

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

ANNUAL REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2023

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS

For the year ended 31 March 2023

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WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2023

Members of Management Committee

The members of the Management Committee of the Co-operative during the year to 31 March 2023 were as follows:

Susan Anderson	Chairperson
Phil Welsh	Vice Chair
Andrew Duffin	Secretary
Elizabeth Kerr	
Muriel M Alcorn	
Bridget McNicol	
Anne Anderson	
Douglas Murphy	
Robert Alexis	
Ken Stubbs Gorman	(Co-opted 27 June 2022, Elected 10 September 2022)
Ievgeniia Mykhailenko	(Co-opted 27 February 2023)

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

Executive officers

The Executive Officers of the Co-operative during the year to 31 March 2023 were as follows:

S Marshall	- Director
G Clayton	- Deputy Director
J McGrory	- Property Manager
M Gladstone	- Assistant Director (Corporate Services) (1 year sabbatical from 22 August 2022, resigned from 21 st August 2023)
R Haughey	- Assistant Director (Tenancy Services)
S McPeake	- Community Development Co-ordinator (Part-time)
R Smith	- Concierge Manager (Resigned 31 March 2023)
S Blackwood	- Acting Concierge Manager (Appointed 5 March 2022 to 25 March 2023)
C Crawford	- Acting Concierge Manager (Appointed 28 March 2023)

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

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

Internal Auditor: Wylie & Bisset 168 Bath St, Glasgow G2 4TP

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

Bankers: Royal Bank of Scotland, 88 Main St, Rutherglen, Glasgow G73 2JA

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE

For the year ended 31 March 2023

The Management Committee presents its report and audited financial statements for the year ended 31 March 2023.

Legal status

The Co-operative is a registered non-profit making organisation under the Co-operative and Community Benefit Societies Act 2014 registered with the Financial Conduct Authority 2308R(S), and a Registered Charity No. SCO38737. The Co-operative is registered with the Scottish Housing Regulator No.203. The Co-operative is governed under its Rules.

Principal activity

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

Business review

The Co-operative made a surplus of £283,821 during the year (2022 – surplus £196,021).

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

- Our percentage of stock meeting SHQS rose to 95.92% at 31st March 2023 (83.39% in 2021-22) due to progress in completing the EICR programme. At 30th May 2023, the number of properties in abeyance has reduced from 24 to 16 - giving 97.16% of stock meeting SHQS.
- 100% of our properties meet the Energy Efficiency Standard for Social Housing (EESH) 2020.
- Insulation upgrade work to further improve the energy efficiency of our multi-storey and low-rise flats has been completed during the year.
- East Whitlawburn regeneration progressed with the Co-operative taking ownership of 42 new build units by 31st March 2023 with the remaining 18 units during April 2023. Total number of units has increased from 644 to 704. The defects liability period ends April 2024.
- Investment of £65,139 during the year on components / new installations including kitchens, bathrooms and door replacements.
- Investment of £3,508 on insulation and £7,107 on fire detection systems upgrades and electrical testing.
- A continuing annual programme of Committee appraisals and training is in place to ensure continued good governance.
- We continue to provide a responsive repair service and invest in our cyclical and planned maintenance programmes.
- We continued to deliver adaptations to existing properties to meet the specific needs of our tenants.

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

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2023

OPERATIONAL REVIEW

1. Corporate Governance

West Whitlawburn Housing Co-operative (WWHC) is governed by a voluntary Management Committee who are elected by the members of the Co-operative. The Management Committee has overall responsibility for the Co-operative and there is a formal schedule of matters specifically reserved for decision by the Committee.

It is the responsibility of the Committee to undertake the development, monitoring and review of strategy, setting of policy and overall direction for the Co-operative. The Management Committee also monitors the operational activities and performance of the Co-operative.

The Management Committee recognises the importance of good governance to ensure that it continues to provide high quality services and to ensure long term viability. The Co-operative's Management Committee and staff continue activities to strengthen and maintain good governance arrangements.

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

The Co-operative carries out ongoing self-assessment of compliance against the Regulatory Standards with the support of an external consultants to provide additional assurance. While this process identifies areas for improvement, no areas of material non-compliance have been identified and the Assurance Statement was submitted in October 2022.

