



Alexander Sloan
Accountants and Business Advisers

West Granton Housing Co-operative Limited

Report and Financial Statements

For the year ended 31 March 2020

Registered Social Landlord No. HAC225

FCA Reference No. 2357R(S)

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

Contents

	Page
Members of the Committee of Management, Executives and Advisers	1
Report of the Committee of Management	2 - 7
Report by the Auditors on corporate governance matters	8
Report of the Auditors	9
Statement of comprehensive income	11
Statement of financial position	12
Statement of cash flows	13
Statement of changes in equity	14
Notes to the financial statements	15 - 33

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

COMMITTEE OF MANAGEMENT, EXECUTIVES AND ADVISERS YEAR ENDED 31 MARCH 2020

Committee of Management

Lorna Brown	Chairperson- appointed October 2015
Marilyn Dickson	Treasurer - appointed annually since 1995
Jim Hemphill	Vice Chairperson - resigned and retired October 2019
Donna Anderson	Elected 2017
Fiona Marshall	Vice Chair - elected November 2019
James Moir	Retired December 2019
Joe Moir	Last re-elected 2017
George Nicol	Retired April 2020
Elizabeth Robertson	Elected 2016
Marlyn Sinclair	Retired November 2019
George Thomson	Last re-elected 2018
Jon Douglas	Elected 2018
Patricia Cordiner	Co-opted October 2019
Wendy Riordan	Co-opted December 2019

EXECUTIVE OFFICERS

Larke Adger	Chief Executive and Company Secretary
-------------	---------------------------------------

REGISTERED OFFICE

26 Granton Mill Crescent
Edinburgh
EH4 4UT

EXTERNAL AUDITORS

Alexander Sloan
Accountants and Business Advisers
50 Melville Street
Edinburgh
EH3 7HF

INTERNAL AUDITORS

Wylie & Bisset
168 Bath Street
Glasgow
G2 4TP

FINANCIAL AGENTS

Prospect Housing Association
6 Westburn Avenue
Edinburgh
EH14 2TH

BANKERS

Royal Bank of Scotland Plc (Primary
Accounts)
109/109a George Street
Edinburgh
EH2 7HF

BANKERS

Bank of Scotland (Investment Deposit
only)
The Mound
Edinburgh
EH1 1YZ

BANKERS

Santander UK plc (Investment
Deposit only)
17 Ulster Terrace
Regent's Park
London
NW1 4PJ

SOLICITOR

TC Young
Melrose House
69a George Street
Edinburgh
EH2 2JG

LENDER

Nationwide Building Society
Northampton Admin Centre
Kings Park Road
Moulton Park
Northampton

DATA PROTECTION OFFICER

David Mills - RGDP LLP
Level 2, One Edinburgh Quay
133 Fountainbridge
Edinburgh
EH3 9QG

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2020

The Committee of Management presents its report and the Financial Statements for the year ended 31 March 2020.

Legal Status

The Co-operative is registered with the Financial Conduct Authority as a Co-operative and Community Benefit Society (No.2357R(S)), the Scottish Housing Regulator as a registered social landlord (No.HAC225) and is governed under its Rule Book.

Principal Activities

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

Review of Business and Future Developments

Mission Statement and Corporate 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 2014; 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: "Sustaining and Championing the Co-operative Way"

Our corporate objectives are:

1. Our Tenants are paramount in everything we do
2. We will provide safe, secure and affordable homes
3. There is strength in community and we will look to support this where we can
4. We will strive for sustainability and strength for the future

Overview of period

At 1st April 2019 there were 12 fully elected members of the Committee of Management. A 13th member was co-opted on in June 2019 and in accordance with Rule 38.1 retired before the 2019 AGM. The AGM was held on 2nd September 2019. Four retiring members were re-elected, and there were no nominations. There remained 12 members on the Committee of Management following the 2019 AGM. In the period October to December 2019, 3 fully elected members retired and 2 members were co-opted on to the Committee of Management. As at 31st March 2020 there were 9 fully elected members and 2 co-opted members. As at the date of this report there are 8 fully elected members and 2 co-opted members, following the resignation of a fully elected member in April 2020.

During the period, the Committee of Management procured the services of Governance Support Consultant, Annie Mauger-Thompson. The Committee attended a Skills Development workshop, developed a Committee Member Job Description and Personal Specification, and carried out a Skills Self-Assessment session to identify training needs, the results of which provided assurances of their capability to perform their roles.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2020

Review of Business and Future Developments (Continued)

All Committee members underwent their annual performance review and an additional review was carried out on all those members who had served 9 years or longer. Committee received training on the new Scottish Housing Regulatory Framework including the requirements of the new Assurance Statement, training in Finance and Budgets, the General Data Protection Requirements and Freedom of Information (Scotland) Act, Pensions and Governance. In July 2019, the Committee attended their Strategy Away Day and successfully developed and agreed the organisation's new Mission Statement and Strategic Priorities for 2020-21 and the Business Plan.

During the period, Committee also approved the appointment of a Data Protection Officer for WGHC, the appointment of an Internal Auditor and the appointment of a consultant to help develop WGHC's Equalities Action framework.

