

WEST GRANTON HOUSING CO-OPERATIVE LIMITED
ANNUAL REPORT and FINANCIAL STATEMENTS
For the year ended 31 March 2023

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

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WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATUTORY INFORMATION

Colin Fraser	Chairperson re-elected September 2022
George Thomson	Vice Chair re-elected September 2022
Wendy Riordan	2 nd Vice Chair elected September 2022
Jim Hemphill	Elected September 2021
Elizabeth Robertson	Re-elected 2 nd September 2020
Amanda Aitchison	Re-elected September 2022
Morag Orr	Elected September 2022
Lynn Jameson	Casual Vacancy October 2022
William Maloney	Co-opted December 2022
James Matthews	Co-opted February 2023
Donna Anderson	Resigned September 2022
Fiona Marshall	Resigned August 2022
Joe Moir	Resigned October 2022
Stacey Powch-Scott	Resigned 3 rd February 2023
George Nicol	Resigned 7 th February 2023
Jon Douglas	Resigned 6 th June 2022

External Auditor

CT
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Internal Auditors

Wylie & Bisset
168 Bath Street
Glasgow
G2 4TP

Solicitors

T C Young
69a George Street
Edinburgh
EH2 2JG

Governance Consultants

May Murray LLP
25 George Street
Dunblane
FK15 9HE

Bankers

Royal Bank of Scotland
142-144 Princes Street
Edinburgh
EH2 4EQ

Lenders

Nationwide Building Society
Northampton Admin Centre
Kings Park Road
Moulton Park
Northampton
NN3 6NW

Data Protection Officer

RGDP
Level 2
One Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9QG

Financial Agents

Prospect Community Housing
6 Westburn Avenue
Edinburgh
EH14 2TH

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

ANNUAL REPORT of the COMMITTEE of MANAGEMENT

For the year ended 31 March 2023

The Committee of Management present their Annual Report and the Financial Statements for the year ended 31 March 2023.

Registration Details

The Co-operative is a registered, non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 No. 2357R(S). The Co-operative is governed under its Rule Book.

Principal activity

The principal activities of the Co-operative are the provision and management of affordable rented accommodation.

Review of Business and Future Development

Objectives

West Granton Housing Co-operative Limited (WGHC) is a fully mutual co-operative housing association and independent, registered social landlord. WGHC is a not for profit organisation. No surpluses are distributed to members but are used for the objectives of the co-operative. Any additional activities pursued will be as permitted by the Housing (Scotland) Act 2010; designed to help us achieve our corporate objectives and will consider the welfare of the people we house. Its governing body is its Committee of Management, which is elected by its members, from its members. That means all elected members are tenants. Our housing was built in a series of developments between 1994 and 2009. We have no current development plans.

Our Mission Statement is: " Our Tenants are Paramount in Everything We Do".

Our corporate objectives are:

1. We will provide Excellent Customer Service
2. We will provide safe, secure and affordable homes
3. We will strive for sustainability and strength for the future

Our core values are:

1. Excellent Customer Service
2. Consistency
3. We are a learning organisation

Overview of period

At 1 April 2022 there were 11 members of the Committee of Management. A physical AGM was held on 6th September 2022 (32nd AGM). Three members were required to retire; one did not opt for-election, whilst two were re-elected and one new member was elected. As of 31st March 2023, and to the date of this report, there are 7 fully elected members, 1 casual vacancy and 2 co-optees.

During the period, there were 11 Committee Meetings. Minutes of all the meetings can be found on WGHC's website at www.westgrantonhousing.coop The Chairperson carried out the annual performance reviews of all Committee Members and the Chairperson, in turn, had their annual review carried out by the Office Bearers. There were no concerns raised and it was confirmed that the Chair and all Committee Members (including the 2 members who have served 9 continuous years +) were considered still to be effective and contributing well.

Our Governance Consultants, May Murray LLP, were once again commissioned to undertake a full training and skills audit assessment with Committee resulting in a comprehensive training plan including a residential training event in April 2022, which meant that Committee have undergone extensive governance training during the period. Committee attended their Annual Strategy Away Day in 2022, analysing risks and setting the strategic steer for the organisation with a more focused approach on Asset Management and Compliance and discussion around the implementation.

There was 1 notifiable event within the period regarding Health and Safety relating to a house fire; the tenant was successfully and permanently re-housed with another social landlord within 5 working days and the Scottish Housing Regulator closed down the event. Remedial works on the affected property were undertaken during the period which meant it was not available for relet until June 2023.

As at 31 March 2023, and to the date of this report, we own 372 properties.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

ANNUAL REPORT of the COMMITTEE of MANAGEMENT (continued)

For the year ended 31 March 2023

Overview of period (continued)

The rent increase in April 2022 was 4%.

Revenue has increased by 5.5% compared to last year.

Overall, the Operating Surplus has increased by 101%.

Gross Rent Arrears at 31 March 2023 were £22,495 which was slightly lower than the previous year (2022: £23,982).

The Scottish Housing Regulator's key arrears indicator is "gross arrears" which excludes technical arrears but includes arrears written off in the year. As a percentage of rent due, the gross arrears were 0.76% (2022: 1.27%). This means WGHC was comfortably within its benchmark of 1.30% WGHC continues to have very low rent arrears compared to most Registered Social Landlords (RSLs) for whom the latest published gross arrears average was 4.2% of annual income (source: Scottish Housing Charter Indicator Results for 2021-22).

