

Registered Housing Association No. C3841
Financial Conduct Authority 2308 RS
Charity No. SC038737

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

ANNUAL REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2020

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2020

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WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2020

The Management Committee presents its report and audited financial statements for the year ended 31 March 2020.

Legal status

The Co-operative is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 registered with the Financial Conduct Authority 2308R(S), and a Registered Charity No. SCO38737. The Co-operative is registered with the Scottish Housing Regulator C3841. The Co-operative is governed under its Rules.

Principal activity

The principal activity of the Co-operative is the provision and management of housing accommodation for rent. The Co-operative's overall strategy focuses on providing high quality housing and services for people in housing need and for our members/tenants. The Co-operative aims to improve the quality of life and serve the needs of our tenants by addressing social and economic inequalities and exclusion and supporting West Whitlawburn in being a strong, stable community.

Business review

The Co-operative made a surplus of £555,915 during the year (2019 – deficit £453,545).

The Co-operative has continued to perform efficiently and achieve good performance standards during the year.

- 96% (including allowable exceptions) of properties met the SHQS and we are on target for this to increase to 99% in the coming year
- 100% of our properties meet the Energy Efficiency Standard for Social Housing (ESSH) 2020 standard
- Insulation upgrade contract in multi-storey flats and low rise flats commenced but was paused due to Covid 19 and we are on target to complete this in 2020
- Investment of £218,884 during the year on renewals of components including kitchens, bathrooms, and door replacements in line with the Asset Management strategy
- A continuing annual programme of Committee appraisals and training to ensure continued good governance
- We completed a stock condition survey to ensure that our long-term financial planning reflects our future investment requirements.
- We continued to deliver adaptations to existing properties to meet the specific needs of our tenants.

The Co-operative carried out a tenant satisfaction survey which demonstrated high levels of satisfaction. Key findings were:

- Overall satisfaction with the Co-operative as a landlord is high with 95.8% of tenants being either very or fairly satisfied.
- 97.3% of tenants think the Co-operative is very or fairly good at keeping them informed.
- 95% of tenants who had repairs or maintenance carried out during the year were satisfied with the service they received.
- 82.7% of tenants said their rent represents value for money.
- 92.3% of tenants were satisfied with the Co-operative's contribution to the management of the neighbourhood and
- 90.8% of tenants were Very or fairly satisfied with opportunities to participate in the Co-operative's decision making processes.

Our performance in the management and maintenance of our stock continues to be good.

The Co-operative continues to deal with the many difficulties presented by the introduction of Universal Credit. Increasing numbers of tenants have moved to be in receipt of Universal Credit which continues to impact on the rent arrears level with a gross arrears percentage of 9.2% for the year. There was no bad debt write off in 2019/20 due to the cancellation of the March 2020 Management Committee meeting as a result of the Covid 2019 lockdown. Our Housing Management team have continued to support tenants affected and work to mitigate the financial impact on tenants and organisational income levels remains a priority.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2020

There was rent loss through voids of 0.75% of the rent due for the year. We continue to provide a responsive repair service and invest in our cyclical and planned maintenance programmes.

Members of Management Committee

The members of the Management Committee of the Co-operative during the year to 31 March 2020 were as follows:

Anne Anderson	- Chairperson
Susan Anderson	- Vice Chair
Muriel Alcorn	- Treasurer
Andrew Duffin	- Secretary
Cheryl Burnett	
Elizabeth Kerr	
Helen Anderson	
Muriel M Alcorn	
Walter McLellan	(Resigned 23.04.2019)
William Glover	(Resigned 23.04.2019)
Bridget McNicol	(Elected 16.09.2019)
Phil Welsh	(Elected 16.09.2019)
Douglas Murphy	(Elected 16.09.2019)
Louise Wilson	(Elected 16.09.2019)

Each member of the Management Committee 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 31 March 2020 were as follows:

P Farrell	- Director
S Marshall	- Depute Director
L McVie	- Assistant Director (Corporate Services) Retired 30.06.2019
M Gladstone	- Assistant Director (Corporate Services) Appointed 01.06.2019
R Haughey	- Assistant Director (Tenancy Services)
G Clayton	- Assistant Director (Property Services)
S McPeake	- Community Development Co-ordinator (Part-time)
R Smith	- Concierge Manager

Registered office: Belmont House, 57 Belmont Road, Cambuslang, G72 8PG

External Auditor: Chiene & Tait, Chartered Accountants and Statutory Auditors, 61 Dublin Street, Edinburgh, EH3 6NL

Internal Auditor: Quinn Internal Audit, 55 Lady Place, Livingston, EH54 6TB

Solicitor : TC Young, 7 West George Street, Glasgow, G2 1BA

Bankers: RBS, 88 Main St, Rutherglen, Glasgow G73 2JA

OPERATIONAL REVIEW

1. Corporate Governance

West Whitlawburn Housing Co-operative (WWHC) is governed by a voluntary Management Committee 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. The Management Committee also monitors the operational activities and performance of the Co-operative.