WGHC is a member of ARCHIE (Alliance of Registered Housing Co-operatives and Housing Associations Independent in Edinburgh). ARCHIE was formed on 22nd March 2019. It is a voluntary partnership of equals who have come together to share skills, experiences, resources to enable members to deliver enhanced services to tenants and the wider community. During the period ARCHIE focussed on sharing procurement support and attended a meeting at the Scottish Parliament to discuss tackling homelessness within the city. As of 22nd March 2020, WGHC's CEO was appointed Chair of ARCHIE.

In October 2019, the Committee of Management approved WGHC's first Annual Assurance Statement for submission to the Scottish Housing Regulator. On 11th November 2019, WGHC was designated as a Scottish Public Authority under section 5 of the Freedom of Information Act (Scotland) 2002 (Designation of Persons as Scottish Public Authorities) Order 2013. The Scottish Information Commissioner (SIC) approved WGHC's website as being compliant in terms of content under their Model Publication Scheme.

As at 31st March 2020, and to the date of this report, we own 372 properties.

The rent increase in April 2020 was 2%.

Cash plus investment balances have decreased by £323,718 since March 2019. The Statement of Financial Position remains strong with net assets having increased by £436,849 at 31st March 2020. These have increased as a result of the investment in housing properties, offset by the decrease in cash and investments and movements in debtors and creditors, in particular the release of Housing Association Grant. Interest cover remains strong at 567% compared to the 110% interest cover covenant required by Nationwide Building Society, our loan provider.

Scotland went in to lockdown on 23rd March 2020 as a result of the COVID-19 outbreak. WGHC closed its office to the public and staff began working from home as at 31st March 2020. As at the date of this report, and in accordance with current Scottish Government guidelines, staff home-working remains the default position.

There were no properties sold in 2019-20. There is now only one flat remaining designated for sale when the existing tenancy ends.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2020

Review of Business and Future Developments (Continued)

The Scottish Housing Regulator's key arrears indicator is "gross arrears" which excludes technical arrears but includes arrears written off in the year. Gross Rent Arrears at 31st March 2020 were £22,682 compared with £20,551 as at 31st March 2019. Bad debts written off in the year were £2,421 compared to £2,415 in the previous year. The majority of the bad debt accrued was due to 1 tenancy abandonment.

As a percentage of rent due the gross arrears were 1.36% (2019,1.31%). Our benchmark is 1.30%. Lockdown restrictions were introduced in Scotland on 23rd March 2020, so just before the end of the financial year. This period is too short to explain the increase on our Gross Arrears at year end. On closer examination, the 1.36% is largely due to a timing issue with payments as the year end was on a Tuesday (31.03.20). Rent receipts from monthly direct debit payers were received on 01.04.20 as were many of the rent receipts from our monthly payers. However, despite this increase WGHC continues to have very low rent arrears compared to the Scottish average for social landlords, for whom the latest published gross rent arrears was 5.7% of annual income.

Operating Costs were £124,842 underbudget overall, which was mainly due to underspends in Planned Maintenance. This was due to some of the programmes being delayed until 2020/21. In particular the Area 1 external paintwork and it is possible the Area 4 entry phone systems may be postponed further, given that there are no problems with them at the current time.

The programme for smoke alarms commenced on 27th January 2020, with 133 properties having alarms fitted by 31st March 2020 and 194 to be fitted in the new financial year. The programme is taking longer to complete due to issues with no access and the current restrictions around Covid-19. At the time of this report resumption of these works is due to commence 10th August 2020. All properties must meet the new tolerable standard by 1st February 2021.

WGHC financed the building of its housing stock partly through grant and partly through loans. As at 31st March 2020, WGHC has 6 loans. 5 are with the Nationwide Building Society with 3 on a fixed rate of 4.49% and the remaining 2 on a variable rate. In 2021, the 10 year period on the fixed rate loans expires and all loans will revert to a variable rate. The 6th loan is the interest free loan from the Scottish Government for the new legally required smoke detectors.

There were 25 changes in tenancy in 2019-20. Broken down this is 23 relets, 2 mutual exchanges and 1 assignation of tenancy. These numbers fluctuate annually. In the previous year (2018-19) there were 19 changes in tenancy. In 2017-18 there were 32 changes; and in 2016-17 there were 20.

The average time to relet in 2019-20 was 28 days. The figure for 2018-19 was 29 days. WGHC's Committee agreed in October 2018 that taking time at the point of allocation to ensure tenancy sustainment should take priority over allocating empty properties as quickly as possible and that staff focus should remain on allocating properties to applicants who are tenancy ready and sourcing adequate support packages for those who need them.

Out of the 23 relets in 2019-20, 21 tenants were successfully surveyed. 100% of the 21 tenants stated they were satisfied with the quality of their home when moving in.

We carried out 1,115 reactive repairs within the period compared with 1,267 in the previous year. On average, we completed non-emergency repairs in 4.05 days which is a slight improvement on the 4.2 days in 2018-19 and below our benchmark of 5 days. We responded to 138 emergencies within 2.2 hours (on average) which again is an improvement on last year's figure of 2.6 hours and well below our benchmark of a 3 hour response. Medical adaptations were completed within 13.4 days which is a significant improvement on the 2018-19 figure of 26.6 days and well below our benchmark of 30 days.