As at 31st March, WGHC received direct housing cost payments for 47 tenants. WGHC received either full or part housing benefit payments for 96 tenants.

Bad debts written off in the year were £110 compared to £729 in the previous year, while the provision for doubtful debts reduced by £1,485. There was a marginal decrease in Operating costs of 1.5%.

WGHC had two long term staff absences during the period. Following an ill health capability hearing, one staff member's contract of employment was brought to an end. After trialling working reduced hours, the second staff member made the decision to leave in the current period. Staff attended over 21 training events in the year.

WGHC is a member of ARCHIE (Alliance of Registered housing Co-operatives and Housing Associations Independent in Edinburgh). WGHC's CEO remains the appointed Chair of ARCHIE. Within the year, ARCHIE held 4 physical meetings and collaboratively applied for Lottery Funding to help with the cost of employing a Shared Energy Advisor for Tenants. WGHC contribute £4,475 towards the cost of the Advisor in return for 1 day per week. This has and continues to be of huge benefit to tenants. Other ARCHIE joint funded posts are that of a shared Debt Advisor through CHAI (Community Help & Advice Initiative), and a shared Welfare Rights Advisor through Harbour Homes. ARCHIE Chairs and Vice Chairs jointly attended a training session and ARCHIE CEOs/Directors continue to closely network and support one another on a regular basis.

WGHC spent £5,391 from its Fuel Assistance Fund providing top-ups on gas and electric meters for tenants struggling with rising energy costs. WGHC continued to fund its new tenancy fuel initiative whereby all tenants signing a new tenancy agreement (whether they be new or existing transfer tenants) receive £50 credit on their utility account. Both initiatives continue on into the new period. WGHC received £38,000 from the Scottish Government Cost of Living Fund (administered by the Scottish Federation of Housing Associations) along with a further £27,000 from National Lottery. £21,000 was donated to various community charities to fund slow cookers, air fryers, curtains and carpets for local residents, top-ups on gas and electric meters for tenants and a Warm Space Hub at a local community centre. Over £38,000 was spent on providing WGHC tenants with gas and electricity top-ups, winter bedding, provision and fitting of carpets and underlay, thermal curtains, winter clothing, shoes, air fryers, microwaves, kettles, electric throws and another Warm Space Hub.

There were no properties sold in 2022-23. There continues to be only 1 flat remaining designated for sale when the existing tenancy ends.

WGHC financed the building of its housing stock partly through grant and partly through loans. WGHC has however sought to minimise borrowing and repay loans early where possible. As at 31st March 2023, WGHC had 3 fixed rate loan's with an annual average interest rate of 1.216%, and 2 variable rate loans (interest now determined via SONIA, following conversion from LIBOR from 1st January 2022). We have a mix of approximately 60% fixed rate and 40% variable rate loans. Overall, loans reduced during the year by £238,439 to £2,960,151. The minimum covenant required for our loans is 110%, the actual result in the period was 561%.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

ANNUAL REPORT of the COMMITTEE of MANAGEMENT (continued)

For the year ended 31 March 2023

Overview of period (continued)

There were only 10 changes in tenancy in 2022-23 (compared with 29 in 2021-22).

Broken down this is 3 re-lets, 2 management transfers, two successions and three mutual exchanges.

8 tenants were surveyed with 87.5% (7) reported being satisfied with the condition of their new home; 12.5% (1 tenant) reported being very dis-satisfied- this was a mutual exchange whereby the incoming tenant was unhappy with some of the items left behind by the outgoing tenant.

The average time to re-let in 2022-23 was 19.2 days (compared with 31 days in the previous year). This is within benchmark of 21 days. In March 2023, Committee approved the lowering of the relet benchmark from 21 to 14 days in a bid to improve staff's focus and performance in reletting all our void properties moving forward. This is down again from the 28 day benchmark in 2020-21.

WGHC did not raise any court actions within the period. One wages arrestment was served for a previous action raised to recover rent arrears against a former tenant.

We completed 1,153 non-emergency repairs within an average of 4.44 days. Our benchmark is 5 working days. This compares with 4.1 days for the same period last year. 94.28% of these repairs were carried out right first time. It is worth noting that these statistics do not include repairs to void properties or cyclical maintenance.

On average, we responded to emergencies (including central heating breakdowns) in 2 hours 13 minutes. In total we carried out 117 emergency repairs in the period. This is comparable with the 2 hours 11 minutes for the same period last year.

7 medical adaptations were undertaken within the year with an average time of **21.29 days** to complete. The benchmark is 20 days. WGHC were over target as a result of one adaptation taking over 50 days to complete as we had to wait on the delivery and installation of specialised lifting equipment.

In accordance with its statutory requirements, WGHC adopted the new Scottish Public Services Ombudsman's revised Model Complaints Policy in April 2021. There were 22 complaints received within the period: 16 x Stage One complaints and 6 x Stage Two complaint, 6 were upheld; 5 were not upheld and 11 were resolved. All 22 were resolved within timescale.