2. Corporate Activity

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

Tenant involvement in the running of the Co-operative is a vital part of delivering the services that are valued. Participation is a major part of the Co-operative's objectives and we continue to review how the Co-operative involves tenants in its activities. We reviewed and updated the Tenant Participation Policy and Communications Strategy. We established a Communications and Participation Working Group to achieve the policy outcomes and continuously improve and learn from experience in these activities. We engaged an external consultant to carry out a full tenant satisfaction survey during the year. We refreshed the Tenant Scrutiny Panel to provide an additional opportunity for tenant involvement as part of this process.

3. Fixed asset issues

Investment of £65,139 during the year on components / new installations including kitchens, bathrooms and door replacements.

4. Housing issues

The rent loss due to empty properties was £31,416 and this represented 0.95% of gross rent - (2022 - £36,669). The additional measures in place due to Covid such as wait times before accessing empty properties and pre works cleaning were ended during the year.

The Co-operative continues to deal with the many difficulties presented by the operation of Universal Credit. Increasing numbers of tenants have moved to be in receipt of Universal Credit which continues to impact on the rent arrears level with a gross arrears percentage of 4.97% (2022 - 5.64%) for the year.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2023

OPERATIONAL REVIEW (continued)

Our Housing Management team have continued to support tenants affected and work to mitigate the financial impact on tenants and organisational income levels remains a priority. We provided a welfare benefits advice service during the year with good results in collecting 99.48% (2022 - 99.35%) of rent due.

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

5. Property Maintenance

The Co-operative seeks to maintain its properties to the highest standard. Annual planned and cyclical maintenance programmes are carried out in addition to reactive maintenance.

In addition, the Co-operative has a programme of testing and inspections ensuring landlord safety responsibilities are met, including the recent SHQS updates in relation to electrical testing. In January 2023, we introduced a new policy on Dampness, Mould and Condensation, which details the Co-operative's processes for managing this issue.

The Co-operative reviewed and updated the stock condition survey information in 2022/23. These adjustments ensure we have appropriate rates for our projections and life cycle replacements, taking into account the increased costs of labour and materials.

6. Finance

The Co-operative has continued to review and update financial procedures during the financial year. The long term financial projections were reviewed and updated taking account of key risks and proposed development.

Treasury management

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

Internal financial control

The Management Committee is responsible for establishing and maintaining the Co-operative's system of internal control. Internal control systems are designed to meet the particular needs of the Co-operative and the risks to which it is exposed and by their nature can provide reasonable but not absolute assurance against material misstatement or loss.

Budgetary process

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

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 reflects primarily the past investment in the housing stock and reserves for future major repairs and developments. The Co-operative has a cash level of £2.5m 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.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2023

OPERATIONAL REVIEW (continued)

7. Risk Management Policy

The Management Committee have a formal risk management process in place to assess business risks and implement risk management control strategies. This involves identifying the types of risks the Co-operative faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks.

Key risks include recovery from the pandemic, high levels of inflation, increased costs, supply chain issues, increased regulatory requirements, reduced tenant satisfaction, proportion of expensive stock type, rent arrears, rent affordability, stock condition, tenant and resident safety, increased compliance obligation costs etc. Risks are mitigated with robust policies, procedures and a range of internal and external audits. The Management Committee further ensure mitigation by reviewing external information and advice, maintaining active membership of representative and good practice bodies, and through seeking specialist external advice where it is required.

8. Other areas

Health and Safety

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

An external Health and Safety Audit in 2021 provided assurance across the 6 main areas of the Co-operative's Landlord Health and Safety compliance requirements:

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

Disabled employees

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

It is the policy of the Co-operative that training, career development and promotion opportunities should be available to all employees.

Credit payment policy

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

Whitcomm Co-operative Ltd

Whitcomm Co-operative Ltd was established in 2009 as a wholly separate limited company to further its charitable aims and objectives for tenants in WWHC homes. WWHC installed a fibre optic infrastructure as part of the development of 100 properties built in 2009. Whitcomm Co-operative Ltd provides fibre broadband services to our tenants and contributes to reducing their digital exclusion. User take up level was 82% at 31st March 2023.

Whitlawburn Community Resource Centre

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

Energy supply

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

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2023

OPERATIONAL REVIEW (continued)

Pension fund

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

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

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

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

A short life working group was formed in 2022 to consider the future pension benefits offered to staff. From 1 April 2023, all employees of the Housing Co-operative currently in the Defined Benefit scheme transferred to a defined contribution scheme. The defined contribution scheme is also operated by Scottish Housing Association's Pension Scheme.

Future development

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

Sustainability

Social Impact - One of our strategic objectives is that we continue our role as a community anchor by providing services and supporting West Whitlawburn in being a strong, stable community. We consider social impact through continued support of the Community Resource Centre and the various community projects and initiatives provided including; digital inclusion, tenancy sustainment, food poverty / food bank, financial inclusion, community activities and youth services.

