

West Granton Housing Co-operative Limited

Report and Financial Statements

For the year ended 31st March 2016

Registered Housing Association No.HAC225

FCA Reference No. 2357R(S)

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

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WEST GRANTON HOUSING CO-OPERATIVE LIMITED

COMMITTEE OF MANAGEMENT, EXECUTIVES AND ADVISERS YEAR ENDED 31st MARCH 2016

COMMITTEE OF MANAGEMENT

Lorna Brown	Chairperson
Marilyn Dickson	Treasurer
Jim Hemphill	Vice Chairperson
Joe Moir	
George Nicol	
Marlyn Sinclair	
George Thompson	
Jon Douglas	Resigned 08/06/2015
Alistair Burnett	Deceased 04/03/2016
Wendy Riordan	Resigned 19/05/2016

SENIOR MANAGEMENT

Gerard Gillies	Secretary & Chief Executive Officer
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REGISTERED OFFICE

26 Granton Mill Crescent
Edinburgh
EH4 4UT

AUDITORS

Alexander Sloan
Chartered Accountants
1 Atholl Place
Edinburgh
EH3 8HP

BANKERS

Royal Bank of Scotland
109/109a George Street
Edinburgh
EH2 4JW

LENDERS

Nationwide Building Society
Caledonia House
Carnegie Avenue
Dunfermline
KY11 8PJ

SOLICITORS

Aitken Nairn WS
7 Abercromby Place
Edinburgh
EH3 6LA

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2016

The Committee of Management presents its report and the Financial Statements for the year ended 31st March 2016.

Legal Status

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

Principal Activities

The Co-operative's principal activity is the ownership and management of rented housing.

Review of Business and Future Developments

Objectives

West Granton Housing Co-operative Limited (WGHC) is a fully mutual co-operative housing association. 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 primary objective is to provide, construct, improve and manage housing for occupation by members of the Co-operative.

Any additional activities pursued will be as permitted by the Housing (Scotland) Act 2014; designed to help us achieve our primary objective and will consider the welfare of the people we house. We will use any money we have carefully and properly, we will not trade for profit.

Our focus in the medium term is on the management and maintenance of existing stock. As our stock ages the replacement of components (kitchens, bathrooms, heating systems etc.) is becoming increasingly important.

Overview of period

At 1st April 2015 there were 10 members of the Committee of Management. One member resigned for personal reasons in June 2015. One member died in March 2016. At 31st March 2016 there were 8 members of the Committee. One further member resigned for personal reasons in May 2016.

Our 25th AGM was held in September 2015 along with a Special General Meeting which approved new, updated rules. These were subsequently registered with the Financial Conduct Authority.

Staff absences through illness had an impact in 2015. Committee authorised changes to staffing which included the creation of a Tenant Outreach Officer post (filled by redeployment of existing staff) and the recruitment of an apprentice housing assistant. These were implemented in January 2016.

Some disruption to work was caused by repeated complaints from one tenant. An independent consultant investigated the complaints and found no basis for them. On her recommendation Committee adopted an Unacceptable Actions Policy in February 2016.

One of the remaining five flats marked for disposal in West Pilton Green and Drive was sold in September 2015. A further two flats were void and being prepared for sale at 31st March 2016.

Capitalised works to housing were minimal, consisting only of the replacement of one boiler. Planned maintenance contracts completed in the year included replacing electric consumer units in 113 properties and external painterwork to 143 properties.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Review of Business and Future Developments (Contd.)

There were 22 changes of tenancy, 21 relets and 1 mutual exchange during the year. This was five more than the previous year but average over the medium term.

Average time to relet was, at 27 days, well above the previous year (13). There was a higher than normal number of untypical lets including lets after the death of tenants. Delays in getting power reconnected also contributed to longer letting times.

Average repair times were 2.3 hours for emergencies and 4.5 days for other repairs compared to 2.3 hours and 4.9 days the previous year. These times are well within our benchmarks.

A Tenant Satisfaction Survey was carried out in February 2016. Exceptionally high rates of satisfaction were recorded across all areas of work. 99.5% of tenants surveyed were satisfied with the overall service provided by the Co-operative, compared to 98% in 2014.

