(1,330,922)	(2,272,172)
Net Current assets		<u>1,392,999</u>	<u>1,750,081</u>
Total assets less current liabilities		42,128,798	42,592,443
Creditors : amounts falling due after more than one year	8	(4,527,560)	(5,542,110)
Deferred income			
Deferred capital grants - social housing grants	9	(30,241,963)	(29,350,967)
Other fixed asset grants	9	(3,054,282)	(5,506,350)
		<u>(33,296,245)</u>	<u>(34,857,317)</u>
Net assets		<u>4,304,993</u>	<u>2,193,016</u>
Equity			
Share capital	15	692	694
Revenue reserves	16	4,304,301	2,192,322
		<u>4,304,993</u>	<u>2,193,016</u>

The financial statements were approved and authorised for issue by the Committee of Management on 21/05/17 and signed on its behalf by:-

Secretary 

Member 

Member 

The notes form part of these financial statements.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST MARCH 2017

	Share Capital £	Revenue Reserve £	Total £
Balance as at 1st April 2016	694	2,192,322	2,193,016
Issue of shares	71	-	71
Cancellation of shares	(73)	-	(73)
Transfer to designated reserve	-	-	-
Transfer from designated reserve	-	-	-
Surplus for year	-	2,111,979	2,111,979
Balance as at 31st March 2017	<u>692</u>	<u>4,304,301</u>	<u>4,304,993</u>

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31ST MARCH 2017

	Notes	2017 £	2016 £
Net cash inflow from operating activities	1	<u>1,225,849</u>	<u>851,591</u>
Cash flow from investing activities			
Payments to acquire and develop housing properties		(2,373,386)	(52,114)
Payments to acquire other fixed assets		(10,385)	(652,157)
Grants received		24,583	496,461
Interest received		5,640	6,928
Loan received		372,740	-
		<u>(1,980,808)</u>	<u>(200,882)</u>
Cash flow from financing activities			
Interest paid		(146,089)	(178,066)
Repayment of borrowings		(171,011)	(285,710)
Issue of share capital		71	69
		<u>(317,029)</u>	<u>(463,707)</u>
Net change in cash and cash equivalents		(1,071,988)	187,002
Cash and cash equivalents at the beginning of the year		3,352,009	3,165,007
Cash and cash equivalents at the end of the year		<u>2,280,021</u>	<u>3,352,009</u>

Notes

	2017 £	2016 £
1 Surplus for the year	2,111,979	584,471
Adjustments for non cash items		
Depreciation of tangible fixed assets	1,102,974	936,034
Decrease/(increase) in trade and other debtors	201,761	(87,193)
Decrease/(increase) in trade and other creditors	46,751	(25,658)
Pension	(1,136,202)	84,799
Share capital written off	(73)	(63)
Carrying value of tangible fixed asset disposals	319,282	11,240
Amortisation of grants	(1,561,072)	(823,177)
Adjustments for investing or financing activities		
Interest received	(5,640)	(6,928)
Interest paid	146,089	178,066
	<u>1,225,849</u>	<u>851,591</u>

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

1. Principal accounting policies

Basis of accounting

The financial statements have been prepared in accordance with FRS 102 as issued by the Financial Reporting Council and comply with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014, the Determination of Accounting Requirements 2014 issued by the Scottish Housing Regulator and the Statement of Recommended Practice (SORP) Accounting for social housing providers issued in 2014.

West Whitlawburn Housing Co-operative Limited is a public benefit entity (PBE).

Changes to accounting policy

Where any new policy is thought to be more appropriate, this amendment will be made and noted below where it has material and fundamental impact.

Social Housing Grants

Social Housing Grants are utilised to reduce the amount of mortgage loans in respect of an approved scheme to the amount which it is estimated can be serviced by the net annual income of the scheme. The amount of SHG is calculated on the qualifying cost of the scheme.

SHG is repayable under certain circumstances, primarily following the sale of property, but will normally be restricted to net proceeds of sale.

Acquisition and Development Allowances are advanced as grants. They are intended to finance certain internal administration costs relating to the acquisition of schemes. Development allowances become available in instalments according to the progress of work on the scheme.

Finance

The financial statements have been prepared on the basis that capital expenditure will be grant aided, funded by loans, met out of reserves or from proceeds of sales.