The Management Committee recognises the importance of good governance to ensure that it continues to provide high quality services and to ensure long term viability. In the last year we continued to build on work from previous years which strengthened our governance arrangements following internal analysis and information exchanges with SHR.

The Co-operative requires to comply with the Regulatory Standards of Governance and Financial Management which includes the requirement for the Management Committee to submit an Assurance Statement to the Scottish Housing Regulator.

The Co-operative carried out a self-assessment of compliance against the Regulatory Standards with the support of an external consultants to provide additional assurance. While this process identified areas for improvement, no areas of material non-compliance was identified and the Assurance Statement was submitted in October 2019.

The Co-operative's management Committee and staff continue activities to strengthen and maintain good governance arrangements.

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

2. Corporate Activity

The Co-operative carries out an ongoing self-assessment programme for continuous improvement and has a rolling programme for policy and procedure reviews to ensure they are appropriate and relevant and in line with good practice and legal and regulatory requirements.

Tenant involvement in the running of the Co-operative is a vital part of delivering the services that are valued. Participation is a major part of the Co-operative's objectives and we continue to review how the Co-operative involves tenants in its activities. We reviewed and updated the Tenant Participation policy and established a Tenant Scrutiny Panel to provide an additional opportunity for tenant involvement. We aim to develop this further over the coming year.

Our rent arrears management is regularly reviewed and we will continue to seek improvements in our rent collection methods.

3. Fixed asset issues

We have spent £218,884 (2019 - £275,310) during the year on renewals of components including kitchens, bathrooms, and door replacements. The Co-operative implemented a five year Asset Management strategy.

4. Housing issues

The rent loss due to empty properties was £25,334 (2019 - £25,340). Work is continuing to reduce this level of voids in future years.

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2020

OPERATIONAL REVIEW (continued)

5. Other areas

Risk management policy

The Management Committee have a formal risk management process in place to assess business risks and implement risk management control 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 and the impact they would have
- 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 and 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.

Property Maintenance

The Co-operative seeks to maintain its properties to the highest standard. The Co-operative has reviewed and updated its Asset management Strategy and carried out a stock condition survey.

Annual planned and cyclical maintenance programmes are carried out in addition to reactive maintenance:

Annual programmes include:

- Window Safety Catch Inspections in Multi-storey and low rise flats
- Smoke Detector Inspections in Multi-storey and low rise flats
- Landscape maintenance
- Play areas
- Bin chute cleaning
- Laundry maintenance
- Lightning protection
- Common area fixed wiring
- Concierge system maintenance
- Housing alarm inspection
- Lift maintenance

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2020

OPERATIONAL REVIEW (continued)

In addition, the Co-operative has a programme of testing and inspections ensuring landlord safety responsibilities are met covering:

- Gas Safety
- Legionella / Water Hygiene
- Fire Safety
- Electrical Safety
- Asbestos Management and;
- Lift Safety

Treasury management

The Co-operative has an active treasury management function, which operates in accordance with the Treasury Policy approved by the Management Committee. 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 Management Committee 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.

Management structure

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

Budgetary process

The Management Committee has overall responsibility for the Co-operative and there is a formal schedule of matters specifically reserved for decision by the Committee. Each year the Management Committee approves the annual budget and rolling strategic plan. 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.

Health and Safety

The Co-operative takes its health and safety responsibilities to employees seriously and as a policy provides employees with information of concern to them. The Co-operative also consults with employees so that their views may be taken into account in decision making.

The Co-operative's Health and Safety Systems are subject to regular external Health and Safety audits and we have achieved excellent outcomes at such audits. The external Health and Safety Audit in 2020 achieved 100% satisfaction across all areas of Health and Safety.

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.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2020

OPERATIONAL REVIEW (continued)

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

Whitcomm Co-operative Ltd was established in 2009 as a wholly separate limited company to further its charitable aims and objectives for tenants in WWHC homes. WWHC installed a fibre optic infrastructure as part of the development of 100 properties built in 2009. Whitcomm Co-operative Ltd provides fibre broadband services to our tenants and contributes to reducing their digital exclusion. User take up level was 88% at 31st March 2020.

Whitlawburn Community Resource Centre

The Co-operative continues to support the work of Whitlawburn Community Resource Centre in delivering services to alleviate poverty and sustain tenancies.

Energy supply

The Co-operative is the provider for domestic heating and hot water for circa 540 properties through a biomass fuelled district heating network.