Service charges were discontinued in March 2015 and rents restructured. The rent increase in April 2015 was 2.4%. Net rents receivable rose by 1.7% to £1,538,865. The difference is largely due to the slight reduction in housing stock.

Rent arrears at 31st March 2016 were substantially lower than the previous year. Arrears before provision for bad debts were £34,092 (2015: £70,987). However much of this figure is technical arrears, i.e. housing benefit and other payments due to be received shortly after the year end. Technical arrears varies over a four weekly cycle which distorts the 31st March figure. The Scottish Housing Regulator's key arrears indicator excludes technical arrears but includes rent debt written off in the year. Using this indicator arrears were £24,655 which was actually slightly higher than the previous year (£22,927). Arrears vary somewhat and this increase is not believed to be significant.

Operating costs rose by 3.5% to £1,475,918. Service costs were absorbed into planned maintenance. The increase was largely due to increased expenditure on external painterwork and voids maintenance in the year.

Building loans were reduced during the year by £232,440 to £4,724,898. Cash and investments rose by £396,276 to £1,972,381.

Overall the Co-operative is believed to be performing well and to be in a strong financial position.

The Future

The Committee of Management has reviewed objectives and strategy. They have reaffirmed their desire for the Co-operative to continue as an independent social landlord. No new housing development is envisaged in the medium term and the focus will be on managing, maintaining and improving our existing stock.

WGHC is paying towards a pension fund deficit. The risk posed by the pension liability has diminished somewhat with improved performance by the pension fund but Committee will review pension provision prior to WGHC's auto enrolment date of February 2017.

The possible impact of welfare reform on rental income and workload remains a concern but so far the effect is limited.

The main organisational risks are viewed to arise from the reduction in committee numbers and from future staff retirements. During 2017 Committee will prioritise recruiting new committee members and will review the staff structure.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2016

Committee of Management and Executive Officers

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

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

Statement of Committee of Management's Responsibilities

The Co-operative and Community Benefit Societies Act 2014 require 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 judgments 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;
- 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 2014 and the Determination of Accounting Requirements - 2015. They are also 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.

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

In so far as the Committee of Management 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 Committee of Management have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Co-operative's auditors are aware of that information.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT OF THE COMMITTEE OF MANAGEMENT FOR THE YEAR ENDED 31ST MARCH 2016

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

- formal policies and procedures are in place, including the ongoing documentation of key systems and rules relating to the delegation of authority, which allow the monitoring of controls and restrict the unauthorised use of the 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 receive reports from management and from the external and internal auditors to provide reasonable assurance that control procedures are in place and are being followed and that a general review of the major risks facing the Co-operative is undertaken;
- formal procedures have been established for instituting appropriate action to correct any weaknesses identified through internal or external audit reports.

The Committee of Management has reviewed the effectiveness of the system of internal financial control in existence in the Co-operative for the year ended 31 March 2016. 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 £2,000 (2015 £198).

Auditors

A resolution to re-appoint the Auditors, Alexander Sloan, Chartered Accountants, will be proposed at the Annual General Meeting.

By order of the Committee of Management



GERARD GILLIES

Secretary

13 July 2016

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

REPORT BY THE AUDITORS TO THE COMMITTEE OF MANAGEMENT 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 5 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 Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the Association'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 5 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
Chartered Accountants

13 July 2016

We have audited the financial statements of West Granton Housing Co-operative Limited for the year ended 31st March 2016 which comprise a statement of comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and accounting standard of the United Kingdom.

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 auditors' 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.

Respective Responsibilities of Committee of Management and Auditors

As explained more fully in the Statement of Committee of Management's Responsibilities the Co-operative's Committee of Management, are responsible for the preparation of the Financial Statements that give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit on the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Co-operative's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee of Management; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Committee of Management's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

Opinion on the financial statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Co-operative's affairs as at 31st March 2016 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 properly prepared in accordance with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2014 and the Determination of Accounting Requirements 2015.