Mortgages

Mortgage loans are advanced by private lenders under the terms of the individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval for SHG.

Fixed assets - housing land and buildings

Housing land and buildings are stated at cost. The development cost of housing properties funded with SHG includes the following:-

- i. Cost of acquiring land and buildings.
- ii. Development expenditure.
- iii. Interest charged on the loans during the development year of the scheme to the date of completion.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

1. Principal accounting policies (continued)

Works to existing properties

Works to existing properties will generally be capitalised under the following circumstances:

- i. Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life is replaced or restored; or
- ii. Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

Works to existing properties, which fail to meet the above criteria, are charged to the Statement of Comprehensive Income.

Housing, land and buildings - depreciation

Housing properties are stated at cost, less accumulated depreciation.

Depreciation is charged on a straight line basis over the expected economic useful lives of each major component that makes up the housing property as follows:

Land	Not depreciated
Structure	Over 60 years
Doors	Over 30 years
Windows	Over 30 years
Heating	Over 30 years
Bathroom	Over 30 years
Kitchen	Over 15 years
Lift	Over 30 years

Other fixed assets

Depreciation is charged by equal annual instalments at rates estimated to write off costs less any residual value over expected useful lives.

Office fixtures, fittings & equipment	- 25%	
Office accommodation	- 4%	and various rates between 10 and 30 years
Plant & machinery	-	various rates between 10 and 30 years

Impairment of fixed assets

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income-generating unit is recognised by a charge to the Statement of Comprehensive Income. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units.

Impairment of assets would be recognised in the Statement of Comprehensive Income.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

1. Principal accounting policies (continued)

Pensions

The Co-operative participates in the centralised Scottish Housing Associations Pension Scheme (SHAPS). Defined Benefits Pension Scheme and retirement benefits to employees of the Co-operative 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. In accordance with FRS 102 the payments in respect of the past service deficit plan have been discounted and recognised as a provision within the financial statements.

Lease obligations

Rentals paid under operating leases are charged to the Statement of Comprehensive Income as they are incurred.

Turnover

Turnover represents rental income receivable from tenants, development administration, and other income together with revenue grants from the Scottish Government, local authorities and other organisations.

Apportionment of management expenses

Direct employee administration and operating costs have been apportioned to the Statement of Comprehensive Income on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealing with in those accounts.

Estimation uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Committee of Management to exercise judgement in applying West Whitlawburn Housing Co-operative Limited'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 Co-operative 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 Co-operative estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

The categorisation of housing properties

In the judgement of the Committee of Management the entirety of the Co-operative's housing stock is held for social benefit and is therefore classified as property, plant and equipment in accordance with FRS 102.

Identification of cash generating units

The Co-operative considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.

Financial instruments - basic

The Co-operative recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard.

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

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

2. Particulars of turnover, cost of sales, operating costs and operating surpluses / (deficits)

Income and expenditure from lettings	Notes	Turnover £	2017 Operating costs £	Operating surplus / (deficit) £
Social lettings	3a	4,489,446	3,481,426	1,008,020
Other activities	3b	560,274	273,677	286,597
Total		<u>5,049,720</u>	<u>3,755,103</u>	<u>1,294,617</u>
		Turnover £	2016 Operating costs £	Operating surplus / (deficit) £
Social lettings	3a	3,724,588	3,049,349	675,239
Other activities	3b	348,172	228,003	120,169
Total		<u>4,072,760</u>	<u>3,277,352</u>	<u>795,408</u>

3a. Particulars of turnover, operating costs and operating surplus from social letting activities

	2017 £	2016 £
Income from letting		
Rent receivable net of service charges	2,942,421	2,929,556
Service charges	-	-
Gross income from rents and service charges	<u>2,942,421</u>	<u>2,929,556</u>
Less: Rent losses from voids	(14,048)	(28,145)
Net income from rents and service charges	2,928,373	2,901,411
Release of deferred capital grant	1,561,073	823,177
Total turnover from social letting activities	<u>4,489,446</u>	<u>3,724,588</u>
Expenditure on lettings		
Service charges	61,463	60,292
Management and maintenance administration costs	1,452,095	1,388,584
Reactive maintenance	475,459	525,921
Planned and cyclical maintenance including major repairs	108,641	127,960
Depreciation of social housing	1,027,767	930,919
Bad debts - rents and service charges	36,718	15,673
Loss (gain) on disposals	319,283	-
Total expenditure on lettings	<u>3,481,426</u>	<u>3,049,349</u>
Operating surplus for social lettings	<u>1,008,020</u>	<u>675,239</u>

The amount of service charges receivable on housing accommodation not eligible for Housing Benefit was £Nil (2016 - £Nil).