Overall, it was an exceptionally busy period for WGHC. Workload pressures were high and Committee had one of the busiest periods in recent years with Meetings, training workshops and various Board Support sessions. However despite all of this, WGHC continues to perform well and remains in a financially strong position moving into the new financial year.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2020

Committee of Management and Executive Officers

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

Each member (excluding co-optees) of the Committee of Management hold 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.

The members of the Committee of Management are appointed by the members at the Co-operative's Annual General Meeting.

Statement of Committee of Management's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 requires the Committee of Management to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the Co-operative and of the surplus or deficit of the Co-operative for that period. In preparing those Financial Statements, the Committee of Management is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Co-operative will continue in business; and
- prepare a statement on Internal Financial Control.

The Committee of Management is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Co-operative and to enable them to ensure that the Financial Statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements 2019. It is responsible for safeguarding the assets of the Co-operative and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is also responsible for ensuring the Co-operative's suppliers are paid promptly.

Going Concern

Based on its budgetary and forecasting processes the Committee of Management has a reasonable expectation that the Co-operative has adequate resources to continue in operational existence for the foreseeable future; therefore, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2020

Statement on Internal Financial Control

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.

It is the Committee of Management's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements 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;
- experienced and suitably qualified staff take responsibility for important business functions and annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the management team and the 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 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;
- 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 2020. 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 £4,980 (2019 - £8,072).

Disclosure of Information to the Auditor

The members of the Committee of Management at the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditors are unaware. They confirm that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that it has been communicated to auditors.

Auditors

In terms of best practice, audit firm rotation is recommended after a maximum period of 7 years. Alexander Sloan is now in it's 7th year as WGHC's serving financial auditor. WGHC will therefore go to market in 2020-21 to invite quotes from at least another 5 external auditors, in addition to Alexander Sloan. The outcome of this procurement exercise will be presented to Committee by August 2020 for their consideration and approval, prior to the formal proposal for the appointment of the 2021 financial auditor being made at the AGM in September 2020.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31 MARCH 2020

By order of the Committee of Management

This section has been redacted because
it contains personal data

LARKE ADGER

Secretary

19 August 2020

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT BY THE AUDITORS TO THE MEMBERS OF WEST GRANTON HOUSING CO-OPERATIVE LIMITED ON CORPORATE GOVERNANCE MATTERS

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 in the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements relating to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Co-operative's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Control on page 6 has provided the disclosures required by the relevant Regulatory Standards with the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

Through enquiry of certain members of the 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 Control appropriately reflects the Co-operative's compliance with the information required by the relevant Regulatory Standards in respect of internal financial controls within the publication 'Our Regulatory Framework' and associated Regulatory Advice Notes issued by the Scottish Housing Regulator in respect of internal financial controls.

ALEXANDER SLOAN

Accountants and Business Advisers
Statutory Auditors
EDINBURGH
19 August 2020



Alexander Sloan
Accountants and Business Advisers

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

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

Opinion

We have audited the Financial Statements of West Granton Housing Co-operative Limited (the 'Co-operative') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and 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 surplus 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, 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 relation to which the ISAs (UK) require us to report to you where:

- the Committee of Management's 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 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 Committee of Management is 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, except to the extent otherwise explicitly stated in our report, 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.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WEST GRANTON HOUSING CO-OPERATIVE LIMITED (Continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- proper books of account have not been kept by the Co-operative in accordance with the requirements of
- a satisfactory system of control over transactions has not been maintained by the Co-operative in accordance with the requirements of the legislation;
- the Statement of Comprehensive Income and Statement of Financial Position are not in agreement with the books of account of the Co-operative; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Committee of Management

As explained more fully in the Statement of Committee of Management's Responsibilities as set out on page 5, 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 determines 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 is 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 Committee of Management either intends to liquidate the Co-operative or to cease operations, or has 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 the 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 <https://www.frc.org.uk/auditorresponsibilities>. This description forms part of our audit report.

Use of our Report

This report is made solely to the Co-operative's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Co-operative's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Co-operative and the Co-operative's members as a body, for our audit work, for this report, or for the opinions we have formed.

ALEXANDER SLOAN

Accountants and Business Advisers
Statutory Auditors
EDINBURGH
19 August 2020



WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020	2019
		£	£
Revenue	2	2,042,569	1,999,588
Operating costs	2	1,725,144	1,520,955
OPERATING SURPLUS		317,425	478,633
Interest receivable and other income		9,409	11,899
Interest payable and similar charges	7	(117,995)	(122,425)
Other Finance income/(charges)	10	(7,000)	(7,000)
		(115,586)	(117,526)
Surplus on ordinary activities before taxation	8	201,839	361,107
Tax on surplus on ordinary activities	9	(1,991)	(2,273)
SURPLUS FOR THE YEAR		199,848	358,834
Other comprehensive income			
Adjustment relating to opening pension liability	18	-	(69,400)
Actuarial gains/(losses) on defined benefit pension plan	18	237,000	(90,000)
TOTAL COMPREHENSIVE INCOME		436,848	199,434

The results relate wholly to continuing activities.