In 2023/24, we plan to carry out a social impact assessment using SFHA's new social value impact toolkit

Environmental Impact - We now have access to data on carbon savings from our Biomass District Heating System. In the year up to 31st March 2023, the system saved 641.1 tonnes of carbon. Energy efficiency remains as a high priority for WWHC and we continue to assess our housing stock in terms of future energy efficiency improvements and EESSH2 targets. We are engaging with the Energy Savings Trust using their Home Analytics tool to assist us with this.

Going concern

The Management Committee has reviewed the results for this year and has also reviewed the projections for the next five years. It therefore has a reasonable expectation that the Co-operative has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

Donations

During the year, the Co-operative made charitable donations amounting to £350.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

REPORT of the MANAGEMENT COMMITTEE (continued)

For the year ended 31 March 2023

OPERATIONAL REVIEW (continued)

Auditor

CT were reappointed as auditors at the 2022 annual general meeting and a resolution to reappoint will be proposed at the 2023 annual general meeting.

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



Secretary / V

57 Belmont Road
Whitlawburn
Cambuslang
G72 8PG

28 August 2023

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT of the MANAGEMENT COMMITTEE'S REPONSIBILITIES

For the year ended 31 March 2023

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

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

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

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

In so far as the Management Committee are aware:

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

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

MANAGEMENT COMMITTEE STATEMENT on INTERNAL FINANCIAL CONTROLS

For the year ended 31 March 2023

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

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

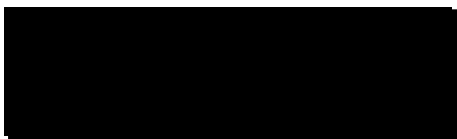
It is the Management Committee's responsibility to establish and maintain systems of internal financial control. Such systems can only provide reasonable and not absolute assurance against material financial mis-statement or loss. Key elements include ensuring that:

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

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

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

BY ORDER OF THE MANAGEMENT COMMITTEE



Secretary

28 August 2023

For the year ended 31 March 2023

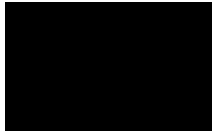
In addition to our audit of the Financial Statements, we have reviewed your statement on page 11 concerning the Co-operative's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

Basis of Opinion

We carried out our review having regard to the requirements on corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council by enquiry of certain members of the Management Committee and the Officers of the Co-operative, and examination of relevant documents. The Bulletin does not require us to review the effectiveness of the Co-operative's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

Opinion

In our opinion the Statement on Internal Financial Controls on page 11 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.



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

4 September 2023

For the year ended 31 March 2023

Opinion

We have audited the financial statements of West Whitlawburn Housing Co-operative Limited (the Co-operative) 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 Co-operative'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 Co-operative in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

For the year ended 31 March 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 Co-operative has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

Responsibilities of the Management Committee

As explained more fully in the Statement of the Management Committee's Responsibilities set out on page 9, the Management Committee is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Management Committee determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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 Co-operative 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 Co-operative'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.

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.

For the year ended 31 March 2023

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

Use of our report

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



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

4 September 2023

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT of COMPREHENSIVE INCOME

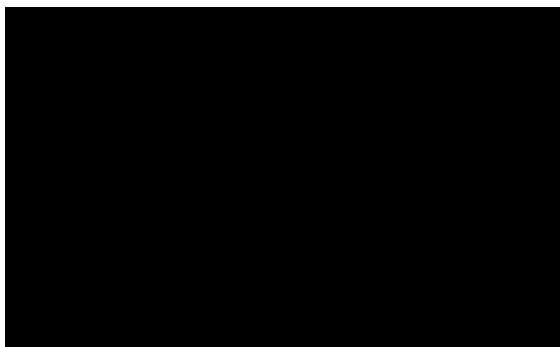
For the year ended 31 March 2023

	Notes	2023 £	2022 £
Turnover	3	4,840,732	4,667,966
Less: Operating costs	3	(4,495,652)	(4,378,489)
Operating surplus		345,080	289,477
Interest receivable and other income		23,927	2,560
Interest payable and similar charges		(84,186)	(78,016)
Other finance charges	11	(1,000)	(18,000)
Surplus		283,821	196,021
Other comprehensive income			
Actuarial (loss)/gain	17	(339,000)	601,000
Total comprehensive (deficit)/income for the year		(55,179)	797,021

The results relate wholly to continuing activities.