Pension fund

West Whitlawburn Housing Co-operative is participating in the SHAPS Employers Group which is a group set up by Employers in Voluntary Housing. This will keep the Co-operative abreast of all developments in the financial environment and pensions industry which could impact on their pension scheme.

Defined benefit accounting – Scottish Housing Association's Pension Scheme (the Scheme)

The Co-operative participates in the Scheme, a multi-employer scheme which provides benefits to over 140 non-associated employers. The Scheme is a defined benefit scheme in the UK.

With effect from 1 April 2018 information to use the defined benefit method of accounting has become available from TPT Retirement Solutions. Reliance has been placed on the actuarial assumptions of qualified actuaries which are considered reasonable and appropriate.

Going concern

The Management Committee 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. See below for impact from Covid-19.

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. There may be an opportunity in the foreseeable future to build a further 60 units for rent in partnership with South Lanarkshire Council. The Co-operative will assess the viability of this new housing development opportunity and will only participate if there will be no detrimental impact on the ongoing management and maintenance of the existing housing stock.

Impact of Covid-19

The impact of the Covid 19 pandemic began just prior to the end of the financial year with a national lockdown from 23rd March 2020 tested our risk management and emergency planning. Our speedy response to emerging Government advice served to reinforce our resilience and ability to adapt with the implementation of business continuity plans. Staff began working mainly from home and we maintained essential services to tenants throughout. The Management Committee continue to monitor the situation closely both in terms of service provision and financial impacts

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2020

Donations

During the year, the Co-operative made charitable donations amounting to £1,650.

Auditor

The appointed auditor, Armstrongs, tendered their resignation during 2019/2020 and have been replaced by Chiene & Tait LLP at a Special General Meeting in March 2020.

The Report of the Management Committee has been approved on behalf of the Management Committee by

Secretary

57 Belmont Road
Whitlawburn
Cambuslang
G72 8PG

30th November 2020

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT of the MANAGEMENT COMMITTEE'S RESPONSIBILITIES

For the year ended 31 March 2020

The Management Committee 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 requires the Management Committee to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the 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 Management Committee 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 Management Committee 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 2010 and the Scottish Housing Regulator's Determination of Accounting Requirements 2019. 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.

In so far as the Management Committee are aware:

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

MANAGEMENT COMMITTEE STATEMENT on INTERNAL FINANCIAL CONTROLS

For the year ended 31 March 2020

The Management Committee acknowledge its 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 Management Committee's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement 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 powers, 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 review procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared regularly which allow the Management Committee and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term;
- quarterly management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Management Committee;
- the Management Committee receives reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Co-operative is undertaken; and
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the internal or external audit reports.

The Management Committee has reviewed the effectiveness of the system of internal financial controls for the year ended 31 March 2020. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

These arrangements are considered appropriate to the scale and range of the Co-operative's activities and comply with the requirements contained in the Scottish Housing Regulator's publication "Our Regulatory Framework".

BY ORDER OF THE MANAGEMENT COMMITTEE

Secretary

30th November 2020

For the year ended 31 March 2020

In addition to our audit of the Financial Statements, we have reviewed your statement on page 11 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 Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements on 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 reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Controls on page 11 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory 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 our enquiry of certain members of the Management Committee and Officers of the Co-operative and examination of relevant documents, we have satisfied ourselves that the Management Committee's Statement on Internal Financial Controls appropriately reflects the Co-operative's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

Chiene + Tait LLP
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

8 December 2020

For the year ended 31 March 2020

Opinion

We have audited the financial statements of West Whitlawburn Housing Co-operative Limited (the Co-operative) for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Capital and Reserves the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Co-operative's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – 2019.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Management Committee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Management Committee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Co-operative's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Management Committee are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



For the year ended 31 March 2020

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 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; 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 need for our audit.

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 10, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee are responsible for assessing the Co-operative's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Committee either intend to liquidate the Co-operative or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Co-operative's members, as a body, in accordance with 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.

CHIENE + TAIT LLP

Chartered Accountants and Statutory Auditors

61 Dublin Street

Edinburgh

EH3 6NL

8 December 2020

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT of COMPREHENSIVE INCOME

For the year ended 31 March 2020

	Notes	2020 £	2019 £
Turnover	3	4,644,342	4,517,675
Less: Operating costs	3	(3,974,891)	(3,944,329)
Operating surplus		669,451	573,346
Interest receivable and other income		4,873	4,383
Interest payable and similar charges		(91,409)	(97,184)
Other finance charges	11	(27,000)	(27,000)
Surplus		555,915	453,545
Other comprehensive income			
Initial recognition of multi-employer defined benefit scheme		-	(349,000)
Actuarial gain/(loss)	17	985,000	(270,000)
Re-measurement -amendments to contribution schedule		-	2,830
Total comprehensive income/(deficit) for the year		1,540,915	(162,625)

The results relate wholly to continuing activities.