The notes on pages 15 to 33 form an integral part of these financial statements.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
NON-CURRENT ASSETS					
Housing properties - depreciated cost	11		18,237,807		18,110,785
Other tangible assets	11		272,934		269,682
			<u>18,510,741</u>		<u>18,380,467</u>
CURRENT ASSETS					
Receivables	12	32,003		35,717	
Investments	13	831,187		1,023,113	
Cash and cash equivalents	14	784,616		916,408	
		<u>1,647,806</u>		<u>1,975,238</u>	
CREDITORS: Amounts falling due within one year	15	(333,606)		(243,793)	
			<u>1,314,200</u>		<u>1,731,445</u>
NET CURRENT ASSETS					
TOTAL ASSETS LESS CURRENT LIABILITIES					
			19,824,941		20,111,912
CREDITORS: Amounts falling due after more than one year	16		(3,459,859)		(3,535,810)
PENSIONS AND OTHER PROVISIONS FOR LIABILITIES AND CHARGES					
Scottish housing association pension scheme	18	(57,000)		(313,000)	
			<u>(57,000)</u>		<u>(313,000)</u>
DEFERRED INCOME					
Social housing grants	19	(12,749,112)		(13,140,981)	
			<u>(12,749,112)</u>		<u>(13,140,981)</u>
NET ASSETS					
EQUITY					
Share capital	20		371		370
Revenue reserves			3,615,599		3,434,751
Pension reserves			(57,000)		(313,000)
			<u>3,558,970</u>		<u>3,122,121</u>

The financial statements were approved by the Committee of Management and authorised for issue and signed on their behalf on 19 August 2020.

This section has been redacted because it contains personal data

Committee Member

Committee Member

Secretary

The notes on pages 15 to 33 form an integral part of these financial statements.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020		2019	
		£	£	£	£
Surplus for the Year			199,848		358,834
<i>Adjustments for non-cash items:</i>					
Depreciation of tangible fixed assets	11	703,337		699,526	
Amortisation of capital grants	19	(391,869)		(391,869)	
Non-cash adjustments to pension provisions		(19,000)		(55,000)	
Share capital written off	20	(15)		(11)	
			<u>292,453</u>		<u>252,646</u>
Interest receivable			(9,409)		(11,899)
Interest payable	7		117,995		122,425
			<u>600,887</u>		<u>722,006</u>
Operating cash flows before movements in working capital					
Change in debtors		3,714		(9,154)	
Change in creditors		54,700		(52,154)	
			<u>58,414</u>		<u>(61,308)</u>
Net cash inflow from operating activities			<u>659,301</u>		<u>660,698</u>
Investing Activities					
Acquisition and construction of properties		(810,229)		(9,219)	
Purchase of other fixed assets		(23,382)		(4,950)	
Social housing grant repaid		-		(289,544)	
Changes on short term deposits with banks		191,926		492,622	
			<u>(641,685)</u>		<u>188,909</u>
Net cash (outflow) / inflow from investing activities					
Financing Activities					
Loan Advances Received		148,000		-	
Interest received on cash and cash equivalents		9,409		11,899	
Interest paid on loans		(117,995)		(122,425)	
Loan principal repayments		(188,838)		(184,246)	
Share capital issued	20	16		13	
			<u>(149,408)</u>		<u>(294,759)</u>
Net cash outflow from financing activities					
(decrease)/increase in cash	21		<u>(131,792)</u>		<u>554,848</u>
Opening cash & cash equivalents			<u>916,408</u>		<u>361,560</u>
Closing cash & cash equivalents			<u>784,616</u>		<u>916,408</u>
Cash and cash equivalents as at 31 March					
Cash	21		<u>784,616</u>		<u>916,408</u>
			<u>784,616</u>		<u>916,408</u>

The notes on pages 15 to 33 form an integral part of these financial statements.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CHANGES IN EQUITY AS AT 31 MARCH 2020

	Share Capital	Scottish Housing Association Pension reserve	Revenue Reserve	Total
	£	£	£	£
Balance as at 1 April 2018	368	-	2,922,317	2,922,685
Issue of Shares	13	-	-	13
Cancellation of Shares	(11)	-	-	(11)
Other comprehensive income	-	(159,400)	-	(159,400)
Other movements	-	(153,600)	153,600	-
Surplus for the year	-	-	358,834	358,834
Balance as at 31 March 2019	370	(313,000)	3,434,751	3,122,121
Balance as at 1 April 2019	370	(313,000)	3,434,751	3,122,121
Issue of Shares	16	-	-	16
Cancellation of Shares	(15)	-	-	(15)
Other comprehensive income	-	237,000	-	237,000
Other movements	-	19,000	(19,000)	-
Surplus for the year	-	-	199,848	199,848
Balance as at 31 March 2020	371	(57,000)	3,615,599	3,558,970

The notes on pages 15 to 33 form an integral part of these financial statements.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS

1. PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance and Basis of Accounting

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 2019. They comply with the Determination of Accounting Requirements 2019. A summary of the principal 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 they relate. Revenue grants are receivable when the conditions for receipt of the agreed grant funding have been met.