All of the above relate solely to general needs housing.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

3b. Particulars of turnover, operating costs and operating surpluses or deficit from other activities

	Grants from Scottish Ministers £	Other Revenue Grants £	Supporting People Income £	Other Income £	Total Turnover £	Operating Costs- Bad Debts £	Other Operating Costs £	Operating Surplus/ Deficit for 2017 £	Operating Surplus/ Deficit for 2016 £
Wider action/wider role	-	-	-	-	-	-	-	-	-
Care and repair	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development activities	26,000	-	-	-	26,000	-	22,133	3,867	(10,544)
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency/management services for registered social landlords	-	-	-	-	-	-	-	-	-
Community heating project	-	-	-	133,316	133,316	-	206,544	(73,228)	162,737
Developments and improvements for sale	-	-	-	-	-	-	-	-	-
Contractors Settlement	-	-	-	388,514	388,514	-	-	388,514	-
Regeneration activities	-	-	-	-	-	-	45,000	(45,000)	(45,000)
Other activities	-	-	-	12,444	12,444	-	-	12,444	12,976
Total from Other Activities 2017	26,000	-	-	534,274	560,274	-	273,677	286,597	
Total from Other Activities 2016	348,172	-	-	-	348,172	-	228,003		120,169

Other activities income relates to community heating project compensation and to the rental of roof space to Telefonica and GVA.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

4. Tax on profit on ordinary activities

West Whitlawburn Housing Co-operative Limited was granted charitable status on 30th October 2007 and as a result is not subject to corporation tax on its activities.

5. Tangible fixed assets

	Housing Properties Held for Letting £	Energy Project Under Construction £	Plant and Machinery £	Office Premises/ Community Centre £	Furniture & Equipment £	Total £
Cost						
As at 01.04.16	51,279,733	6,351,726	-	330,652	381,126	58,343,237
Additions during year	4,594,997	(6,351,726)	2,541,076	520,961	10,385	1,315,693
Disposals	(902,821)	-	-	-	(2,500)	(905,321)
As at 31.03.17	<u>54,971,909</u>	<u>-</u>	<u>2,541,076</u>	<u>851,613</u>	<u>389,011</u>	<u>58,753,609</u>
Depreciation						
As at 01.04.16	16,819,196	-	-	304,278	377,401	17,500,875
Provided during year	1,027,767	-	53,371	20,146	1,690	1,102,974
Eliminated on disposal	(583,539)	-	-	-	(2,500)	(586,039)
As at 31.03.17	<u>17,263,424</u>	<u>-</u>	<u>53,371</u>	<u>324,424</u>	<u>376,591</u>	<u>18,017,810</u>
Net book value at 31.03.17	<u>37,708,485</u>	<u>-</u>	<u>2,487,705</u>	<u>527,189</u>	<u>12,420</u>	<u>40,735,799</u>
Net book value at 31.03.16	<u>34,460,537</u>	<u>6,351,726</u>	<u>-</u>	<u>26,374</u>	<u>3,725</u>	<u>40,842,362</u>

Total major repairs costs during the year were £4,594,997 (2016: £52,114) of which £4,594,997 (2016: £52,114) was capitalised. Of the amount capitalised £4,594,997 (2016: £52,114) related to replacement of components and £Nil (2016: £Nil) related to improvements.

None of the Co-operative's land or letting properties is held under a lease.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

6. Trade and other receivables

	2017	2016
	£	£
Rent arrears	253,392	221,417
Less: Bad debt provision	(85,000)	(85,000)
	<u>168,392</u>	<u>136,417</u>
 Housing benefit receivable	 127,178	 130,026
Other debtors and prepayments	109,958	362,166
Amounts due from Whitcomm	38,372	39,820
Amounts due from WCRC	-	1,815
	<u>443,900</u>	<u>670,244</u>

Included within other debtors is a balance of £38,372 (2016 - £39,820) which is regarded as due after one year.