Matters on which we are required to report by exception

- the information given in the Committee of Management's Report is inconsistent with the financial statements.

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

Matters on which we are required to report by exception (contd.)

- proper books of account have not been kept by the Co-operative in accordance with the requirements of the legislation.
- 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 to which our report relates, and the Statement of Financial Position are not in agreement with the books of the Co-operative.
- we have not received all the information and explanations necessary for the purposes of our audit.

We have nothing to report in respect of these matters.



ALEXANDER SLOAN
Chartered Accountants
Statutory Auditors
EDINBURGH
13 July 2016

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31st MARCH 2016

	Notes	£	2016 £	£	Restated 2015 £
REVENUE	2.		1,953,787		1,908,473
Operating Costs	2.		(1,475,918)		(1,425,369)
OPERATING SURPLUS	9.		477,869		483,104
Gain On Sale Of Housing Stock	7.	26,734		87,590	
Interest Receivable and Other Income		10,165		8,671	
Interest Payable and Similar Charges	8.	(136,745)		(140,498)	
Other Finance Charges	11.	(7,528)		(25,812)	
			(107,374)		(70,049)
SURPLUS FOR YEAR			<u>370,495</u>		<u>413,055</u>
TOTAL COMPREHENSIVE INCOME			370,495		413,055
Tax on surplus on ordinary activities	10.		(2,231)		(1,737)
SURPLUS ON ORDINARY ACTIVITIES AFTER TAXATION			<u>368,264</u>		<u>411,318</u>

All amounts relate to continuing operations. Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS102.

The notes on pages 13 to 27 form part of these financial statements.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31st MARCH 2016

	Notes	2016 £	Restated 2015 £
NON-CURRENT ASSETS			
Housing Properties - Depreciated Cost	12.(a)	19,585,639	20,373,625
Other Non Current Assets	12.(b)	270,627	265,827
		<u>19,856,266</u>	<u>20,639,452</u>
CURRENT ASSETS			
Receivables	14.	32,273	71,024
Properties Held for Sale		93,256	-
Investments	24.	1,206,182	600,000
Cash at bank and in hand		766,199	976,105
		<u>2,097,910</u>	<u>1,647,129</u>
CREDITORS: Amounts falling due within one year	15.	<u>(644,736)</u>	<u>(657,735)</u>
NET CURRENT ASSETS		<u>1,453,174</u>	<u>989,394</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,309,440</u>	<u>21,628,846</u>
CREDITORS: Amounts falling due after more than one year	16.	<u>(4,734,828)</u>	<u>(5,007,890)</u>
DEFERRED INCOME			
Social Housing Grants	18.	<u>(14,326,466)</u>	<u>(14,741,073)</u>
NET ASSETS		<u>2,248,146</u>	<u>1,879,883</u>
EQUITY			
Share Capital	19.	372	373
Revenue Reserves		<u>2,247,774</u>	<u>1,879,510</u>
		<u>2,248,146</u>	<u>1,879,883</u>

Comparative figures have been restated to reflect the adoption of the Housing SORP 2014 and FRS102.

The Financial Statements were approved by the Committee of Management and authorised for issue and signed on their behalf on 13 July 2016.


Committee Member


Committee Member


Secretary

The notes on pages 13 to 27 form part of these financial statements.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED

31st MARCH 2016

	Notes	2016 £	Restated 2015 £
Net Cash Inflow from Operating Activities	17.	721,898	806,929
Investing Activities			
Acquisition and Construction of Properties	(2,301)	(30,655)	
Purchase of Other Fixed Assets	(18,871)	(4,452)	
Changes on short term deposits with banks	(606,182)	-	
Costs related to Properties Held for Sale	(13,479)	-	
Proceeds on Disposal of Properties	67,043	258,788	
Net Cash (Outflow) / Inflow from Investing Activities		(573,790)	223,681
Financing Activities			
Interest Received on Cash and Cash Equivalents	11,154	8,685	
Interest Paid on Loans	(136,745)	(140,498)	
Loan Principal Repayments	(232,440)	(228,316)	
Share Capital Issued	17	13	
Net Cash Outflow from Financing		(358,014)	(360,116)
(Decrease) / Increase in Cash		(209,906)	670,494
Opening Cash & Cash Equivalents		976,105	305,611
Closing Cash & Cash Equivalents		766,199	976,105
Cash and Cash equivalents as at 31 March 2016			
Cash		766,199	976,105
		766,199	976,105