Retirement Benefits

The Co-operative participates in the Scottish Housing Co-operative Pension Scheme (SHAPS) a multi-employer defined benefit scheme. 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.

Going Concern

On the basis that the Committee of Management has a reasonable expectation that the Co-operative has adequate resources to continue in operational existence for the foreseeable future, the Co-operative has adopted the going concern basis of accounting in preparing these financial statements.

Housing Properties

Housing properties are held for the provision of social housing. Housing properties are stated at cost less accumulated depreciation and impairment losses. Cost includes acquisition of land and buildings and development cost. The Co-operative depreciates housing properties over the useful life of each major component. Housing under construction and land are not depreciated.

<i>Component</i>	<i>Useful Economic Life</i>
Structure (including roof)	50 years
External Render	35 years
Central Heating System (excluding boiler)	30 years
Windows	25 years
External Doors	25 years
Bathrooms	20 years
Kitchen	15 years
Boiler	15 years
Lift	15 years

The structure of one renovated flat in West Pilton Drive has a UEL of only 25 years.

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.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Depreciation and Impairment of Other Tangible Assets

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

<i>Asset Category</i>	<i>Depreciation Rate</i>
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 values of non-current assets are reviewed for impairment at the end of each reporting period.

Individual items of less than £500 are charged to operating costs and not depreciated.

Social Housing Grants and Other Capital Grants

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 they relate.

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 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

The Co-operative is a fully mutual co-operative. Under s488 of the Income and Corporation Taxes Act the Co-operative is only liable for tax on investment income.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (Continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Leases

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 or the term of the lease whichever is shorter.

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, a material reduction in future maintenance costs, or a significant extension of the life of the property.

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.

Cash and Liquid Resources

Cash comprises cash at bank and in hand, deposits repayable on demand less overdrafts. Liquid resources are current asset investments that can't be disposed of without penalty and are readily convertible into amounts of cash at their carrying value.

Impairment

The Co-operative assesses at the end of each accounting period whether there are indications that a non-current asset may be impaired or that an impairment loss previously recognised has fully or partially reversed.

Where the carrying value of non-current assets is less than their recoverable amounts the shortfall is recognised as an impairment loss in the Statement of Comprehensive Income. The recoverable amount is the higher of the fair value less costs to sell and value-in-use of the asset based on its service potential.

Impairment losses previously recognised are reversed if the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in the Statement of Comprehensive Income.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

1. PRINCIPAL ACCOUNTING POLICIES (continued.)

Key Judgements and estimates made in the application of Accounting Policies

The preparation of financial statements requires the use of certain accounting judgements and accounting estimates. It also requires the Co-operative to exercise judgement in applying its 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.

Key Judgements

a) Categorisation of Housing Properties

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

b) Identification of cash generating units

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

c) Pension Liability

The Co-operative participates in a defined benefit pension scheme arrangement with the Scottish Housing Co-operative 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.

Estimation Uncertainty

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

In 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.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

2. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT

	Notes	Turnover £	Operating costs £	Operating surplus / (deficit) £	Turnover £	Operating costs £	Operating surplus / (deficit) £
Affordable letting activities	3	2,041,645	1,725,144	316,501	1,998,460	1,520,955	477,505
Other Activities	4	924	-	924	1,128	-	1,128
Total		2,042,569	1,725,144	317,425	1,999,588	1,520,955	478,633

3. PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	2020 Total £	2019 Total £
Revenue from Lettings			
Rent receivable net of service charges	1,648,310	1,648,310	1,599,292
Gross income from rent and service charges	1,648,310	1,648,310	1,599,292
Less: Rent losses from voids	7,625	7,625	4,523
Income from rents and service charges	1,640,685	1,640,685	1,594,769
Grants released from deferred income	391,869	391,869	391,869
Revenue grants from Scottish Ministers	9,091	9,091	11,822
Total turnover from affordable letting activities	2,041,645	2,041,645	1,998,460
Expenditure on affordable letting activities			
Management and maintenance administration costs	608,096	608,096	486,920
Planned and cyclical maintenance, including major repairs	220,492	220,492	161,607
Reactive maintenance costs	210,656	210,656	191,669
Bad Debts - rents and service charges	2,693	2,693	342
Depreciation of affordable let properties	683,207	683,207	680,417
Operating costs of affordable letting activities	1,725,144	1,725,144	1,520,955
Operating surplus on affordable letting activities	316,501	316,501	477,505
2019			477,505

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. PARTICULARS OF REVENUE, OPERATING COSTS AND OPERATING SURPLUS OR DEFICIT FROM OTHER ACTIVITIES

	Other income	Total Turnover	Operating surplus / (deficit) 2020	Operating surplus / (deficit) 2019
	£	£	£	£
Expired shares retained	15	15	15	11
Other activities	909	909	909	1,117
Total From Other Activities	924	924	924	1,128
2019	1,128	1,128	1,128	