There are no recognised gains or losses in 2023 and 2022 other than the surplus/(loss) for the year.

The financial statements were approved by the Management Committee and authorised for issue on 28 August 2023 and signed on its behalf by:



A Duffin - Secretary

D Murphy – Committee Member

B McNicol – Committee Member

The notes on pages 20 to 35 form part of these financial statements

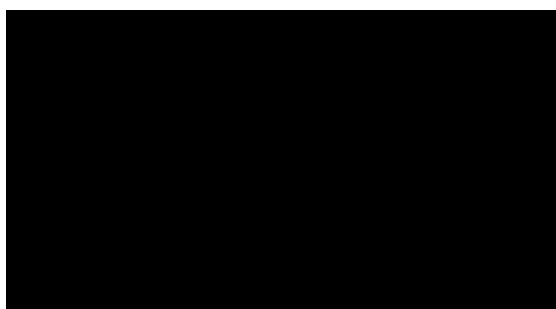
WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT of FINANCIAL POSITION

As at 31 March 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets – social housing	6	37,049,457	31,704,164
Other tangible assets – property, plant and equipment	6	2,311,774	2,424,894
		-----	-----
		39,361,231	34,129,058
Current assets			
Debtors	7	1,831,019	295,060
Cash and cash equivalents		2,544,329	2,453,171
		-----	-----
		4,375,348	2,748,231
<u>Less:</u> Creditors falling due within one year	8	(794,749)	(748,490)
		-----	-----
Net current assets		3,580,599	1,999,741
		-----	-----
Total assets less current liabilities		42,941,830	36,128,799
Creditors: amounts falling due after more than one year	9	(4,535,365)	(2,708,269)
Deferred income			
Deferred capital grants – social housing grants	10	(30,731,430)	(25,861,993)
Other fixed asset grants	10	(408,453)	(425,834)
		-----	-----
		(31,139,883)	(26,287,827)
Pension scheme liability	17	(299,000)	(110,000)
		-----	-----
Net assets		6,967,582	7,022,703
		=====	=====
Equity			
Share capital	15	701	643
Revenue reserves	16	6,966,881	7,022,060
		-----	-----
		6,967,582	7,022,703
		=====	=====

The financial statements were approved by the Management Committee and authorised for issue on 28 August 2023 and signed on its behalf by:



A Duffin - Secretary

D Murphy – Committee Member

B McNicol – Committee Member

The notes on pages 20 to 35 form part of these financial statements

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT of CHANGES in EQUITY

For the year ended 31 March 2023

	Share Capital £	Revenue Reserves £	Total Reserves £
Balance at 1 April 2022	643	7,022,060	7,022,703
Deficit for the year	-	(55,179)	(55,179)
Transfer to designated reserve	-	-	-
Transfer from designated reserve	-	-	-
Shares issued during the year	103	-	103
Shares cancelled during the year	(45)	-	(45)
	-----	-----	-----
Balance at 31 March 2023	701	6,966,881	6,967,582
	=====	=====	=====

	Share Capital £	Revenue Reserves £	Total Reserves £
Balance at 1 April 2021	691	6,225,039	6,225,730
Surplus for the year	-	797,021	797,021
Transfer to designated reserve	-	-	-
Transfer from designated reserve	-	-	-
Shares issued during the year	70	-	70
Shares cancelled during the year	(118)	-	(118)
	-----	-----	-----
Balance at 31 March 2022	643	7,022,060	7,022,703
	=====	=====	=====

The notes on pages 20 to 35 form part of these financial statements

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

STATEMENT of CASH FLOWS

For the year ended 31 March 2023

	Notes	£	2023 £	£	2022 £
Net cash inflow from operating activities	1		(993,496)		441,120
Cash flows from investing activities					
Payments to acquire and develop housing properties		(6,519,981)		(70,900)	
Payments to acquire other fixed assets		(53,597)		(9,149)	
Interest received		23,927		2,560	
Capital grants received		5,844,960		-	
		-----		-----	
Net cash outflow from investing activities			(704,691)		(77,489)
			-----		-----
Cash flows from financing activities					
Interest paid		(84,186)		(78,016)	
Repayment of borrowings		(280,007)		(283,328)	
Loan received		2,153,435		176,711	
Issue of share capital		103		70	
		-----		-----	
Net changes in financing activities		1,789,345		(184,563)	
		-----		-----	
Net change in cash and cash equivalents			91,158		179,068
Cash and cash equivalents at the beginning of the year			2,453,171		2,274,103
			-----		-----
Cash and cash equivalents at the end of the year			2,544,329		2,453,171
			=====		=====