The notes on pages 13 to 27 form part of these financial statements.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

STATEMENT OF CHANGES IN EQUITY

31st MARCH 2016

	Share Capital	Revenue Reserve	Total
	£	£	£
Balance as at 1st April 2014	372	1,468,192	1,468,564
Issue of Shares	13		13
Cancellation of Shares	(12)		(12)
Adjustment from transition to FRS 102		36,425	36,425
Surplus for Year		374,893	374,893
Balance as at 31st March 2015	<u>373</u>	<u>1,879,510</u>	<u>1,879,883</u>
	373	1,879,510	1,879,883
Issue of Shares	17		17
Cancellation of Shares	(18)		(18)
Surplus for Year		368,264	368,264
Balance as at 31st March 2016	<u>372</u>	<u>2,247,774</u>	<u>2,248,146</u>

The reserves opening balance has been restated to reflect the change in accounting requirements under the Housing SORP 2014 and FRS102.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS

1 PRINCIPAL ACCOUNTING POLICIES

Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for social housing providers 2014. The Co-operative is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102, applicable for accounting periods on or after 1 January 2015.

Revenue

The Co-operative recognises rent receivable net of losses from voids.

Government Grants are released to income over the expected useful life of the asset to which it relates.

Retirement Benefits

The Co-operative participates in the Scottish Housing Association Defined Benefits Pension Scheme and 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 Housing Associations taken as a whole.

The Co-operative accounts for amounts that it has agreed to pay towards the Scheme deficit in accordance with paragraph 28.11A of FRS 102. The present value of this liability has been recognised in the Statement of Financial Position. The discount rate applied to this obligation is that of a yield rate for a high quality corporate bond.

Valuation Of Housing Properties

Housing Properties are stated at cost less accumulated depreciation. Housing under construction and Land are not depreciated. The Co-operative depreciates housing properties by major component on a straight line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties within note 12. Impairment reviews are carried out if events or circumstances indicate that the carrying value of the components listed below is higher than the recoverable amount.

<i>Component</i>	<i>Useful Economic Life</i>
Land	N/A
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

*Structure of 2 renovated flats pepper potted in West Pilton have 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 31st MARCH 2016 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Depreciation And Impairment Of Other Non-Current Assets

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

Office Premises	over 50 years from practical completion
Office Equipment, Fixtures and Fittings	over 4 years from acquisition
Flat White Goods and Fittings	over 6 years from acquisition
Playground Equipment	over 10 years from acquisition

The carrying value of non-current assets are reviewed for impairment at the end of each reporting period.

Individual items of less than approximately £100 are charged to operating costs and not depreciated. The carrying value of the tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

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

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

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

Although Social Housing Grant is treated as a grant for accounting purposes, it may nevertheless become repayable in certain circumstances, such as the disposal of certain assets. The amount repayable would be restricted to the net proceeds of sale. Where agreement of the value of SHG to be repaid has been reached with the City of Edinburgh Council, prior to the sale, the value is recognised as a liability in the accounts.

Estimation Uncertainty

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

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.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016 NOTES TO THE FINANCIAL STATEMENTS (Continued)

1 PRINCIPAL ACCOUNTING POLICIES (Continued.)

Works to Existing Properties

Works which improve housing properties or prolong their life or significantly reduce the maintenance costs may be capitalised and added to the historic costs. Where these works add to or significantly improve the properties this will be reflected in an increase in rents.

Works to adapt properties for the use of people with disabilities are not capitalised and are not reflected in rents.

