

Annual General Meeting 2017

Finance

Our financial statements for the year April 2016 to March 2017 were audited by Alexander Sloan, Chartered Accountants.

The Auditors did not identify any problems during the course of their audit. They will report on the audit to the AGM.

The full financial statements can be found on our web site or you can get a hard copy from the office or at the AGM. Summaries of the two main statements are shown below.

The table on the left "Comprehensive Income" looks at operating income and expenditure. We didn't raise rents in April 2016 and sold two flats in the year so rental income reduced slightly (by 0.6%). Operating costs rose by 1.2% mainly due to increased spending on reactive and void maintenance.

The decision to freeze rents in 2016-17 was taken at a time when inflation was at 0%. Inflation has been increasing rapidly since then and rents are having to rise too. Rents went up by 1.6% in 2017 and we will soon be consulting tenants on a proposed 2.6% increase for 2018.

We sold two flats in the year and the net profit was £52,633. We have sold another this year and only one of the original 9 flats we owned in West Pilton Drive & Green remains. It will be sold when the tenancy ends. There are no plans to sell any other properties.

The surplus for the year after interest and tax was £357,264. Surpluses are necessary to repay loans, fund major repairs and reduce financial risks.

The second table is the Statement of Financial Position. We paid back over £600,000 of loans in the year which is reflected in a reduction in long term creditors.

The bottom line shows assets valued at £2,605,405. This includes £1,988,075 of cash and short term investments. The cash reserves are mostly earmarked for future maintenance of the housing stock.

We believe the overall financial position of the Co-operative is strong and the outlook is good. However we must cope with rising inflation in the short to medium term.

West Granton Housing Co-operative Ltd 27th Annual General Meeting

On: Monday, 4th September 2017
At: 7:00pm
In: The Prentice Centre, 1 Granton Mains Avenue

Annual General Meeting—order of business

7:00pm Bingo session with prizes.

7:15pm Formal business

- 1** Apologies.
- 2** Minutes of meeting of 5th September 2016.*
- 3** Chairperson's Report.
- 4** Presentation of accounts and Auditor's report.*
- 5** Appointment of Auditor for 2017-18.
Motion: that Alexander Sloan are re-appointed as auditors.
- 6** Election of Committee of Management.
- 7** Report from CEO and questions.

8:00pm Prize Draws.

Please note that times are approximate.

* The minutes and the full financial statements are on the WGHC web site: www.westgrantonhousing.coop. Hard copies will be available at the meeting or can be obtained in advance from the WGHC office.

| Comprehensive Income | 2016-17 | 2015-16 |
|-------------------------------|------------------|------------------|
| | £ | £ |
| Revenue | | |
| Rents | 1,528,758 | 1,538,865 |
| Other revenue | 195 | 316 |
| Deferred income from grants | 401,747 | 414,606 |
| | <u>1,930,700</u> | <u>1,953,787</u> |
| less: operating costs | (1,494,188) | (1,475,918) |
| Operating (deficit) / surplus | <u>436,512</u> | <u>477,869</u> |
| | | |
| Gain on sale of housing | 52,633 | 26,734 |
| Interest receivable | 14,999 | 10,165 |
| Interest payable | (128,903) | (136,745) |
| Other finance charges | (15,397) | (7,528) |
| Net taxation | (2,580) | (2,231) |
| (Deficit) / surplus for year | <u>357,264</u> | <u>368,264</u> |

| Financial Position | 31st March 2017 | 31st March 2016 |
|---------------------------------------|-------------------|-------------------|
| | £ | £ |
| Non-current assets | | |
| Housing properties | 18,965,098 | 19,585,639 |
| Other non-current assets | 273,355 | 270,627 |
| | <u>19,238,453</u> | <u>19,856,266</u> |
| Current assets | | |
| Creditors due within a year | (660,988) | (644,736) |
| Total assets less current liabilities | <u>20,646,447</u> | <u>21,309,440</u> |
| Creditors due in over a year | (4,116,323) | (4,734,828) |
| Deferred income from grants | (13,924,719) | (14,236,466) |
| Net assets | <u>2,605,405</u> | <u>2,338,146</u> |
| | | |
| Equity | | |
| Share Capital | 367 | 372 |
| Revenue Reserves | 2,605,038 | 2,247,774 |
| | <u>2,605,405</u> | <u>2,248,146</u> |

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

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West Granton Housing Co-operative Limited is a fully mutual co-operative housing association registered as a social landlord with the Scottish Housing Regulator (HAC 225); and is a registered society under the Co-operative and Community Benefit Societies Act 2014 (2357 RS).