Notes

	2023 £	2022 £
1 Surplus for the year	283,820	196,021
Adjustment for non cash items		
Depreciation of tangible fixed assets	1,335,702	1,321,460
Decrease in trade and other debtors	(1,535,959)	195,963
(Decrease)/increase in trade and other creditors	(73)	(213,148)
Movement in post-employment benefit obligations	(150,000)	(172,999)
Carrying value of tangible fixed asset disposals	5,704	20,735
Amortisation of grants	(992,904)	(982,250)
Shares revoked	(45)	(118)
Adjustments for investing or financing activities		
Interest received	(23,927)	(2,560)
Interest paid	84,186	78,016
	-----	-----
	(993,496)	441,120
	=====	=====

The notes on pages 20 to 35 form part of these financial statements

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2023

1. General information

Basis of accounting

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

The Co-operative is defined as a public benefit entity and thus it complies with all disclosure requirements relating to public benefit entities. The Co-operative is a registered social landlord in Scotland and its registered number is 203. The registered address is noted within the statutory information page at the start of the financial statements.

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

2. Principle accounting policies

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

Going concern

The Management Committee anticipate that a surplus will be generated in the year to 31 March 2024. The Co-operative has healthy cash and net current asset position and thus the Management Committee are satisfied that there are sufficient resources in place to continue operating for the foreseeable future. Thus, the Management Committee continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Social Housing Grants

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

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

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

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

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

2. Principal accounting policies (continued)

Acquisition and Development Allowances

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

Development Administrative Costs

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

Cyclical and Major Repairs

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

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

Finance

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

Mortgages

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

Fixed assets - housing land and buildings

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

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

Works to existing properties

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

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

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

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

2. Principal accounting policies (continued)

Housing, land and buildings - depreciation

Housing properties are stated at cost, less accumulated depreciation.

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

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

Other fixed assets

Items in excess of £500 are considered for capitalisation. Depreciation is charged by equal annual instalments at rates estimated to write off costs less any residual value over expected useful lives.

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

Impairment of fixed assets

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

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

Pension costs

The Co-operative participates in the Scottish Housing Associations' Pension Scheme (SHAPS) and retirement benefits to employees of the Co-operative are funded by contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating Associations taken as a whole.

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

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

Lease obligations

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

Turnover

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

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

2. Principal accounting policies (continued)

Apportionment of management expenses

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

Judgements in applying policies and key sources of estimation uncertainty

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Committee to exercise judgement in applying West Whitlawburn Housing Co-operative Limited's accounting policies. The areas requiring a higher degree of judgement, or complexity, and areas where assumptions or estimates are most significant to the financial statements, is disclosed below:

Rent arrears - bad debt provision

The Co-operative assesses the recoverability of rent arrears through a detailed assessment process which considers: tenant payment history, arrangements in place and court action.

Life cycle of components

The Co-operative estimates the useful lives of major components of its housing property with reference to surveys carried out by external qualified surveyors.

The categorisation of housing properties

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

Identification of cash generating units

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

Obligations under SHAPS pension scheme

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

Financial instruments - basic

The Co-operative recognises basic financial instruments in accordance with Section 11 of Financial Reporting Standard. The Co-operative's debt instruments are measured at amortised cost using the effective interest rate method.

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

Income and Expenditure from lettings	Turnover	2023 Operating Costs	Operating Surplus	Turnover	2022 Operating Costs	Operating Surplus
	£	£	£	£	£	£
Social lettings (note 4a)	4,332,199	(4,044,693)	287,506	4,125,617	(3,869,322)	256,295
Other activities (note 4b)	508,533	(450,959)	57,574	542,349	(509,167)	33,182
	-----	-----	-----	-----	-----	-----
	4,840,732	(4,495,652)	345,080	4,667,966	(4,378,489)	289,477
	=====	=====	=====	=====	=====	=====