There are no recognised gains or losses in 2020 and 2019 other than the surplus for the year.

The notes on pages 19 to 34 form part of these financial statements

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT of FINANCIAL POSITION

As at 31 March 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets – social housing	6	35,166,721	36,129,671
Other tangible assets – property, plant and equipment	6	2,629,169	2,778,547
		-----	-----
		37,795,890	38,908,218
Current assets			
Debtors	7	655,600	503,503
Cash and cash equivalents		2,049,310	2,042,790
		-----	-----
		2,704,910	2,546,293
Less: Creditors falling due within one year	8	(820,557)	(1,020,698)
		-----	-----
Net current assets		1,884,353	1,525,595
		-----	-----
Total assets less current liabilities		39,680,243	40,433,813
Creditors: amounts falling due after more than one year	9	(3,093,214)	(3,285,629)
Deferred income			
Deferred capital grants – social housing grants	10	(27,414,993)	(28,379,674)
Other fixed asset grants	10	(2,684,115)	(2,701,480)
		-----	-----
		(30,099,108)	(31,081,154)
Pension scheme liability	17	(150,000)	(1,270,000)
		-----	-----
Net assets		6,337,921	4,797,030
		=====	=====
Equity			
Share capital	15	681	705
Revenue reserves	16	6,337,240	4,796,325
		-----	-----
		6,337,921	4,797,030
		=====	=====

The financial statements were approved by the Management Committee and authorised for issue on 30th November 2020 and signed on its behalf by:

A Duffin **Secretary**

A Anderson **Member**

The notes on pages 19 to 34 form part of these financial statements

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT of CHANGES in EQUITY

For the year ended 31 March 2020

	Share Capital £	Revenue Reserves £	Total Reserves £
Balance at 1 April 2019	705	4,796,325	4,797,030
Surplus for the year	-	1,540,915	1,540,915
Transfer to designated reserve	-	-	-
Transfer from designated reserve	-	-	-
Shares issued during the year	70	-	70
Shares cancelled during the year	(94)	-	(94)
	-----	-----	-----
Balance at 31 March 2020	681	6,337,240	6,337,921
	=====	=====	=====

	Share Capital £	Revenue Reserves £	Total Reserves £
Balance at 1 April 2018	688	4,958,950	4,959,638
Surplus for the year	-	(162,625)	(162,625)
Transfer to designated reserve	-	-	-
Transfer from designated reserve	-	-	-
Shares issued during the year	85	-	85
Shares cancelled during the year	(68)	-	(68)
	-----	-----	-----
Balance at 31 March 2019	705	4,796,325	4,797,030
	=====	=====	=====

The notes on pages 19 to 34 form part of these financial statements

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT of CASH FLOWS

For the year ended 31 March 2020

	Notes	£	2020 £	£	2019 £
Net cash inflow from operating activities	1		485,424		496,339
Cash flows from investing activities					
Payments to acquire and develop housing properties		(218,884)		(275,310)	
Payments to acquire other fixed assets		(4,007)		(57,820)	
Interest paid		4,873		4,383	
		-----		-----	
Net cash outflow from investing activities		(218,018)		(328,747)	
		-----		-----	
Cash flows from financing activities					
Interest paid		(91,409)		(97,184)	
Repayment of borrowings		(240,337)		(232,362)	
Loan received		70,790			
Issue of share capital		70		85	
		-----		-----	
Net changes in financing activities		(260,886)		(329,461)	
		-----		-----	
Net change in cash and cash equivalents			6,520		(161,869)
Cash and cash equivalents at the beginning of the year			2,042,790		2,204,659
			-----		-----
Cash and cash equivalents at the end of the year			2,049,310		2,042,790
			=====		=====

Notes

	2020 £	2019 £
1 Surplus for the year	555,915	453,545
Adjustment for non cash items		
Depreciation of tangible fixed assets	1,299,623	1,302,594
Increase in trade and other debtors	(152,097)	(96,047)
Decrease/(increase) in trade and other creditors	222,991	(11,737)
Decrease in post-employment benefit obligations	(581,000)	(129,000)
Share capital written off	(94)	(68)
Carrying value of tangible fixed asst disposals	35,596	25,743
Amortisation of grants	(982,046)	(1,141,492)
Adjustments for investing or financing activities		
Interest received	(4,873)	(4,383)
Interest paid	91,409	97,184
	-----	-----
	485,424	496,339
	=====	=====

The notes on pages 19 to 34 form part of these financial statements

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. General information

Basis of accounting

The financial statements have been prepared in accordance with applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102) (United Kingdom Generally Accepted Accounting Practice), the Housing SORP 2018 'Statement of Recommended Practice for Registered Housing Providers' and they comply with the Determination of Accounting Requirements 2019, and under the historical cost convention, modified to include certain financial instruments and investment properties at fair value.