In February 2022, WGHC commissioned its large scale tenant satisfaction survey as required by the Scottish Housing Regulator. This is carried out every 3 years by an independent research company. 200 tenants were interviewed over the phone due to Covid advice from the Market Research Society (WGHC normally has these surveys carried out face to face). WGHC maintains exceptionally high levels of tenant satisfaction with 99.5% satisfied overall with WGHC as a landlord, 100% satisfied with the opportunities provided to participate in WGHC's decision making processes and 95% stated that their rents represent good value for money.

Wylie & Bissett commenced its new 3 year internal audit plan. For February 2022 this covered the areas of Corporate Governance and Planned Maintenance.

WGHC is a member of the Scottish Housing Association Pension Scheme (SHAPS). At 31 March 2023, WGHC's share of the pension deficit was £105k (2022: £41k).

Cash and bank deposits at 31 March 2023 were £1,265,652 (2022: £1,371,529). Interest receivable from our bank accounts significantly increased on last year due to better interest rates than anticipated (£8,972 in 2023: £3,500 in 2022).

Overall, WGHC has performed exceptionally well despite workload pressures from continuing long term staff absences. Committee continued to have a busy period holding 11 meetings within the year but both staff and Committee coped admirably demonstrating resilience and commitment to the tenants and service provision. Moving into the new financial year, WGHC continues to perform well and remains in a financially strong position.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

ANNUAL REPORT of the COMMITTEE of MANAGEMENT (continued)

For the year ended 31 March 2023

Risk management

The Co-operative has an active risk management process, with policies, risk matrix map and a business continuity plan. All major risks are considered so mitigating action can be planned.

Key risks include: Internal risks - loss of key staff or committee personnel, fraud, health & safety failures; and these are mitigated by robust policies, procedures, and a range of audits. External risks include: - welfare reform impacts, changes in regulatory requirements, inflation and rising interest rates, rising fuel costs, data loss/cyber-security issues and these are mitigated by close attention to external information and advice, active membership of representative bodies and obtaining best-practice advice on IT security and data protection matters.

The future

Our focus in the medium term is:

- on the management and maintenance of existing stock. As our stock ages the replacement of components (kitchens, bathrooms, heating systems etc.) is becoming increasingly important;
- to work in close partnership with the Scottish Procurement Alliance for the procurement of contractors for component replacements and planned maintenance works.
- to seek opportunities of joint working for our local community through our membership of the Alliance of Registered Housing Associations and Co-operatives in Edinburgh (ARCHIE).
- To continue to monitor cash flow and maximise rental income.

Maintenance policies

The Co-operative aims to maintain its properties to a high standard. To this end programmes of cyclical maintenance are carried out and programmes of major repairs to cover for such works. Key identified components are capitalised when replaced.

Treasury management

The Co-operative, as a matter of policy, does not enter into transactions of a speculative nature. The surplus funds of the Co-operative are managed carefully using long established banks or building societies.

Employee involvement and Health & Safety

The Co-operative encourages employee involvement in all initiatives. A comprehensive Health & Safety Manual backed up by regular inspections and checks is in operation. There are updates every year from our consultants.

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.

Reserves

The Co-operative needs to have reserves to ensure the organisation can function into the future and meet its future liabilities, including the major repairs and investment needs of its properties. The revenue reserve of £3.96m reflects primarily the past investment in the housing stock and reserves for future major repairs. The Co-operative has a cash level of £1.27m to support its future plans and operating requirements. The Co-operative reviews its maintenance spending plans regularly and re-assesses them in relation to reserves and cash flows.

Committee of Management and Executive Officers

The members of the Committee of Management and the Executive Officers are listed on page 1.

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

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

ANNUAL REPORT of the COMMITTEE of MANAGEMENT (continued)

For the year ended 31 March 2023

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are members of the Committee of Management at the time the report is approved:

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

Statement of Committee of Management's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 and registered social landlord legislation requires that the Committee of Management 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 surplus or deficit of the Co-operative for that period. In preparing those financial statements the Committee members are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- 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; and
- prepare a Statement on Internal Financial Control.

The Committee Members are also responsible for:

- keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Co-operative;
- ensuring 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 Determination of the Accounting Requirements December 2019; and
- maintaining a satisfactory system of control over accounting records and transactions, and for safeguarding all assets of the Co-operative and, hence, take reasonable steps to prevent and detect fraud and other irregularities.

The Committee of Management must, in determining how amounts are presented within items in the income and expenditure account and balance sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting practices.

Insofar as the Committee of Management are aware:

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

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

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

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

ANNUAL REPORT of the COMMITTEE of MANAGEMENT (continued)

For the year ended 31 March 2023

Statement of Committee of Management's Responsibilities (continued)

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 mis-statement or loss. Key elements of the Co-operative's systems include ensuring that:

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority which allow the monitoring of controls and restrict the unauthorised use of Co-operative's assets;
- experiences and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the Committee of Management to monitor key business risks, financial objectives and the progress being made towards achieving the financial plans set for the year and for the medium term;
- quarterly financial management reports are prepared promptly, providing relevant, reliable and up-to-date financial and other information, with significant variances from budget being investigated as appropriate.
- regulatory returns are prepared, authorised and submitted promptly to the relevant regulatory bodies;
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Committee of Management;
- the Committee of Management receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Co-operative is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Committee of Management has reviewed the effectiveness of the system of internal financial control in existence in the Co-operative for the year ended 31 March 2023. No weaknesses were found in the internal financial controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditor's report on the financial statements.