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

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

	2023 Total £	2022 Total £
Income from letting		
Rent receivable net of service charges	3,374,863	3,183,670
	-----	-----
Gross income from rents and service charges	3,374,863	3,183,670
<u>Less: Rent losses from voids</u>	(35,568)	(40,303)
	-----	-----
Net income from rents and service charges	3,339,295	3,143,367
Release of deferred capital grant	992,904	982,250
	-----	-----
Total turnover from social letting activities	4,332,199	4,125,617
	-----	-----
Expenditure on lettings		
Wider service activities	61,772	51,809
Management and maintenance administration costs	1,903,993	1,677,721
Reactive maintenance costs	728,247	702,751
Planned and cyclical maintenance including major repairs	184,073	230,115
Depreciation of social housing	1,168,984	1,147,306
Bad debts – rent and service charges	(8,080)	38,885
Loss on disposal	5,704	20,735
	-----	-----
Total expenditure on lettings	4,044,693	3,869,322
	-----	-----
2023 Operating surplus for social letting activities	287,506	256,295
	=====	=====

All of the above relate solely to general needs housing.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

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

	Grants from Scottish Ministers £	Other revenue grants £	Supporting people income £	Other income £	Total turnover £	Operating costs – bad debts £	Other operating costs £	2023 Operating surplus £	2022 Operating surplus £
Development activities	38,874	-	-	-	38,874	-	34,996	3,878	1,933
Community heating project	-	-	-	345,978	345,978	-	286,937	59,041	97,743
Regeneration services	-	-	-	-	-	-	44,000	(44,000)	(110,000)
Other activities	18,500	18,400	54,403	32,378	123,681	-	85,026	38,655	43,506
Total from other activities – 2023	57,374	18,400	54,403	378,356	508,533	-	450,959	57,574	
Total from other activities – 2022	50,944	2,400	119,046	369,959	542,349	-	509,167		33,182

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

5. Tax on profit on ordinary activities

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

6. Tangible fixed assets

	Housing Properties Held for Letting	Plant and Machinery	Office Premises/ Community Centre	Furniture & Equipment	Total
	£	£	£	£	£
Cost					
As at 1 April 2022	54,751,160	2,540,607	1,001,621	209,487	58,502,875
Additions during year	6,519,981	-	24,941	28,656	6,573,578
Disposals	(20,577)	-	-	(25,821)	(46,398)
	-----	-----	-----	-----	-----
As at 31 March 2023	61,250,564	2,540,607	1,026,562	212,322	65,030,055
	-----	-----	-----	-----	-----
Depreciation					
As at 1 April 2022	23,046,996	700,399	436,598	189,824	24,373,817
Provided during year	1,168,984	127,345	23,073	16,299	1,335,701
Eliminated on disposal	(14,873)	-	-	(25,821)	(40,694)
	-----	-----	-----	-----	-----
As at 31 March 2023	24,201,107	827,744	459,671	180,302	25,668,824
	-----	-----	-----	-----	-----
Net book value at 31 March 2023	37,049,457	1,712,863	566,891	32,020	39,361,231
	=====	=====	=====	=====	=====
Net book value at 31 March 2022	31,704,164	1,840,208	565,023	19,663	34,129,058
	=====	=====	=====	=====	=====

Total major repairs costs during the year were £75,754 (2022: £152,972) of which £65,139 (2022: £70,900) was capitalised. Of the amount capitalised £65,139 (2022: £70,900) related to replacement of components.

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

7. Trade and other receivable	2023	2022
	£	£
Rent arrears	230,468	225,084
<u>Less:</u> Bad debt provision	(80,000)	(110,000)
	-----	-----
	150,468	115,084
Other debtors and prepayments	1,679,301	174,976
Amounts due from Whitcomm	1,250	5,000
	-----	-----
	1,831,019	295,060
	=====	=====

The balance of £1,250 due from Whitcomm (2022: £5,000) is regarded as due after one year.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

8. Creditors - Amounts falling due within one year	2023	2022
	£	£
Loans	340,015	293,682
Rent in advance	137,038	157,544
Trade creditors	155,991	141,331
Other tax and social security	39,604	-
Other creditors and accruals	122,101	155,933
	-----	-----
	794,749	748,490
	=====	=====

9. Creditors - Amounts falling due after more than one year	2023	2022
	£	£
Housing loans	4,535,365	2,708,269
	-----	-----
	4,535,365	2,708,269
	=====	=====

a) The Co-operative Bank

Position as at 31st March 2022

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

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

b) Energy Savings Trust

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

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

c) CAF Bank

Start Date	January 2023
Maturity Date	December 2047
Rate of interest	Base +1.6%
Number of properties held as security	111

	2023	2022
	£	£
Between one and two years	345,535	296,697
Between two and five years	1,006,554	880,958
In five years or more	3,183,276	1,530,614
	-----	-----
	4,535,365	2,708,269
	=====	=====