The Co-operative is defined as a public benefit entity and thus it complies with all disclosure requirements relating to public benefit entities. The Co-operative is a registered social landlord in Scotland and its registered number is C3841. The registered address is noted within the statutory information page at the start of the financial statements.

These financial statements represent the results of the Co-operative only and are presented in Pounds Sterling (GBP).

2. Principle accounting policies

The principle accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented, in dealing with items which are considered material in relation to the Co-operative's financial statements, unless otherwise stated.

Going concern

The Committee of Management anticipate that a surplus will be generated in the year to 31 March 2021. The Co-operative has healthy cash and net current asset position and thus the Committee of Management are satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus, the Committee of Management continue to adopt the going concern basis of accounting in preparing the annual financial statements. See note 24 for further narrative in respect of the impact of Covid-19.

Social Housing Grants

Social Housing and other capital grants are accounted for using the accrual method as outlined in Section 24 of Financial Reporting Standard 102. Grants are treated as deferred income and recognised in income on a systematic basis over the expected useful life of the property and assets to which it relates.

Where developments have been financed wholly or partly by Housing Association Grant (HAG) or other capital grant, the cost of these developments is reduced by the amount of grant receivable. The amount of grants receivable is shown separately on the Statement of Financial Position.

Housing Association Grant and Wider Role Grant receivable in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period to which it relates.

Although Housing Association Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale.

Where the acquisition of other fixed assets wholly or partly by grants, the cost of acquisition has been reduced by the amount of grant receivable. The amount of grant receivable is shown separately on the Statement of Financial Position.

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

2. Principal accounting policies (continued)

Acquisition and Development Allowances

Acquisition and Development Allowances are determined by the Scottish Government and are advanced as grants. They are intended to finance certain internal administrative costs relating to the acquisition and development of housing, land and buildings for approved schemes. Development Allowances become available in instalments according to the progress of work on the scheme.

Development Administrative Costs

Development costs incremental to other costs of the Co-operative have been capitalised.

Cyclical and Major Repairs

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 costs of these repairs would be charged to the Statement of Comprehensive Income.

In addition the Co-operative completes programmes of major repairs to cover works which have become necessary since the original development was completed, including works required by legislative changes. This includes replacement or repairs to features of the properties which have come to the end of their economic lives. The cost of these repairs would be charged to the Statement of Comprehensive Income, unless it was agreed that they could be capitalised within the terms outlined in the SORP.

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 less accumulated depreciation. 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.

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.

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

2. Principal accounting policies (continued)

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.

Pension costs

The Co-operative participates in the Scottish Housing Associations' Pension Scheme (SHAPS) and retirement benefits to employees of the Co-operative 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.

It has become possible to identify the share of underlying assets and liabilities belonging to individual participating employers as at 31 March 2019 and the scheme is now accounted for as a defined benefit plan, as opposed to defined contribution, for the benefit of its employees. No new benefits have been introduced and there is no change to the benefits themselves.

A liability for the Co-operative's obligations under the plan is recognised net of plan assets. The net change in the net defined benefit liability is recognised as the cost of the defined benefit plan during the period. Pension plan assets are measured at fair value and the defined benefit obligation is measured on an actuarial basis using the projected unit method. Actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

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, fees and revenue grants receivable from the Scottish Housing Regulator, local authorities and other agencies; income receivable from the community heating system.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

2. Principal accounting policies (continued)

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.

Judgements in applying policies and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying 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 Management Committee 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.

Obligations under SHAPS pension scheme

The accounting for the pension scheme and the transition from defined contribution disclosure to defined benefit has relied on the actuarial assumptions of qualified actuaries which have been reviewed and are considered reasonable and appropriate.

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.

3. Particulars of turnover, cost of sales, operating costs and operating surplus/(deficit)

Income and Expenditure from lettings	Turnover	2020 Operating Costs	Operating Surplus	Turnover	2019 Operating Costs	Operating Surplus
	£	£	£	£	£	£
Social lettings (note 4a)	4,265,693	3,650,154	615,539	4,161,097	3,702,558	458,539
Other activities (note 4b)	378,649	324,737	53,912	356,578	241,771	114,807
	-----	-----	-----	-----	-----	-----
	4,644,342	3,974,891	669,451	4,509,175	3,935,829	573,346
	=====	=====	=====	=====	=====	=====

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

4. (a) Particulars of turnover, operating costs and operating surplus from social letting activities