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

5. OFFICERS' EMOLUMENTS

	2020 £	2019 £
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 Association.		
Emoluments payable to Chief Executive and Company Secretary (excluding pension contributions)	56,578	52,663
Pension contributions paid on behalf of the Chief Executive and Company Secretary	5,035	5,459
Total emoluments payable to the Chief Executive and Company Secretary	<u>61,613</u>	<u>58,122</u>
Total emoluments paid to key management personnel	<u>61,613</u>	<u>58,122</u>
The number of Officers, including the highest paid Officer, who received emoluments, including pension contributions, over £60,000 was in the following ranges:-		
	Number	Number
£60,001 to £70,000	<u>1</u>	<u>-</u>

6. EMPLOYEE INFORMATION

	2020 No.	2019 No.
Average monthly number of full time equivalent persons employed during the year	<u>8</u>	<u>7</u>
Average total number of employees employed during the year	<u>11</u>	<u>9</u>
Staff costs were:	£	£
Wages and salaries	293,193	250,144
National insurance costs	25,367	20,234
Pension costs	23,668	19,267
Temporary, agency and seconded staff	37,392	18,221
	<u>379,620</u>	<u>307,866</u>

Termination benefits of £5,834 (2019 - £nil) were paid to 1 (2019 - nil) employee during the year.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2020	2019
	£	£
On bank loans and overdrafts	<u>117,995</u>	<u>122,425</u>

8. SURPLUS FOR THE YEAR

	2020	2019
	£	£
Surplus For The Year is stated after charging/(crediting):		
Depreciation - non-current assets	703,337	699,214
Auditors' remuneration - audit services	6,252	6,600
Auditors' remuneration - other services	348	348
Operating lease rentals - other	<u>3,494</u>	<u>3,475</u>

9. CORPORATION TAX

	2020	2019
	£	£
Analysis of Charge in Year		
<i>Current Tax:</i>		
Corporation tax	1,788	2,261
Adjustments in respect of previous years	203	12
Total Current Tax	<u>1,991</u>	<u>2,273</u>

10. OTHER FINANCE INCOME / (CHARGES)

	2020	2019
	£	£
Net interest on pension obligations	<u>(7,000)</u>	<u>(7,000)</u>

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON-CURRENT ASSETS

(a) Housing Properties	Housing Properties In course of Construction £	Shared Ownership Completed £	£	Housing Properties Held for Letting £	Total £
COST					
At 1 April 2019				27,989,865	27,989,865
Additions				810,229	810,229
Disposals				(403,333)	(403,333)
At 31 March 2020				28,396,761	28,396,761
DEPRECIATION					
At 1 April 2019				9,879,080	9,879,080
Charge for Year				683,207	683,207
Disposals				(403,333)	(403,333)
At 31 March 2020				10,158,954	10,158,954
NET BOOK VALUE					
At 31 March 2020				18,237,807	18,237,807
At 31 March 2019				18,110,785	18,110,785

Expenditure on Existing Properties

	2020 <i>Component replacement</i> £	2019 <i>Component replacement</i> £
Amounts capitalised	810,229	9,219
Amounts charged to the statement of comprehensive income	403,333	353,276

All land and housing properties are heritable.

The Co-operative's lenders have standard securities over housing property with a carry value of £13,054,253 (2019 - £12,816,418)

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

11. NON CURRENT ASSETS (continued)

(b) Other tangible assets	Office Premises £	Office Furniture & Equipment £	Playground Equipment £	White Goods & Fittings £	Total £
COST					
At 1 April 2019	309,913	65,607	40,624	12,679	428,823
Additions	2,021	20,725	-	636	23,382
At 31 March 2020	<u>311,934</u>	<u>86,332</u>	<u>40,624</u>	<u>13,315</u>	<u>452,205</u>
DEPRECIATION					
At 1 April 2019	85,409	55,544	13,159	5,029	159,141
Charge for year	6,819	7,259	4,061	1,991	20,130
At 31 March 2020	<u>92,228</u>	<u>62,803</u>	<u>17,220</u>	<u>7,020</u>	<u>179,271</u>
NET BOOK VALUE					
At 31 March 2020	<u>219,706</u>	<u>23,529</u>	<u>23,404</u>	<u>6,295</u>	<u>272,934</u>
At 31 March 2019	<u>224,504</u>	<u>10,063</u>	<u>27,465</u>	<u>7,650</u>	<u>269,682</u>

12. RECEIVABLES

	2020 £	2019 £
Gross arrears of rent and service charges	18,593	27,182
Less: Provision for doubtful debts	(6,398)	(6,127)
<i>Net arrears of rent and service charges</i>	<u>12,195</u>	<u>21,055</u>
Other receivables	19,808	14,662
	<u>32,003</u>	<u>35,717</u>

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

13. CURRENT ASSET INVESTMENTS

	2020	2019
	£	£
Short term deposits	831,187	1,023,113
	<u>831,187</u>	<u>1,023,113</u>

14. CASH AND CASH EQUIVALENTS

	2020	2019
	£	£
Cash at bank and in hand	784,616	916,408
	<u>784,616</u>	<u>916,408</u>