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

10. Deferred Capital Grants	2023	2022
	£	£
Social Housing Grants		
Balance as at 1 April 2022	25,861,993	26,826,862
Additions in year	5,844,960	-
Amortisation	(975,523)	(964,869)
	-----	-----
Balance as at 31 March 2023	30,731,430	25,861,993
	-----	-----
Other fixed asset grants		
Balance as at 1 April 2022	425,834	443,215
Transfer in year	(17,381)	(17,381)
	-----	-----
Balance as at 31 March 2023	408,453	425,834
	-----	-----
Total	31,139,883	26,287,827
	=====	=====

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

	2023	2022
	£	£
Amounts due within one year	992,904	982,250
Amounts due in one year or more	30,146,979	25,305,577
	-----	-----
Balance as at 31 March 2023	31,139,883	26,287,827
	=====	=====

11. Other finance income/charges	2023	2022
	£	£
Defined benefit pension scheme net interest	1,000	18,000
	-----	-----
Balance as at 31 March 2023	1,000	18,000
	=====	=====

12. Directors' emoluments

The key management personnel are defined as the members of the Management Committee, the Director and any other person reporting directly to the Director or the Management Committee whose total emoluments exceed £60,000 per annum.

The Co-operative's contributions for the Director in the year amounted to £10,348 (2022: £9,732).

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

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

12. Directors' emoluments (continued)

	Number of Officers	2023 £	Number of Officers	2022 £
Total emoluments (including pension contributions and benefits in kind) £60,000 - £69,999	1	79,786	1	74,616
	=====	=====	=====	=====
Total emoluments (excluding pension contributions) to the highest paid director		69,438		64,883
		=====		=====
Total remuneration paid to key management personnel		340,436		292,648
		=====		=====
Total emoluments (excluding pension contributions) to the Chairperson amounted to		-		-
		=====		=====
Pension contribution payable to officers in excess of £60,000 salary	1	10,348	1	9,732
	=====	=====	=====	=====
Total expenses reimbursed to the Board insofar as not chargeable to United Kingdom income tax		566		388
		=====		=====

13. Employee information

	2023 £	2022 £
Staff costs during year		
Wages and salaries	1,144,296	1,061,444
Social Security costs	102,087	90,054
Pension costs	202,149	297,362
	-----	-----
	1,448,532	1,448,860
	=====	=====

	2023 No.	2022 No.
The average full-time equivalent number of persons employed by the Co-operative during the year were as follows:		
Office	20	19
Concierge	13	13
	-----	-----
	33	32
	=====	=====

14. Surplus/(Deficit) on ordinary activities

	2023 £	2022 £
Surplus/(deficit) on ordinary activities is stated after charging:		
Depreciation of tangible fixed assets – housing properties (including accelerated depreciation of £Nil on component replacement)	1,168,984	1,168,042
Other fixed assets	166,718	174,153
Amortisation of Housing Association Grants	992,904	964,869
Amortisation of other grants	17,381	17,381
Auditor remuneration (inclusive of VAT)	10,740	9,120
	=====	=====

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED**NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2023**

15. Share capital	2023	2022
	£	£
Shares of £1 each fully paid and issued		
Allotted, issued and fully paid at 1 April 2022	643	691
Shares issued at par during the year	103	70
	-----	-----
	746	761
Shares forfeited	(45)	(118)
	-----	-----
At 31 March 2023	701	643
	=====	=====

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

16. Revenue reserve	2023	2022
	£	£
At 1 April 2022	7,022,060	6,225,039
(Deficit)/Surplus for the year	(55,179)	797,021
	-----	-----
At 31 March 2023	6,966,881	7,022,060
	=====	=====

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

17. Pension fund

Scottish Housing Associations' Pension Scheme

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A Recovery Plan was put in place to eliminate the deficit from the 2018 valuation which ran until 30 September 2022. From 1 October 2022 no further deficit contributions are due. The position will be reassessed at the next valuation in 2024.

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 2021. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2022 to 28 February 2023 inclusive.

At 31st March 2023 there were 14 (2022 - 12) active members of the scheme employed by the Co-operative.