	2020 Total £	2019 Total £
Income from letting		
Rent receivable net of service charges	3,308,981	3,044,945
Service charges	-	-
	-----	-----
Gross income from rents and service charges	3,308,891	3,044,945
<u>Less:</u> Rent losses from voids	(25,334)	(25,340)
	-----	-----
Net income from rents and service charges	3,283,647	3,019,605
Release of deferred capital grant	982,046	1,141,492
	-----	-----
Total turnover from social letting activities	4,265,693	4,161,097
	-----	-----
Expenditure on lettings		
Wider service activities	81,263	78,193
Management and maintenance administration costs	1,652,992	1,684,579
Reactive maintenance costs	558,543	478,040
Planned and cyclical maintenance including major repairs	150,522	234,798
Depreciation of social housing	1,146,238	1,131,646
Bad debts – rent and service charges	25,000	69,559
Loss on disposal	35,596	25,743
	-----	-----
Total expenditure on lettings	3,650,154	3,702,558
	-----	-----
2020 Operating surplus for social letting activities	615,539	458,539
	=====	=====

The amount included in service charges receivable which was not eligible for Housing Benefit was £Nil (2019: £Nil).

All of the above relate solely to general needs housing.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

4. (b) Particulars of turnover, operating costs and operating surplus from other activities

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total turnover £	Operating costs – bad debts £	Other operating costs £	2020 Operating surplus £	2019 Operating surplus £
Wider role activities	-	-	-	-	-	-	-	-	-
Care and repair	-	-	-	-	-	-	-	-	-
Factoring	-	-	-	-	-	-	-	-	-
Development activities	44,175	-	-	-	44,175	-	28,591	15,584	4,785
Support activities	-	-	-	-	-	-	-	-	-
Care activities	-	-	-	-	-	-	-	-	-
Agency management services – RSLs	-	-	-	-	-	-	-	-	-
Community heating project	-	-	-	292,173	292,173	-	246,146	46,027	98,928
Developments and improvements for sale	-	-	-	-	-	-	-	-	-
Contractors settlement	-	-	-	-	-	-	-	-	-
Regeneration services	-	-	-	-	-	-	50,000	(50,000)	(8,500)
Other activities	-	-	-	42,301	42,301	-	-	42,301	19,594
Total from other activities – 2020	44,175	-	-	334,474	378,649	-	324,737	53,912	
Total from other activities – 2019	52,642	-	-	303,936	356,578	-	241,771		114,807

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

5. 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.

6. Tangible fixed assets

	Housing Properties Held for Letting	Plant and Machinery	Office Premises/ Community Centre	Furniture & Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2019	55,286,068	2,541,076	882,108	409,524	59,118,776
Additions during year	218,884	-	-	4,007	222,891
Disposals	(50,697)	-	-	-	(50,697)
As at 31 March 2020	55,454,255	2,541,076	882,108	413,531	59,290,970
Depreciation					
As at 1 April 2019	19,156,397	308,133	374,508	371,520	20,210,558
Provided during year	1,146,238	127,345	7,317	18,723	1,299,623
Eliminated on disposal	(15,101)	-	-	-	(15,101)
As at 31 March 2020	20,287,534	435,478	381,825	390,243	21,495,080
Net book value at 31 March 2020	35,166,721	2,105,598	500,283	23,288	37,795,890
Net book value at 31 March 2019	36,129,671	2,232,943	507,600	38,004	38,908,218

Total major repairs costs during the year were £369,406 (2019: £510,108) of which £218,884 (2019: £275,310) was capitalised. Of the amount capitalised £218,884 (2019: £117,698) related to replacement of components and £Nil (2019: £Nil) related to improvements.

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

7. Trade and other receivable

	2020 £	2019 £
Rent arrears	402,066	268,505
<u>Less: Bad debt provision</u>	(110,000)	(85,000)
	292,066	183,505
Housing benefit receivable	102,268	29,930
Other debtors and prepayments	245,258	269,060
Amounts due from Whitcomm	16,008	21,008
	655,600	503,503

Included within other debtors is a balance of £16,008 (2019: £21,008) which is regarded as due after one year.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

8. Creditors - Amounts falling due within one year	2020	2019
	£	£
Loans	261,660	238,792
Rent in advance	116,618	126,106
Trade creditors	175,780	224,953
Other tax and social security	18,325	24,551
Other creditors and accruals	246,334	404,455
Amount due to WCRC	1,840	1,841
	-----	-----
	820,557	1,020,698
	=====	=====
9. Creditors - Amounts falling due after more than one year	2020	2019
	£	£
Housing loans	3,093,214	3,285,629
	-----	-----
	3,093,214	3,285,629
	=====	=====

a) The Co-operative Bank

Position as at 31st March 2019

Start Date	1st 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.

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.