The Committee of Management

Our board of directors is called the "Committee of Management". Unlike most social landlords all our committee members are tenants. We need an active committee to remain independent and viable. Without it local control would be lost.

There are some spaces on the Committee and new members are always welcome. You don't need qualifications or specialist knowledge. Interest in and support for the work WGHC does is enough.

There are usually 10 meetings per year, at 7pm on the second Wednesday of the month (except January and July). If you want to there are also opportunities for training and to attend conferences.

To stand for election, you have to be a member of the Co-operative. With joint members, only the first named member is eligible. There are a few things which can make people ineligible such as bankruptcy, debt or unspent convictions.

You need to get another member to nominate you. You can pick up a form at the WGHC office or one can be sent out. If you want to have a chat about it please contact Gerry Gillies. He can give you more information and answer any questions.

If there are more candidates than spaces then there will be an election at the AGM, but this is rare.

Completed forms must be returned to WGHC by Monday 28th August 2017.

A goodbye from the CEO

I was appointed by the Committee back in 1991 to set up the Co-operative and get some houses built.

I expected to be here for two or three years and then move on. However I was won over by the people here and the desire to change things for the better. I stayed on and we did get some houses built; and then some more and then some more. We've also built playgrounds and parks and generally tried to help improve the local environment.

I think we've made a real difference and I'm proud to have been part of that.

This is my 27th AGM and I've decided it will be my last. I intend to retire in July 2018 and the next AGM will have a new CEO.

I would like to thank all of the Committee members past and present. Without their voluntary work we could have achieved nothing. With them we've become one of the largest housing co-operatives in Scotland.

I'd also like to thank all our staff past and present. They have always given more than

was asked for, sometimes in very difficult circumstances. WGHC has consistently been one of the top performing social landlords in the country. That's down to our staff, their enthusiasm and their hard work.

Finally I'd like to thank all our members and their families. The vast majority of those who have lived in our houses over the years have been great to work with and have appreciated what we are trying to do.

It's all about co-operation. I'm sure WGHC committee, staff, members and residents will continue to work together to make a difference.

I wish you well.

Gerry Gillies
CEO & Secretary
of West Granton
Housing
Co-operative
Limited.



Chairperson's Report

Unlike most social landlords, all of WGHC's Committee members are tenants.

Lorna Brown was elected Chairperson in April 2015. She was one of the founder members of the Co-operative.

This is the 27th Annual General Meeting of the Co-operative. We have come a long way since some local people, including myself, first met to see if something could be done about housing in West Granton.

My report is focussed on the period March 2016 to April 2017 but I'll also touch on more recent events.

Some of the facts and figures relating to performance which used to go into our annual report are now included in the Report on the Charter which goes out to all tenants in September, so I won't repeat them here.

I will say that WGHC continues to perform very well in terms of costs, repair response times and tenant satisfaction. Indeed we are, and always have been, one of the top performing social landlords in Scotland.

Financially we are also in a strong position despite our commitment to keeping rent rises to a minimum.

We will soon be consulting on a proposed 2.6% rent increase in April. We appreciate this is higher than usual but we believe it is necessary to cope with inflation. We only put up rents when we have to, as witnessed in 2016 when we were one of only a very, very few landlords who froze rents.

As well as covering our day to day costs we need to cover loan repayments and investment in our houses. Last year we reduced our loan debt by over £600,000 which in turn reduces interest payments. This year we will spend over half an million pounds replacing boilers and kitchens.

These contracts have been difficult and I know some tenants have experienced some delays or inconvenience.

However we aim to make sure that everyone is happy with the final job and staff are trying hard to minimise problems.

We will also learn some lessons from this year. Perhaps in future we will reduce the size of contracts and/or increase the time between different works.

We always survey tenants about large contracts and we'll take all your comments about these two on board.

Some tenants may have been concerned about the tragedy at Grenfell in London and may have wondered how safe our flats are. We don't have any very high flats like Grenfell but we do have some flats in 5 and 6 storey blocks.

These flats all have alarm systems which are regularly checked and serviced. We believe the flats are as safe as they can be. However, like all social landlords we'll look at the recommendations the Scottish Government is expected to make later this year.

For WGHC the coming year will see some staff changes. Two long serving members of staff, Marian Paluchowski and Gerry Gillies, are retiring in November 2017 and July 2018 respectively. Committee will be working to ensure that services are not affected and the changes go smoothly.

As always, I'd like to thank committee and staff for their work over the past year.

I hope you will be able to attend this year's AGM and help us continue the work we do on your behalf.

Lorna Brown,
Chairperson of
West Granton
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