Donations

During the year the Co-operative made charitable donations amounting to £3,275 (2022: £8,188).

Auditor

CT are now in their third year as WGHC's serving financial auditor.

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

LARKE ADGER
Secretary



19th July 2023

For the year ended 31 March 2023

In addition to our audit of the Financial Statements, we have reviewed your statement on page 6 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 6 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 Committee of Management and Officers of the Co-operative and examination of relevant documents, we have satisfied ourselves that the Committee of Management'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.



CT
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL

Date: 25 July 2023

Opinion

We have audited the financial statements of West Granton Housing Co-operative Limited (the Association) for the year ended 31 March 2023 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 Association's affairs as at 31 March 2023 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 association 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 Committee of Management use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Committee of Management has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the association'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 Committee of Management 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 2023

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 Association 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 Committee of Management

As explained more fully in the Statement of the Committee of Management's Responsibilities set out on page 6 to 7, the Committee of Management 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 Committee of Management 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 Committee of Management are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the association 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.

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

We gained an understanding of the legal and regulatory framework applicable to the Association and the industry in which it operates and considered the risk of acts by the Association which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Housing SORP 2018, the Co-operative and Community Benefit Societies Act 2014 and the Housing (Scotland) Act 2010.

We focused on laws and regulations that could give rise to a material misstatement in the Association's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the members;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

For the year ended 31 March 2023

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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/auditors/audit-assurance-ethics/auditors-responsibilities-for-the-audit . This description forms part of our auditor's report.

Use of our report

This report is made solely to the Association'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 Association'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 Association and the Association's members as a body for our audit work, for this report, or for the opinions we have formed.



**CT
Chartered Accountants and Statutory Auditors
61 Dublin Street
Edinburgh
EH3 6NL**

Date: 25 July 2023

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATEMENT of COMPREHENSIVE INCOME

For the year ended 31 March 2023

	Notes	2023 £	2022 £
Revenue	2	2,200,223	2,084,236
Operating costs	2	(1,911,539)	(1,941,058)
Operating surplus		288,684	143,178
Interest receivable and other income		8,972	3,500
Interest payable and similar charges	7	(52,737)	(31,829)
Other finance charges	10	-	(6,000)
		(43,765)	(34,329)
Surplus on ordinary activities before taxation		244,919	108,849
Tax on surplus on ordinary activities	9	(1,705)	(665)
Surplus for the year		243,214	108,184
Other comprehensive income			
Actuarial (losses)/gains on defined benefit pension plan	23	(91,000)	184,000
Total comprehensive income/(deficit) for the year		152,214	292,184

The results relate wholly to continuing activities.

The notes on pages 16 to 29 form part of these financial statements

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

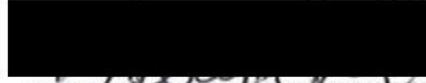
STATEMENT OF FINANCIAL POSITION

As at 31 MARCH 2023

	Notes	2023 £	2022 £
Non-current assets			
Housing properties – depreciated cost	11(a)	17,177,107	17,470,154
Other non-current assets	11(b)	242,211	265,769
		<u>17,419,318</u>	<u>17,735,923</u>
Current assets			
Receivables	13	40,606	42,093
Cash at bank and in hand		1,265,652	1,371,529
		<u>-</u>	<u>-</u>
		1,306,258	1,413,622
Creditors: amounts falling due within one year	14	<u>(365,195)</u>	<u>(385,249)</u>
Net current assets		<u>941,063</u>	<u>1,028,373</u>
Total assets less current liabilities		<u>18,360,381</u>	<u>18,764,296</u>
Creditors: amounts falling due after more than one year	15	(2,712,741)	(2,941,173)
Pensions and other provisions for liabilities and charges			
Scottish Housing Association Pension Scheme	24	(105,173)	(41,000)
Deferred income			
Social Housing Grants	17	(11,573,505)	(11,965,374)
Net assets		<u>3,968,962</u>	<u>3,816,749</u>
Equity			
Share capital	18	370	371
Revenue reserves		4,073,765	3,857,377
Pension reserves		(105,173)	(41,000)
		<u>3,968,962</u>	<u>3,816,749</u>
		=====	=====

The financial statements were approved by the Committee of Management and authorised for issue on 19th July 2023 and signed on its behalf by:


 Committee Member
 Colin Fraser


 Committee Member
 Jim Hemphill


 Secretary
 Larke Adger

The notes on pages 16 to 29 form part of these financial statements

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATEMENT of CASH FLOWS

For the year ended 31 March 2023

	Notes	£	2023 £	£	2022 £
Net cash inflow from operating activities	16		599,650		454,690
Investing activities					
Acquisition and constructions of properties		(422,014)		(611,608)	
Purchase of other fixed assets		(2,599)		(11,895)	
Proceeds on disposal of other tangible assets		1,283		697	
		-----		-----	
Net cash outflow from investing activities			(423,330)		(622,806)
Financing activities					
Interest received on cash and cash equivalents		8,972		3,500	
Interest paid on loans		(52,737)		(31,829)	
Loan principal repayments		(238,439)		(253,392)	
Share capital issued		7		20	
		-----		-----	
Net cash outflow from financing activities			(282,197)		(281,701)
			-----		-----
(Decrease)/increase in cash			(105,877)		(449,817)
Opening cash and cash equivalents			1,371,529		1,821,346
			-----		-----
Closing cash and cash equivalents			1,265,652		1,371,529
			=====		=====
Cash and cash equivalents as at 31 March					
Cash			1,265,652		1,371,529
			=====		=====