	2020	2019
	£	£
Between one and two years	264,472	241,507
Between two and five years	811,305	741,797
In five years or more	2,017,437	2,302,325
	-----	-----
	3,093,214	3,285,629
	=====	=====

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

10. Deferred Capital Grants	2020	2019
	£	£
Social Housing Grants		
Balance as at 1 April 2019	28,379,674	29,344,765
Amortisation in year	(964,681)	(965,091)
	-----	-----
Balance as at 31 March 2020	27,414,993	28,379,674
	-----	-----
Other fixed asset grants		
Balance as at 1 April 2019	2,701,480	2,877,881
Transfer in year	(17,365)	(176,401)
	-----	-----
Balance as at 31 March 2020	2,684,115	2,701,480
	-----	-----
Total	30,099,108	31,081,154
	=====	=====

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

	2020	2019
	£	£
Amounts due within one year	982,046	1,141,492
Amounts due in one year or more	29,117,062	29,939,662
	-----	-----
Balance as at 31 March 2020	30,099,108	31,081,154
	=====	=====

11. Other finance income/charges	2020	2019
	£	£
Defined benefit pension scheme net interest	27,000	27,000
	-----	-----
Balance as at 31 March 2020	27,000	27,000
	=====	=====

12. Directors' emoluments

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

The Co-operative's contributions for the Chief Executive in the year amounted to £12,335 (2019: £7,970).

No member of the Management Committee received any emoluments in respect of their services to the Co-operative.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

12. Directors' emoluments (continued)

	Number of Officers	2020 £	Number of Officers	2019 £
Total emoluments (including pension contributions and benefits in kind) £60,000 - £69,999	2	149,715	2	134,994
	=====	=====	=====	=====
Total emoluments (excluding pension contributions) to the highest paid director		64,710		63,255
		=====		=====
Total remuneration paid to key management personnel		333,882		352,768
		=====		=====
Total emoluments (excluding pension contributions) to the Chairperson amounted to		-		-
		=====		=====
Pension contribution payable to officers in excess of £60,000 salary	2	14,684	2	15,106
	=====	=====	=====	=====
Total expenses reimbursed to the Board insofar as not chargeable to United Kingdom income tax		-		-
		=====		=====

13. Employee information

	2020 £	2019 £
Staff costs during year		
Wages and salaries	1,084,822	1,035,482
Social Security costs	105,723	98,567
Pension costs	135,212	147,058
	-----	-----
	1,325,757	1,281,107
	=====	=====

	2020 No.	2019 No.
The average full-time equivalent number of persons employed by the Co-operative during the year were as follows:		
Office	20.9	19.9
Concierge	13.0	13.0
	-----	-----
	33.9	32.9
	=====	=====

14. Surplus/(Deficit) on ordinary activities

	2020 £	2019 £
Surplus/(deficit) on ordinary activities is stated after charging:		
Depreciation of tangible fixed assets – housing properties (including accelerated depreciation of £Nil on component replacement)	1,146,238	1,131,646
Other fixed assets	153,385	182,046
Amortisation of Housing Association Grants	964,681	965,091
Amortisation of other grants	17,365	176,401
Bad debts written off	-	69,559
Auditor remuneration (inclusive of VAT)	8,400	8,940
	=====	=====

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

15. Share capital	2020	2019
	£	£
Shares of £1 each fully paid and issued		
Allotted, issued and fully paid at 1 April 2020	705	688
Shares issued at par during the year	70	85
	-----	-----
	775	773
Shares forfeited	(94)	(68)
	-----	-----
At 31 March 2020	681	705
	=====	=====

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

16. Revenue reserve	2020	2019
	£	£
At 1 April 2019	4,796,325	4,958,950
Transfer of designated reserve	-	-
Surplus/(deficit) for the year	1,565,984	(162,625)
	-----	-----
At 31 March 2020	6,362,309	4,796,325
	=====	=====

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020**17. Pension fund****Scottish Housing Associations' Pension Scheme**

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2018. This valuation revealed a deficit of £121m. A Recovery Plan has been put in place to eliminate the deficit which will run to 30 September 2022 or 31 March 2023 (depending on funding levels) for the majority of employers, although certain employers have different arrangements.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Co-operative 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 has not been possible for the Co-operative to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the company to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation for the scheme was carried out with an effective date of 30 September 2018. The liability figures from this valuation were rolled forward to accounting year-ends for 31 March 2019 to 29 February 2020 inclusive. The liabilities are compared, at the relevant accounting date, with the Co-operative's fair share of the Scheme's total assets to calculate the Co-operative's net deficit or surplus.

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

At 31st March 2020 there were 25 (2019 - 25) active members of the scheme employed by the Co-operative.