7. Creditors - Amounts falling due within one year

	2017	2016
	£	£
Loans (note 8)	238,538	165,517
Rent in advance	157,880	150,134
Pension deficit	190,396	183,340
Trade creditors	295,292	506,806
Other tax and social security	38,339	-
Other creditors and accruals	408,204	1,266,375
Amount due to WCRC	2,273	-
	<u>1,330,922</u>	<u>2,272,172</u>

8. Creditors - Amounts falling due after more than one year

	2017	2016
	£	£
Pension creditor	781,236	1,924,494
Housing loans	<u>3,746,324</u>	<u>3,617,616</u>
	<u>4,527,560</u>	<u>5,542,110</u>

a) The Co-operative Bank

Position as at 31st March 2017

Start Date	1 st September 2009
Period of loan	20 years *
Rate of interest	Fixed Rate 2.72%
Number of properties held as security	100

The term of the Loan is twenty years, however the repayments are structured over a 25 year repayment profile so that there will be a residual balance upon expiry of the Loan term. This residual balance will be due in full upon expiry of the loan although, ahead of expiry, we will be invited to discuss structuring repayment of this residual balance over a further term.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

8. Creditors - Amounts falling due after more than one year (continued)

b) Energy Savings Trust

Start Date	July 2013
Maturity Date	June 2028 *
Rate of interest	3.5%
Number of properties held as security	Nil

* This loan was originally a 10 year loan but in March 2016 we negotiated an extension of the loan repayment schedule to a 15 year period at the same interest rate.

	2017	2016
	£	£
Between one and two years	235,240	167,931
Between two and five years	721,876	519,152
In five years or more	2,789,208	2,930,533
	<u>3,746,324</u>	<u>3,617,616</u>

9. Deferred Capital Grants

	2017	2016
	£	£
Social Housing Grants		
Balance as at 1 st April 2016	29,350,967	30,167,744
Amortisation in year	(1,442,812)	(816,777)
Additions during the year	<u>2,333,808</u>	
Balance as at 31 st March 2017	<u>30,241,963</u>	<u>29,350,967</u>
Other Fixed Asset Grants		
Balance as at 1 st April 2016	5,506,350	5,538,286
Transfer in year	(2,333,808)	(25,536)
Amortisation in year	(118,260)	(6,400)
Balance as at 31 st March 2017	<u>3,054,282</u>	<u>5,506,350</u>
Total	<u>33,296,245</u>	<u>34,857,317</u>

This is expected to be released to the Statement of Comprehensive Income in the following year.

	2017	2016
	£	£
Amounts due within one year	969,975	823,177
Amounts due in one year or more	32,326,270	34,034,140
Balance as at 31 st March 2017	<u>33,296,245</u>	<u>34,857,317</u>

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

10. Other finance income / charges

	2017	2016
	£	£
Unwinding of discounted liabilities and remeasurement	<u>(75,189)</u>	<u>(39,799)</u>

11. Directors Emoluments

The Directors are defined as the members of the Committee of Management, the Chief Executive Officer and any other person reporting directly to the Directors or the Committee of Management whose total emoluments exceed £60,000 per annum.

None of the Committee Members received any remuneration during the year.

	Number of officers	2017 £	Number of officers	2016 £
Total emoluments (including pension contributions and benefits in kind)				
£60,000 to £69,999	<u>2</u>	<u>128,777</u>	<u>2</u>	<u>127,500</u>
Total emoluments (excluding pension contributions) to the highest paid Director		<u>60,503</u>		<u>59,902</u>
Total Remuneration paid to key management personnel		<u>336,413</u>		<u>329,957</u>
Total emoluments (excluding pension contributions) to the Chairperson amounted to		<u>Nil</u>		<u>Nil</u>
Pension contribution payable to Officers in excess of £60,000 salary	<u>2</u>	<u>14,105</u>	<u>2</u>	<u>13,964</u>
Total expenses reimbursed to the Board in so far as not chargeable to United Kingdom income tax		<u>Nil</u>		<u>Nil</u>