The notes on pages 16 to 29 form part of these financial statements

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATEMENT of CHANGES in EQUITY

For the year ended 31 March 2023

	Share Capital	SHA Pension Reserves	Revenue Reserves	Total Reserves
	£	£	£	£
Balance at 31 March 2021	371	(271,000)	3,795,194	3,524,565
Issue of shares	20	-	-	20
Cancellation of shares	(20)	-	-	(20)
Other comprehensive income	-	184,000	-	184,000
Other movements	-	46,000	(46,000)	-
Surplus for the year	-	-	108,184	108,184
	-----	-----	-----	-----
Balance at 31 March 2022	371	(41,000)	3,857,378	3,816,749
Issue of shares	7	-	-	7
Cancellation of shares	(8)	-	-	(8)
Other comprehensive income	-	(91,085)	85	(91,000)
Other movements	-	26,912	(26,912)	-
Surplus for the year	-	-	243,214	243,214
	-----	-----	-----	-----
Balance at 31 March 2023	370	(105,173)	4,073,765	3,968,962
	=====	=====	=====	=====

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. Principle accounting policies

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for social housing providers 2018. The Co-operative is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable Accounting Standards, the Statement of Recommended Practice - Accounting by Registered Social Landlords 2014, and on the historical cost basis. They also comply with the Determination of Accounting Requirements 2019. A summary of the more important accounting policies is set out below.

Revenue

The Co-operative recognises rent receivable net of losses from voids.
Government Grants are released to income over the expected useful life of the asset to which it relates.

Retirement Benefits

The Co-operative participates in the Scottish Housing Co-operatives Defined Benefit Pension Scheme where 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 organisations taken as a whole. The Co-operative accounts for this scheme as a defined benefit pension scheme in accordance with FRS 102.

Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Co-operative depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 11.

When a component is replaced the replacement cost is capitalised. The cost of the original component and depreciation to date is written out of fixed assets. Any remaining cost not depreciated is written out of fixed assets to the statement of comprehensive income as a loss on disposal of fixed assets and included in depreciation of housing within operating costs for social letting.

Component	Useful Economic Life
Land	N/A
Structure (including roof)	50 years
External render	35 years
Radiators	30 years
Windows	25 years
External doors	25 years
Bathrooms	20 years
Kitchen	15 years
Boiler	15 years
Lift	15 years

Structure of one renovated flat in West Pilton Drive has a useful economic life of only 25 years.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 March 2023

1. Principle accounting policies (continued)

Depreciation and Impairment of Other Non-Current Assets

Non-current Assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Asset Category	Depreciation Rate
Office premises	over 50 years from practical completion
Office equipment, fixtures and fittings	over 4 years from acquisition
Flat white goods and fittings	over 6 years from acquisition
Playground equipment	over 10 years from acquisition

The carrying value of non-current assets are reviewed for impairment at the end of each reporting period. Individual items of less than approximately £500 are charged to operating costs and not depreciated. The carrying value of the tangible assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Social Housing Grant and Other Grants in Advance/Arrears

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

Social Housing Grant attributed to individual components is written off to the Statement of Comprehensive Income when these components are replaced.

Social Housing Grant received in respect of revenue expenditure is credited to the Statement of Comprehensive Income in the same period as the expenditure to which it relates.

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

Sales Of Housing Properties

First tranche Shared Ownership disposals are credited to turnover on completion. The cost of construction of these sales is taken to operating cost. In accordance with the Statement of Recommended Practice, disposals of subsequent tranches are treated as non-current asset disposals with the gain or loss on disposal shown in the Statement of Comprehensive Income.

Disposals of housing property under the Right to Buy scheme are treated as non-current asset disposals and any gain or loss on disposal accounted for in the Statement of Comprehensive Income.

Disposals under shared equity schemes are accounted for in the Statement of Comprehensive Income. The remaining equity in the property is treated as a non-current asset investment, which is matched with the grant received.

Taxation Non-charities

As a fully mutual co-operative housing association, under s488 of the Income and Corporation Taxes Act, the Co-operative is only liable for tax on investment income. The Co-operative is not eligible for grants towards corporation tax.

Leases/Leased Assets

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term. Assets held under finance leases and hire purchase contracts are capitalised in the Statement of Financial Position and are depreciated over their useful lives.

Works to Existing Properties

The Co-operative capitalises major repairs expenditure where these works result in an enhancement of economic benefits by increasing the net rental stream over the life of the property.

For the year ended 31 March 2023

1. Principle accounting policies (continued)

Estimation Uncertainty

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the Committee of Management to exercise judgement in applying the Association's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements are disclosed below.

- a) **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.
- b) **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.
- c) **Useful life of properties, plant and equipment**
The Co-operative assesses the useful life of its properties, plant and equipment and estimates the annual charge to be depreciated based on this assessment.
- d) **Defined pension liability**
Determining the value of the Co-operative's share of defined benefit pension scheme assets and obligations, the valuation prepared by the Scheme actuary includes estimates of life expectancy, salary growth, inflation and the discount rate on corporate bonds.