Taxation

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

Key Judgements made in the application of Accounting Policies

a) Exemptions taken in the transition to FRS 102

The Co-operative has considered and taken advantage of the following exemptions in its first time application of FRS 102:

- i) The Co-operative has not revisited previous accounting estimates
- ii) The Co-operative has not revisited the accounting of previous business combinations

b) The 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.

c) 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.

d) Pension Liability

In March 2016, the Co-operative received details from the Pension Trust of the provisional valuation of the pension scheme at September 2015 and the Pension Trust's estimate of the Co-operative's future past service deficit contributions. The Co-operative has used this to provide the basis of the pension past service deficit liability in the financial statements. The Committee of Management consider this is the best available estimate of the past service liability.

e) Financial Instrument Break Clause

The Co-operative has considered the break clause attached to the Financial Instruments that it has in place for its loan funding. In the judgement of the Committee of Management, these break clauses do not cause the Financial Instrument to be classified as a Complex Financial Instrument, and therefore they meet the definition of a Basic Financial Instrument.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

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

	Notes	2016			Restated 2015		
		Turnover £	Operating Costs £	Operating Surplus / (Deficit) £	Turnover £	Operating Costs £	Operating Surplus / (Deficit) £
Affordable letting activities	3.	1,953,769	1,475,918	477,851	1,908,461	1,425,369	483,092
Other Activities	4.	18	-	18	12	-	12
Total		1,953,787	1,475,918	477,869	1,908,473	1,425,369	483,104

3. PARTICULARS OF INCOME & EXPENDITURE FROM AFFORDABLE LETTING ACTIVITIES

	General Needs Housing £	Supported Housing £	Shared ownership £	2016 Total £	Restated 2015 Total £
Revenue from Lettings					
Rent Receivable Net of Service Charges	1,547,667	-	-	1,547,667	1,483,742
Service Charges	-	-	-	-	41,446
Gross income from rent and service charges	1,547,667	-	-	1,547,667	1,525,188
Less: Rent losses from voids	8,802	-	-	8,802	12,050
Net Rents Receivable	1,538,865	-	-	1,538,865	1,513,138
Grants released from deferred income	414,607	-	-	414,607	394,147
Revenue grants from Scottish Ministers	297	-	-	297	1,176
Total turnover from affordable letting activities	1,953,769	-	-	1,953,769	1,908,461
Expenditure on affordable letting activities					
Management and maintenance administration costs	455,164	-	-	455,164	454,662
Service Costs	-	-	-	-	42,974
Planned and cyclical maintenance, including major repairs	193,890	-	-	193,890	121,207
Reactive maintenance costs	155,853	-	-	155,853	131,364
Bad Debts - rents and service charges	809	-	-	809	2,302
Depreciation of affordable let properties	670,202	-	-	670,202	672,860
Operating costs of affordable letting activities	1,475,918	-	-	1,475,918	1,425,369
Operating surplus on affordable letting activities	477,851	-	-	477,851	483,092
2015	483,092	-	-		

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been restated to reflect the requirements of the Housing SORP 2014. Comparative figures have been restated on the same basis.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

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) 2016	Operating Surplus / (Deficit) 2015
	£	£	£	£
Expired shares retained	18	18	18	12
Total From Other Activities	18	18	18	12
2015	12	12	12	

The disclosure of turnover, operating costs and operating surplus from affordable letting activities has been restated to reflect the requirements of the Housing SORP 2014. Comparative figures have been restated on the same basis.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. OFFICERS' EMOLUMENTS

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

No Officer of the Co-operative received emoluments greater than £60,000.

	2016	2015
	£	£
Emoluments payable to Chief Executive (excluding pension contributions)	59,903	59,018
Total Compensation paid to key management personnel	59,903	59,018

6. EMPLOYEE INFORMATION

	2016	Restated 2015
	No.	No.
The average monthly number of full time equivalent persons employed during the year was	8	8
The average total number of Employees employed during the year was	9	9
Staff Costs were:	£	£
Wages and Salaries	259,720	270,750
Professional fees	1,439	1,397
Social Security Costs	19,911	20,979
Other Pension Costs	22,042	24,096
Temporary, Agency and Seconded Staff	5,192	-
	308,304	317,222

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. GAIN ON SALE OF HOUSING STOCK

	2016	2015
	£	£
Sales Proceeds	67,043	258,788
Cost of Sales	40,309	171,198
Gain On Sale Of Housing Stock	<u>26,734</u>	<u>87,590</u>

8. INTEREST PAYABLE & SIMILAR CHARGES

	2016	2015
	£	£
On Building Society Mortgage	<u>136,745</u>	<u>140,498</u>

There was no deferred interest. Taxes were paid on time, therefore, there was no interest charged for late payment of taxation.