12. Employee information

	2017 £	2016 £
Staff costs during year:		
Wages and salaries	952,084	939,042
Social security costs	85,962	74,934
Pension costs	323,255	297,639
	<u>1,361,301</u>	<u>1,311,615</u>

The average full time equivalent number of persons employed by the Co-operative during the year were as follows :-

Office	19.9	18.7
Concierge	<u>13.0</u>	<u>13.0</u>
	<u>32.9</u>	<u>31.7</u>

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

13. Surplus/Deficit on Ordinary Activities

	2017	2016
	£	£
Surplus/Deficit on ordinary activities is stated after charging:-		
Depreciation of tangible fixed assets - housing properties (including accelerated depreciation of £11,240 on component replacement)	1,027,767	930,919
Other fixed assets	75,207	16,355
Amortisation of Housing Association Grants	1,442,813	816,777
Amortisation of other grants	118,260	6,400
Bad debts written off	36,718	15,673
Auditor remuneration (inclusive of VAT)	11,654	8,280
Other remuneration in respect of other services	<u>-</u>	<u>-</u>

14. Reconciliation of funds

	2017	2016
	£	£
At 01.04.16	2,193,016	1,608,539
Surplus (deficit) for year	2,111,979	584,471
New shares issued	71	69
Shares cancelled	(73)	(63)
Net change in funds	<u>2,111,977</u>	<u>584,477</u>
At 31.03.17	<u>4,304,993</u>	<u>2,193,016</u>

15. Share capital

	2017	2016
	£	£
Shares of £1 each fully paid and issued		
Allotted, issued and fully paid at 01.04.16	694	688
Shares issued at par during the year	<u>71</u>	<u>69</u>
	765	757
Shares forfeited	(73)	(63)
At 31.03.17	<u>692</u>	<u>694</u>

Each member of the Co-operative holds one share of £1 in the Co-operative. These shares carry no rights to dividends or distributions on a winding up. Each member has a right to vote at member's meetings.

16. Revenue reserve

	2017	2016
	£	£
At 01.04.16	2,192,322	1,607,851
Transfer of designated reserve	-	-
Surplus for the year	<u>2,111,979</u>	<u>584,471</u>
At 31.03.17	<u>4,304,301</u>	<u>2,192,322</u>

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

17. Pension fund

Scheme: The Pensions Trust Retirement Solutions - Scottish Housing Associations' Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 155 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30th 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 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.

A full actuarial valuation for the scheme was carried out at 30th September 2015. This actuarial valuation showed assets of £616m, liabilities of £814m and a deficit of £198m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2017 to 28 February 2022:	£25,735,092 per annum (payable monthly, increasing by 3% each on 1 st April)
From 1 April 2017 to 30 June 2025:	£ 727,217 per annum (payable monthly, increasing by 3% each on 1 st April)
From 1 April 2017 to 31 October 2026:	£1,239,033 per annum (payable monthly, increasing by 3% each on 1 st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

17. Pension fund (continued)

Present values of provision	31 March 2017	31 March 2016	31 March 2015
	£	£	£
Present value Pension Trust	968,000	2,105,000	2,239,000
Present value Growth Trust	3,632	3,835	3,452
	<u>971,632</u>	<u>2,108,835</u>	<u>2,242,452</u>

Reconciliation of opening and closing provisions

	Period Ending 31 March 2017	Period Ending 31 March 2016
	£	£
Provision at start period	2,105,000	2,239,000
Unwinding of the discount factor (interest expense)	46,000	47,000
Deficit contribution paid	(178,000)	(173,000)
Remeasurements - impact of any change in assumptions	28,000	(8,000)
Remeasurements - amendments to the contribution schedule	(1,033,000)	-
Provision at end of period	<u>968,000</u>	<u>2,105,000</u>

Income and expenditure impact

	Period Ending 31 March 2017	Period Ending 31 March 2016
	£	£
Interest expense	46,000	47,000
Remeasurements - impact of any change in assumptions	28,000	(8,000)
Remeasurements - amendments to the contribution schedule	(1,033,000)	-
Contribution paid in respect of future service*		
Costs recognised in income and expenditure account		

* includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

Assumptions

	31 March 2017	31 March 2016	31 March 2015
	% per annum	% per annum	% per annum
Rate of discount	1.06	2.29	2.22
Rate of discount - Growth Plan	1.32	2.07	1.74