15. PAYABLES: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans	221,854	186,741
Trade payables	56,389	22,254
Rent received in advance	17,352	20,862
Corporation tax payable	1,788	2,261
Other taxation and social security	6,234	4,899
Other payables	1,464	30
Accruals and deferred income	28,525	6,746
	<u>333,606</u>	<u>243,793</u>

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

16. PAYABLES: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans	3,459,859	3,535,810
	3,459,859	3,535,810

17. DEBT ANALYSIS - BORROWINGS

	2020	2019
	£	£
Bank Loans		
Amounts due within one year	221,854	186,741
Amounts due in one year or more but less than two years	226,841	191,669
Amounts due in two years or more but less than five years	712,298	606,384
Amounts due in more than five years	2,520,721	2,737,757
	3,681,714	3,722,551

The Co-operative has a number of bank loans the principal terms of which are as follows:

Lender	Number of Properties Secured	Effective Interest Rate	Maturity (Year) Variable or Fixed
Nationwide	Standard sec	1.1%	2031 Variable
Nationwide	Standard sec	1.1%	2033 Variable
Nationwide	Standard sec	4.5%	2036 Fixed
Nationwide	Standard sec	4.5%	2038 Fixed
Nationwide	Standard sec	4.5%	2039 Fixed
Scottish Government	N/A	0.0%	2025 Fixed

All the Co-operative's bank borrowings are repayable on a monthly basis with the principal being amortised over the term of the loans.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS

Scottish Housing Association Pension Scheme

West Granton Housing Co-operative Limited participates in the Scottish Housing Association 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 pensions schemes in the UK.

The last valuation of the Scheme was performed as at 30 September 2018 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £877m. The valuation revealed a shortfall of assets compared with the value of liabilities of £121m (equivalent to a past service funding level of 89%). A recovery plan is in place to eliminate the past service deficit which runs to 28 February 2022.

The Scheme operates on a 'last man standing' basis, meaning that in the event of an employer withdrawing from the Scheme and being unable to pay its share of the debt on withdrawal, then the liability of the withdrawing employer is reapportioned amongst the remaining employer. Therefore in certain circumstances the Association may become liable for the obligations of a third party.

In 2019 the Pensions Trust, the administrator of the Scheme developed a method of determining the share of assets and liabilities for individual employers. This method was adopted by the Association in 2019 and resulted in an adjustment to the opening pension liability recognised in the statement of financial position of £(69,400).

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

	2020	2019
	£	£
Fair value of plan assets	2,083,000	1,609,000
Present value of defined benefit obligation	2,140,000	1,922,000
Surplus / (deficit) in plan	(57,000)	(313,000)
Unrecognised surplus	-	-
Defined benefit asset / (liability) to be recognised	(57,000)	(313,000)

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Reconciliation of opening and closing balances of the defined benefit obligation

	2020 £	2019 £
Defined benefit obligation at the start of period	1,922,000	1,789,000
Current service cost	52,000	17,000
Expenses	2,000	2,000
Interest expense	45,000	46,000
Contributions by plan participants	23,000	22,000
Actuarial losses (gains) due to scheme experience	389,000	(22,000)
Actuarial losses (gains) due to changes in demographic assumptions	(14,000)	5,000
Actuarial losses (gains) due to changes in financial assumptions	(236,000)	127,000
Benefits paid and expenses	(43,000)	(64,000)
Defined benefit obligation at the end of period	2,140,000	1,922,000

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

	2020 £	2019 £
Fair value of plan assets at start of period	1,609,000	1,511,000
Interest income	38,000	39,000
Experience on plan assets (excluding amounts included in interest income) gain (loss)	376,000	20,000
Contributions by the employer	80,000	81,000
Contributions by plan participants	23,000	22,000
Benefits paid and expenses	(43,000)	(64,000)
Fair value of plan assets at the end of period	2,083,000	1,609,000

The actual return on the plan assets (including any changes in share of assets) over the period ended 31 March 2020 was £414,000

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Defined benefit costs recognised in the statement of comprehensive income

	2020	2019
	£	£
Current service cost	52,000	17,000
Expenses	2,000	2,000
Net interest expense	7,000	7,000
	<hr/>	<hr/>
Defined benefit costs recognised in statement of comprehensive income	61,000	26,000
	<hr/>	<hr/>

Defined benefit costs recognised in the other comprehensive income

	2020	2019
	£	£
Experience on plan assets (excluding amounts included in interest income) - gain /(loss)	376,000	20,000
Experience gains and losses arising on plan liabilities - gain /(loss)	(389,000)	22,000
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligations - gain /(loss)	14,000	(5,000)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligations - gain / (loss)	236,000	(127,000)
	<hr/>	<hr/>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain / (loss)	237,000	(90,000)
	<hr/>	<hr/>
Total amount recognised in other comprehensive income - gain (loss)	<u>237,000</u>	<u>(90,000)</u>

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

NOTES TO THE FINANCIAL STATEMENTS (continued)

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

Scottish Housing Association Pension Scheme (continued.)