Key Judgements made in the application of Accounting Policies

- a) **The Categorisation of Housing Properties**
In the judgement of the Committee of Management the entirety of the Association's housing stock is held for social benefit and is therefore classified as Property, Plant and Equipment in accordance with FRS 102.
- b) **Identification of cash generating units**
The Co-operative considers its cash-generating units to be the schemes in which it manages its housing property for asset management purposes.
- c) **Financial instrument break clauses**
The Co-operative has considered the break clauses attached to the financial instruments that it has in place for its loan funding. In the judgement of the Committee of Management, these break clauses do not cause the financial instrument to be classified as a complex financial instrument and therefore they meet the definition of a basic financial instrument.
- d) **Pension Liability**
The Co-operative participates in a defined benefit pension scheme arrangement with the Scottish Housing Association Pension Scheme. The fund is administered by the Pensions Trust. The Pension Trust have developed a method of calculating each member's share of the assets and liabilities of the scheme. The Co-operative has decided that this method is appropriate and provides a reasonable estimate of the pension assets and liabilities of the Co-operative and has therefore adopted this valuation method.

Financial Instruments - Basic

The Co-operative classes all of its loans as basic financial instruments including agreements with break clauses. The Co-operative recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard 102.

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

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

2. Particulars of turnover, operating costs and operating surplus

	2023			2022		
	Turnover	Operating Costs	Operating Surplus	Turnover	Operating Costs	Operating Surplus
	£	£	£	£	£	£
Affordable letting activities (note 3)	2,149,395	1,861,450	287,945	2,073,073	1,930,228	142,845
Other activities (note 4)	50,828	50,089	739	11,163	10,830	333
	-----	-----	-----	-----	-----	-----
	2,200,223	1,911,539	288,684	2,084,236	1,941,058	143,178
	=====	=====	=====	=====	=====	=====

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

3. Particulars of income and expenditure from affordable letting activities

	2023	2022
	Total	Total
	£	£
Revenue from lettings		
Rent receivable net of service charges	1,755,394	1,688,376
	-----	-----
Gross income from rents and service charges	1,755,394	1,688,376
<u>Less: Rent losses from voids</u>	3,156	9,650
<u>Less: Rent losses from voids – unlettable</u>	930	670
	-----	-----
Net rents receivable	1,751,308	1,678,056
Grants released from deferred income	391,869	391,869
Grants from Scottish Ministers	6,218	3,148
	-----	-----
Total turnover from affordable letting activities	2,149,395	2,073,073
	-----	-----
Expenditure on affordable letting activities		
Management and maintenance administration costs	639,966	647,259
Planned and cyclical maintenance, including major repairs	334,388	321,125
Reactive maintenance costs	173,410	265,163
Bad debts – rents and service charges	(1,375)	1,776
Depreciation of affordable let properties	715,061	694,905
	-----	-----
Operating costs of affordable letting activities	1,861,450	1,930,228
	-----	-----
Operating surplus on affordable letting activities	287,945	142,845
	=====	=====

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

4. Particulars of revenue, operating costs and operating surplus or deficit from other activities

	Other Revenue Grants £	Other Income £	Total Turnover £	Other Revenue Costs £	Total Operating Costs £	Operating surplus/ (deficit) 2023 £	Operating surplus/ (deficit) 2022 £
Expired shares retained	-	7	7	-	-	7	20
SFHA Fuel Poverty Grant	50,089	-	50,089	(50,089)	(50,089)	-	-
Other activities	-	732	732	-	-	732	313
	-----	-----	-----	-----	-----	-----	-----
Total from other activities	50,089	739	50,828	(50,089)	(50,089)	739	333
	=====	=====	=====	=====	=====	=====	=====

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

5. Officers' emoluments

The officers are defined in the Co-operative and Community Benefit Societies Act 2014 as the members of the Committee of Management, managers and employees of the co-operative.

1 officer of the Co-operative received emoluments greater than £60,000.

	2023	2022
	£	£
Pension contributions made on behalf of officers with emoluments greater than £60,000	6,177	8,605
Social security paid on behalf of Chief Executive	8,026	6,150
Emoluments payable to Chief Executive	70,886	63,452
Total emoluments paid to key management personnel	85,089	78,207

The number of officers, including the highest paid officer, who received emoluments over £60,000 was in the following ranges:

	No.	No.
£60,001 to £70,000	-	1
£70,001 to £80,000	1	-

6. Employee

The average monthly number of full-time equivalent persons employed during the year was

The average total number of employees employed during the year was

	2023	2022
	No.	No.
	9	8
	8	9

	£	£
Staff costs were:		
Wages and salaries	277,244	285,386
National insurance costs	26,775	22,654
Other pension costs	74,001	77,199
Temporary, agency & seconded staff	-	21,944
Redundancy costs	10,457	-
Employee Life Assurance	1,381	1,222
	389,858	408,408

7. Interest payable and similar charges

On bank loans and overdrafts

8. Surplus for the year

Surplus for the year is stated after charging/(crediting)

	2023	2022
	£	£
Depreciation – tangible owned fixed assets	739,935	719,294
Auditor's remuneration – audit services	9,390	7,500
Auditors' remuneration – other services	1,068	2,320
Operating lease rentals – other	2,605	3,493