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

17. Pension fund (continued)

The company participates in the Pensions Trust's Growth Plan, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30th 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 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 meeting their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30th September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum
(payable monthly and increasing by 3% each on 1st April)

From 1 April 2016 to 30 September 2028: £54,560 per annum
(payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision	31 March 2017 £	31 March 2016 £	31 March 2015 £
Present value of provision	<u>3,632</u>	<u>3,835</u>	<u>3,452</u>

Reconciliation of opening and closing provisions

	Period Ending 31 March 2017 £	Period Ending 31 March 2016 £
Provision at start period	3,835	3,452
Unwinding of the discount factor (interest expense)	76	56
Deficit contribution paid	(392)	(416)
Remeasurements - impact of any change in assumptions	113	(60)
Remeasurements - amendments to the contribution schedule	-	803
Provision at end of period	<u>3,632</u>	<u>3,835</u>

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

17. Pension fund (continued)

Income and expenditure impact	Period Ending 31 March 2017 £	Period Ending 31 March 2016 £
Interest expense	76	56
Remeasurements - impact of any change in assumptions	113	(60)
Remeasurements - amendments to the contribution schedule	-	803
Contribution paid in respect of future service*		
Costs recognised in income and expenditure account		

* includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

Assumptions

	31 March 2017 % per annum	31 March 2016 % per annum	31 March 2015 % per annum
Rate of discount	1.32	2.07	1.74

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

18. Capital commitments

The Co-operative had no capital commitments at 31st March 2017 (2016 - £Nil).

19. Housing stock

The number of units in Management at 31st March was as follows:-

	2017	2016
General needs	644	644
Supported	-	-
Shared ownership	-	-
	<u>644</u>	<u>644</u>

20. Related parties

Members of the Committee of Management are related parties of the Co-operative as defined by Financial Reporting Standard 102.

All members of the Committee of Management are tenants of the Co-operative. The transactions with the Co-operative are all done on standard terms, as applicable to all tenants. Transactions with governing members (and their close family) were as follows:-

Gross rents charged to governing members and close family £63,635.

At the year end, total rent advances by tenant members of the Committee were £2,111 and the total arrears were £1,292.

Repairs were £3,699.

Internet line rental costs were £672.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2017

20. Related parties (continued)

West Whitlawburn Housing Co-operative Limited (WWHC) works in partnership with Whitlawburn Community Resource Centre (WCRC) and co-operates in the pursuit of its charitable objectives. During the year WWHC donated £45,000 (2016: £45,000) to support WCRC in the provision of Whitlawburn Community Regeneration. During the period WWHC made a donation of £45,000 (2016: £45,000). At 31st March 2017 the amount owed to WWHC was (£2,273) (2016: £1,815).

There is also a related company called Whitcomm Co-operative Limited, a company limited by guarantee, that has been set up to provide low cost telecommunications to encourage social inclusion. At 31st March 2017 the amount owed to WWHC was £38,372 (2016: £39,820).

21. Leasing commitments

At 31st March the Co-operative had the following annual operating lease commitments for the year ending 31st March 2017 and beyond.

	2017 Equipment £	2016 Equipment £
Operating leases which expire:		
Within one year	39	-
Within two to five years	868	1,671
After more than five years	141,916	136,800
	<u>142,823</u>	<u>138,471</u>

22. Contingent liability

Other

In the year to 31st March 2005 the Co-operative was informed by Communities Scotland that development allowances in the prior year of £200,000 had been overpaid.

The Co-operative does not accept the validity of the claim and will contest any action for repayment.

Negotiations are still ongoing and the outcome cannot yet be determined.

Housing Association Grant allocated to components (as detailed in Note 1) that have subsequently been replaced by the Co-operative are recognised in the Statement of Comprehensive Income, with the cost of the replacement and any additional funding for this replacement being capitalised. The recycled grant recognised in the Statement of Comprehensive Income at 31st March 2017 was £Nil (2016: £Nil).

23. Grants received - Scottish Government - People in Communities Funding

The Co-operative gratefully acknowledges the award and receipt of grant from the People in Communities fund totalling £42,615. This amount was expended in terms of the offer of the grant.