Assets

	2020	2019	2018
	£	£	£
Absolute Return	128,000	136,000	179,000
Alternative Risk Premia	167,000	90,000	57,000
Corporate Bond Fund	152,000	113,000	105,000
Credit Relative Value	50,000	28,000	-
Distressed Opportunities	38,000	27,000	7,000
Emerging Markets Debt	74,000	52,000	52,000
Fund of Hedge Funds	-	4,000	43,000
Global Equity	286,000	259,000	272,000
Infrastructure	123,000	67,000	28,000
Insurance-Linked Securities	56,000	42,000	41,000
Liability Driven Investment	548,000	572,000	532,000
Long Lease Property	51,000	20,000	-
Net Current Assets	16,000	2,000	3,000
Over 15 Year Gilts	26,000	41,000	49,000
Private Debt	41,000	21,000	14,000
Property	39,000	32,000	60,000
Risk Sharing	66,000	47,000	14,000
Secured Income	116,000	56,000	55,000
Opportunistic Illiquid Credit	51,000	-	-
Liquid Credit	55,000	-	-
Total assets	<u>2,083,000</u>	<u>1,609,000</u>	<u>1,511,000</u>

None of the fair values of the assets shown above include any direct investment in the Association's own financial instruments or any property occupied by, or other assets used by the Association.

Key Assumptions

	2020	2019	2018
Discount Rate	2.4%	2.3%	2.6%
Inflation (RPI)	2.6%	3.3%	3.2%
Inflation (CPI)	1.6%	2.3%	2.2%
Salary Growth	2.6%	3.3%	3.2%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance	75% of maximum allowance

The mortality assumptions adopted at 31 March 2020 imply the following life expectancies:

	Life expectancy at age 65 years (years)
Male retiring in 2020	21.5
Female retiring in 2020	23.2
Male retiring in 2040	22.8
Female retiring in 2040	<u>24.5</u>

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

19. DEFERRED INCOME

	Other Housing Grants £	Non Housing Grants £	Social Housing Grants £	Total £
Capital grants received				
At 1 April 2019			19,579,260	19,579,260
At 31 March 2020			19,579,260	19,579,260
Amortisation				
At 1 April 2019			6,438,279	6,438,279
Amortisation in year			391,869	391,869
At 31 March 2020			6,830,148	6,830,148
Net book value				
At 31 March 2020			12,749,112	12,749,112
At 31 March 2019			13,140,981	13,140,981

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

	2020 £	2019 £
Amounts due within one year	391,869	391,869
Amounts due in more than one year	12,357,243	12,749,112
	12,749,112	13,140,981

20. SHARE CAPITAL

Shares of £1 each, issued and fully paid	2020 £	2019 £
At 1 April	370	368
Issued in year	16	13
Cancelled in year	(15)	(11)
At 31 March	371	370

Each member of the Co-operative holds one share of £1 in the Co-operative. 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.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

21. STATEMENT OF CASH FLOWS

Reconciliation of net cash flow to movement in net funds

	£	2020 £	£	2019 £
(Decrease) / increase in cash	(131,792)		554,848	
Change in liquid resources	(191,926)		(492,622)	
Cashflow from change in net debt	40,838		340,146	
		(282,880)		402,372
Movement in net debt during the year		(282,880)		402,372
Net debt at 1st April 2019		(1,783,030)		(2,185,402)
Net debt at 31 March 2020		(2,065,910)		(1,783,030)

	At 01 April 2019 £	Cashflows £	Other Changes £	At 31 March 2020 £
Cash at bank and in hand	916,408	(131,792)	-	784,616
	916,408	(131,792)	-	784,616
Liquid resources	1,023,113	(191,926)	-	831,187
Debt: Due within one year	(186,741)	40,838	(75,951)	(221,854)
Due after more than one year	(3,535,810)	-	75,951	(3,459,859)
Net Debt	(1,783,030)	(282,880)	-	(2,065,910)

22. CAPITAL COMMITMENTS

	2020 £	2019 £
Capital Expenditure that has been contracted for but has not been provided for in the financial statements	9,329	-

23. COMMITMENTS UNDER OPERATING LEASES

	2020 £	2019 £
At the year end, the total minimum lease payments under non-cancellable operating leases were as follows:		
Other		
Expiring in the next year	3,518	3,494
Expiring later than one year and not later than five years	6,482	9,972

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020 NOTES TO THE FINANCIAL STATEMENTS (continued)

24 DETAILS OF ASSOCIATION

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 and Scottish Charity that owns and manages social housing property in Edinburgh.

25 COMMITTEE OF MANAGEMENT MEMBER EMOLUMENTS

Committee of Management members received £934 (2019 - £470) 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.

26 HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2020 No.	2019 No.
General needs	372	372
	<u>372</u>	<u>372</u>

27 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:

	2020 £	2019 £
Rent received from tenants on the Committee of Management and their close family members	<u>65,856</u>	<u>64,883</u>

At the year end total rent arrears owed by the tenant members on the Committee of Management (and their close family) were £1,078 (2019 - £502).

Members of the Committee of Management who are tenants	11	12
Members of the Committee of Management local authority employees	1	1