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

9. Tax on ordinary activities	2023	2022
	£	£
Analysis of charge in year		
Current tax:		
UK corporation	1,705	665
Adjustments in respect of previous years	-	-
	-----	-----
Total current tax	1,705	665
	=====	=====
10. Other finance/ (income) charges	2023	2022
	£	£
Net interest on pension obligations	-	(6,000)
	=====	=====
11. Non-current assets		
(a) Housing properties	Housing	Total
Cost	properties	£
	held for	£
	letting	£
As at 1 April 2022	28,710,088	28,710,088
Additions	422,014	422,014
Disposals	(150,928)	(150,928)
	-----	-----
As at 31 March 2023	28,981,174	28,981,174
	-----	-----
Depreciation		
As at 1 April 2022	11,239,934	11,239,934
Charge for year	715,061	715,061
Disposals	(150,928)	(150,928)
	-----	-----
As at 31 March 2023	11,804,067	11,804,067
	-----	-----
Net book value		
As at 31 March 2023	17,177,107	17,177,107
	=====	=====
As at 31 March 2022	17,470,154	17,470,154
	=====	=====

Additions to housing properties include capitalised development administration costs of £Nil (2022: £Nil) and capitalised major repair costs to existing properties of Nil (2022 - Nil).

All land and housing properties are freehold. All land included in fixed assets is owned by the Cooperative. Land is included at historic cost.

Total expenditure on existing properties in the year amounted to £572,942 (2022 - £911,889). The amount capitalised is £422,014 (2022: £611,608) with the balance charged to the statement of comprehensive income. The amounts capitalised can be further split between component replacement of £422,014 (2022: £609,984) and improvement of £Nil (2022: £1,624).

Changes to historic cost of houses held for letting results from additions and disposals from replacement of housing components in the year. Any net book value remaining on components replaced is added to depreciation in the year of disposal.

The Co-operative's Lenders have standard securities over Housing Property with a carrying value of £12,465,200 (2022: £12,627,520).

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

11(b) Other non-current assets	Office Premises £	Office Furniture & Equipment £	Playground Equipment £	White Goods & Fittings £	Total £
Cost					
As at 1 April 2022	311,934	101,087	58,556	11,950	483,527
Additions	-	2,599	-	-	2,599
Disposals	-	(7,187)	-	-	(7,187)
As at 31 March 2023	311,934	96,499	58,556	11,950	478,939
Aggregate depreciation					
As at 1 April 2023	105,878	76,140	27,088	8,652	217,758
Charge for year	6,825	11,071	5,086	1,892	24,874
Disposals	-	(5,904)	-	-	(5,904)
As at 31 March 2023	112,703	81,307	32,174	10,544	236,728
Net book value					
As at 31 March 2023	199,231	15,192	26,382	1,406	242,211
As at 31 March 2022	206,056	24,947	31,468	3,298	265,769

12. Commitments under operating leases

At the year end, the total future minimum lease payments under non-cancellable operating leases were as follows:

	2023 £	2022 £
Other		
Not later than one year	2,605	3,475
Later than one year and not later than five years	6,548	2,448

13. Receivables: Amounts falling due within one year

	2023 £	2022 £
Arrears of rent and service charges	22,495	23,982
<u>Less: Provision for doubtful debts</u>	(7,361)	(8,846)
	15,134	15,136
Other receivable	25,472	26,957
	40,606	42,093

14. Payables: Amounts falling due within one year

	2023 £	2022 £
Housing loans	247,410	257,417
Trade payables	14,197	12,215
Rent received in advance	32,299	30,366
Corporation tax payable	1,705	665
Other taxation and social security	7,116	10,109
Other payables	2,504	823
Accruals and deferred income	59,964	73,654
	365,195	385,249

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

15. Payables: Amounts falling due after more than one year	2023	2022
	£	£
Liability for past service contributions		-
Housing loans	2,712,741	2,941,173
	=====	=====
Housing loans		
Amounts due within one year	247,410	257,417
Amounts due in one year or more but less than two years	253,103	259,755
Amounts due in two years or more but less than five years	706,693	734,267
Amounts due in more than five years	1,752,945	1,947,152
	-----	-----
	2,960,151	3,198,591
<u>Less:</u> Amount shown in current liabilities	247,410	257,417
	-----	-----
	2,712,741	2,941,173
	=====	=====

Housing loans are secured by specific charges on the Co-operative's properties. Loans are repayable at current rates of interest ranging from 1.21% to 4.22%.

16. Statement of cashflows	2023	2022
	£	£
Reconciliation of surplus for the year to net cash inflow from operating activities		
Surplus for the year	152,214	292,184
Depreciation	739,935	719,294
Non-cash adjustments to pension provisions	64,172	(230,001)
Amortisation of capital grants	(391,869)	(391,869)
Change in debtors	1,487	(805)
Change in creditors	(10,046)	37,578
Interest receivable	(8,972)	(3,500)
Interest payable	52,737	31,829
Share capital written off	(8)	(20)
	-----	-----
Net cash inflow from operating activities	599,650	454,690
	=====	=====

Analysis of changes in net debt	At 1 April	Cashflows	Other	At 31
	2022	£	Changes	March 2023
	£		£	£
Cash at bank and in hand	1,371,529	(105,877)		1,265,652
	-----	-----		-----
	1,371,529	(105,877)		1,265,652
Debt: Due within one year	(257,417)	238,439	(228,432)	(247,410)
Debt: Due after more than one year	(2,941,173)		228,432	(2,712,741)
	-----	-----	-----	-----
Net debt	(1,827,061)	132,562	-	(1,694,499)
	=====	=====	=====	=====