Present values of defined benefit obligation, fair value of assets and defined benefit asset (liability)

	2020 (£000s)	2019 (£000s)
Fair value of plan assets	6,812	6,423
Present value of defined benefit obligation	6,962	7,693
Deficit in plan	(150)	(1,270)
Unrecognised surplus	-	-
Defined benefit asset (liability) to be recognised	(150)	(1,270)
Deferred tax	-	-
	-----	-----
Net defined benefit liability to be recognised	(150)	(1,270)
	-----	-----

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

17. Pension commitments (continued)

Reconciliation of opening and closing balances of the defined benefit obligation

	2020 (£000s)
Defined benefit obligation at start of period	7,693
Current service cost	150
Expenses	6
Interest expense	177
Contributions by plan participants	1
Actuarial losses (gains) due to scheme experience	25
Actuarial losses (gains) due to changes in demographic assumptions	(43)
Actuarial losses (gains) due to changes in financial assumptions	(813)
Benefits paid and expenses	(234)
Liabilities acquired in a business combination	-
Liabilities extinguished on settlements	-
Losses (gains) on curtailment	-
Losses (gains) due to benefit changes	-
Exchange rate changes	-

Defined benefit obligation at end of period	6,962

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

	2020 (£000s)
Fair value of plan assets at start of period	6,423
Interest income	150
Experience on plan assets (excluding amounts included in interest income) - gain (loss)	154
Contributions by the employer	318
Contributions by the plan participants	1
Benefits paid and expenses	(234)
Assets acquired in a business combination	-
Assets distributed on settlements	-
Exchange rate changes	-

Fair value of plan assets at end of period	6,812

The actual return on the plan assets (including any changes in share of assets) over the fro 31 March 2019 to 31 March 2020 was £304,000.

Defined benefit costs recognised in statement of comprehensive income

	2020 (£000s)
Current service cost	150
Expenses	6
Net interest expense	27
Losses (gains) on business combinations	-
Losses (gains) on settlements	-
Losses (gains) due to benefit charges	-

Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	183

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

17. Pension commitments (continued)

Defined benefit costs recognised in other comprehensive income

	2020 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	154
Experience gains and losses arising on the plan liabilities - gain (loss)	(25)
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain (loss)	43
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	813
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain (loss)	-

Total amount recognised in other comprehensive income - gain (loss)	985

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any "orphan" liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

18. Capital commitments

The Co-operative had capital commitments of £292,704 at 31 March 2020 (2019 - £465,759).

19. Housing stock

	2020	2019
	£	£
The number of units in management at 31 arch was as follows:-		
General needs	644	644
	-----	-----
	644	644
	=====	=====

20. Related parties

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

All members of the Management Committee 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 were £64,618 (2019: £71,884).

At the year end, total rent advances by tenant members of the Committee were £350 (2019: £1,290) and the total arrears were £1,260 (2019: £1,293).

Repairs were £5,380 (2019: £9,084).

Internet line rental costs were £708 (2019: £618).

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 £50,000 (2019: £94,000) to support WCRC in the provision of Whitlawburn Community Regeneration. At 31st March 2019 the amount owed to WCRC was £1,841 (2019: £1,841).

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 31 March 2020 the amount owed to WWHC was £16,008 (2019: £21,008).

21. Leasing commitments

At 31 March the Co-operative had the following annual operating lease commitments for the year ending 31 March 2020 and beyond.

	2020	2019
	Equipment	Equipment
	£	£
Operating leases which expire:		
Within one year	440	1,968
Within two to five years	913	1,749
After more than five years	145,496	143,652
	-----	-----
	146,849	147,369
	=====	=====

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2020

22. Analysis of changes in net debt

	Long Term £'000	Short Term £'000	Total Liabilities £'000	Cash & Equivalents £'000	Total Net Debt £'000
As at 1 April 2019	3,286	239	3,525	(2,043)	1,482
Cash Flows	(193)	23	(170)	(6)	(176)
As at 31 March 2020	<u>3,093</u>	<u>262</u>	<u>3,355</u>	<u>(2,049)</u>	<u>1,306</u>

23. Contingent liability

- (a) 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.

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 2020 was £Nil (2019: £Nil).

- (b) The Co-operative is the pursuer in a court action. This action was not concluded at the year end. If the Co-operative is unsuccessful in this action, there is a potential liability in terms of the other parties' costs.

24. Grants received - Scottish Government - Investing in Communities Funding

The Co-operative gratefully acknowledges the award and receipt of grant from the Investing in Communities fund totaling £10,974 (2019: £22,475). This amount was expended in terms of the offer of the grant.

25. Subsequent events

Subsequent to the year-end the Management Committee are aware of material uncertainties related to Covid-19 that may cast doubt upon the Co-operative's ability to continue as a going concern. However, the Management Committee are continually developing and implementing mitigating actions and processes to ensure that the Co-operative continues to function and manage future operations and those of their workforce and stakeholders.