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

	2023 (£000s)	2022 (£000s)
Fair value of plan assets	5,445	8,165
Present value of defined benefit obligation	(5,744)	(8,275)
	-----	-----
Net defined benefit liability to be recognised	(299)	(110)
	-----	-----

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED**NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2023****17. Pension commitments (continued)**

Reconciliation of opening and closing balances of the defined benefit obligation	2023 (£000s)
Defined benefit obligation at start of period	8,275
Current service cost	150
Expenses	7
Interest expense	228
Actuarial losses/(gains) due to scheme experience	(159)
Actuarial losses/(gains) due to changes in demographic assumptions	(126)
Actuarial losses/(gains) due to changes in financial assumptions	(2,267)
Benefits paid and expenses	(364)

Defined benefit obligation at end of period	5,744

Reconciliation of opening and closing balances of the fair value of plan assets	2023 (£000s)
Fair value of plan assets at start of period	8,165
Interest income	227
Experience on plan assets (excluding amounts included in interest income) – gain/ (loss)	(2,891)
Contributions by the employer	308
Benefits paid and expenses	(364)

Fair value of plan assets at end of period	5,445

Defined benefit costs recognised in statement of comprehensive income	2023 (£000s)
Current service cost	150
Expenses	7
Net interest expense	1

Defined benefit costs recognised in Statement of Comprehensive Income (SoCI)	158

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

17. Pension commitments (continued)

Defined benefit costs recognised in other comprehensive income

	2023 (£000s)
Experience on plan assets (excluding amounts included in net interest cost) – gain/(loss)	(2,891)
Experience gains and losses arising on the plan liabilities – gain/(loss)	159
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation – gain/(loss)	126
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) – gain/(loss)	2,267

Total amount recognised in other comprehensive income - loss	(339)

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.

Employers were notified in 2021 by the Trustee of the Scheme (TPT Retirement Solutions) that it has performed a review of the changes made to the Scheme's benefits over the years and the result is that there is uncertainty surrounding some of these changes. The Trustee is seeking clarification from the Court on these items, and this process is ongoing with it being unlikely to be resolved before the end of 2024 at the earliest. It is estimated that this could potentially increase the value of the full Scheme liabilities by £27m. This estimate has been calculated as at 30 September 2022 on the Scheme's Technical Provisions basis. Until the Court direction is received, it is unknown whether the full (or any) increase in liabilities will apply and therefore, in line with the prior year, no adjustment has been made in these financial statements in respect of this.

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED

NOTES to the FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2023

18. Capital commitments

The Co-operative had capital commitments of £3.225m at 31 March 2023 (2022 - £9.744m). This commitment is partially funded from Government grants.

19. Housing stock

	2023	2022
	£	£
The number of units in management at 31 March 2023 was as follows:-		
General needs	686	644
	-----	-----
	686	644
	=====	=====

20. Related parties

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

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

Gross rents charged to governing members and close family were £73,787 (2022: £66,925).

At the year end, total rent advances by tenant members of the Committee were £465 (2022: £733) and the total arrears were £2,052 (2022: £2,165).

Repairs were £14,528 (2022: £7,971).

West Whitlawburn Housing Co-operative Limited (WWHC) works in partnership with Whitlawburn Community Resource Centre (WCRC) and co-operates in the pursuit of its charitable objectives. At 31 March 2023 the amount owed to WWHC was £298 (2022: £28,208).

There is also a related company called Whitcomm Co-operative Limited, a company limited by guarantee, that has been set up to provide low cost telecommunications to encourage social inclusion. At 31 March 2023 the amount owed to WWHC was £1,250 (2022: £5,345).

21. Leasing commitments

At 31 March the Co-operative had the following annual operating lease commitments for the year ending 31 March 2023 and beyond.

	2023	2022
	Equipment	Equipment
	£	£
Operating leases which expire:		
Within one year	132,588	130,117
Within two to five years	237,074	369,662
After more than five years	-	-
	-----	-----
	369,662	499,779
	=====	=====

WEST WHITLAWBURN HOUSING CO-OPERATIVE LIMITED**NOTES to the FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2023****22. Analysis of changes in net debt**

	Long Term £'000	Short Term £'000	Total Liabilities £'000	Cash & Equivalents £'000	Total Net Debt £'000
As at 1 April 2022	2,708	294	3,002	(2,453)	549
Cash Flows	<u>1,827</u>	<u>46</u>	<u>1,873</u>	<u>(91)</u>	<u>1,782</u>
As at 31 March 2023	<u>4,535</u>	<u>340</u>	<u>4,875</u>	<u>(2,544)</u>	<u>2,331</u>

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

The Co-operative gratefully acknowledges the award and receipt of grants from the Investing in Communities fund totalling £22,822 (2022: £20,798) and from the National Lottery Community Fund totalling £20,000 (2022:£nil). These grants are for work carried out by WCRC and therefore the income has not been recognised within these financial statements as the funds were immediately paid across to WCRC once received.