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

17. Deferred income	Social Housing Grants	Total
	£	£
Social Housing Grants		
As at 1 April 2022	19,579,260	19,579,260
	-----	-----
As at 31 March 2023	19,579,260	19,579,260
	-----	-----
Amortised		
As at 1 April 2022	7,613,886	7,613,886
Amortisation in year	391,869	391,869
	-----	-----
As at 31 March 2023	8,005,755	8,005,755
	-----	-----
Net book value		
As at 31 March 2023	11,573,505	11,573,505
	=====	=====
As at 31 March 2022	11,965,374	11,965,374
	=====	=====

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

	2023	2022
	£	£
Amount due within one year	391,869	391,869
Amounts due in one year or more	11,181,636	11,573,505
	-----	-----
	11,573,505	11,965,374
	=====	=====

18. Share capital	2023	2022
	£	£
Shares at £1 each issued and fully paid		
As at 1 April 2022	371	371
Issued in year	7	20
Cancelled in year	(8)	(20)
	-----	-----
	370	371
	=====	=====

Each member of the Co-operative holds one share of £1 each. These shares carry no rights to dividend or distributions on a winding up. When a shareholder ceases to be a member, that person's share is cancelled, and the amount paid thereon becomes the property of the Co-operative. Each member has a right to vote at members' meetings.

19. Housing Stock	2023	2022
	No.	No.
The number of units of accommodation in management at the year end was:		
General needs housing	372	372
	=====	=====

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

20. Related Party Transactions

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

Any transactions between the Co-operative and any entity with which a Committee of Management member has a connection with is made at arm's length and is under normal commercial terms.

Transactions with Committee of Management members (and their close family) were as follows:

	2023	2022
	£	£
Rent receivable from tenants on the Committee of management and their close family members	67,984	62,763
	=====	=====

At the year-end total rent arrears owed by the tenant members on the Committee of Management (and their close family) were £778 (2022: £707).

	2023	2022
	No.	No.
Members of the Committee of Management who are tenants	10	12
	=====	=====
Members of the Committee of Management who are local authority employees	3	3
	=====	=====

21. Details of Co-Operative

The Co-operative is a Registered Society, registered with the Financial Conduct Authority and is domiciled in Scotland.

The Co-operative's principal place of business is 26 Granton Mill Crescent, Edinburgh EH4 4UT.

The Co-operative is a Registered Social Landlord that owns and manages social housing property in Edinburgh.

22. Committee of Management Member Emoluments

Committee of Management members received £405 (2022: £725) in the year by way of reimbursement of expenses. No remuneration is paid to Committee of Management members in respect of their duties to the Co-operative.

23. Retirement Benefit Obligations

Scottish Housing Association 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.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

23. Retirement Benefit Obligations (continued)

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 2021. This valuation revealed that the previous deficit had been eliminated, as a result of which employer contributions to remedy the past service deficit ceased as of September 2022.

At the balance sheet date, there were 9 members of the scheme employed by the Co-operative. Total pension contributions made by the Co-operative for the year were £74,001. Gross pensionable salaries for the year were £307,476.

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

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive. The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 28 February 2024 inclusive.

In May 2021 the Scheme Trustee (TPT Retirement Solutions) notified employers of a review of historic scheme benefit changes, and this review has raised legal questions regarding whether and when some historic benefit changes should take effect, the outcome of which could give rise to an increase in liabilities for some employers. The Scheme Trustee has determined that it is prudent to seek clarification from the Court on these items. This process is ongoing and the matter is unlikely to be resolved before late 2024 at the earliest.

On 4 May 2022 the Scheme Trustee issued an update to employers which included an estimate of the potential total additional liabilities at total scheme level, on a Technical Provisions basis. However, until Court directions are received, it is not possible to calculate the impact of this issue on an individual employer basis with any accuracy. As a result of this no allowance will be made for this within the accounting disclosures included in this note.

Net pension liability	2023
	£'000
Fair value of employer's assets	1,638
Present value of scheme liabilities	1,743

	(105)
	=====

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

23. Retirement Benefit Obligations (continued)

Reconciliation of fair value of employer assets

Opening fair value of employer assets	2,471
Expected return on assets	(819)
Contributions by members	29
Actuarial gains/(losses)	
Estimated benefits paid	(43)

Closing fair value 1,638

=====

2023
£'000

Opening defined benefit obligation	2,512
Current service cost	-
Interest cost	71
Contributions by members	-
Actuarial gains	(797)
Estimated benefits paid	(43)

Closing defined benefit obligations 1,743

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Analysis of amount charged to the Statement of Comprehensive Income

Charged to operating costs:	
Service cost	-
Expenses	2
Charged to other finance costs/(income)	-
Expected return on employer assets	-
Interest on pension scheme liabilities	-

Net charge to the Statement of Comprehensive Income 2

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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.

24. SHAPS pension provision

	2023	2022
	£	£
As at 31 March 2022	(41,000)	(271,000)
Decrease in provision	(64,173)	230,000
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Balance as at 31 March 2023	(105,173)	(41,000)
	=====	=====