9. SURPLUS FOR YEAR

	2016	2015
	£	£
Surplus is stated after charging:-		
Depreciation - Tangible Owned Fixed Assets	683,846	687,752
Auditors' Remuneration - Audit Services	6,300	5,556
Auditors' Remuneration - Other Services	460	1,440
Operating Lease Rentals - Other	2,527	2,561
Gain on sale of fixed assets	<u>(26,734)</u>	<u>(87,590)</u>

10. TAX ON SURPLUS ON ORDINARY ACTIVITIES

	2016	2015
	£	£
(i) Analysis of Charge in Year		
Current Tax:		
UK Corporation Tax on surplus on ordinary activities	<u>2,231</u>	<u>1,737</u>

Tax charged represents UK corporation tax on loan interest.

11. OTHER FINANCE INCOME / CHARGES

	2016	2015
	£	£
Costs in relation to past service deficit liabilities:		
Unwinding of discounted liabilities and other costs	<u>7,528</u>	<u>25,812</u>

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON-CURRENT ASSETS

a) Housing Properties	Housing Properties Held for Letting £	Total £
COST		
As at 1st April 2015	28,004,404	28,004,404
Additions	2,301	2,301
Disposals	(1,111)	(1,111)
Transferred to current assets	(186,303)	(186,303)
As at 31st March 2016	27,819,291	27,819,291
DEPRECIATION		
As at 1st April 2015	7,630,779	7,630,779
Charge for Year	669,775	669,775
Disposals	(685)	(685)
Transferred to current assets	(66,217)	(66,217)
As at 31st March 2016	8,233,652	8,233,652
NET BOOK VALUE		
As at 31st March 2016	19,585,639	19,585,639
As at 31st March 2015	20,373,625	20,373,625

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

Houses held for letting at 31st March 2016 consisted of 373 units (2015: 376). Three flats were transferred to current assets when they became void. One was sold during the year and two were being prepared for sale at 31st March 2016.

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

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. NON CURRENT ASSETS (Continued)

b) Other Tangible Assets	Playground Equipment £	White Goods & Fittings £	Office Premises £	Office Furniture & Equipment £	Total £
COST					
As at 1st April 2015	7,697	11,690	309,913	52,383	381,683
Additions	-	1,337	-	17,534	18,871
Eliminated on Disposals	-	(3,516)	-	(14,226)	(17,742)
As at 31st March 2016	7,697	9,511	309,913	55,691	382,812
AGGREGATE DEPRECIATION					
As at 1st April 2015	3,265	8,950	58,270	45,371	115,856
Charge for year	768	1,796	6,785	4,722	14,071
Eliminated on disposal	-	(3,516)	-	(14,226)	(17,742)
As at 31st March 2016	4,033	7,230	65,055	35,867	112,185
NET BOOK VALUE					
As at 31st March 2016	3,664	2,281	244,858	19,824	270,627
As at 31st March 2015	4,432	2,740	251,643	7,012	265,827

12. CAPITAL COMMITMENTS

There were no capital commitments at 31st March 2016 (2015: none).

13 COMMITMENTS UNDER OPERATING LEASES

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

	2016	2015
	£	£
Not later than one year	2,527	2,527
Later than one year and not later than five years	6,190	8,717

Lease commitments have been restated under FRS102 to include the timing of the full payment due under the contract.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Arrears of Rent & Service Charges	34,092	70,987
Less: Provision for Doubtful Debts	(4,000)	(10,300)
	<u>30,092</u>	<u>60,687</u>
Other Receivables	2,181	10,337
	<u>32,273</u>	<u>71,024</u>

Arrears is shown as at 31st March 2016. WGHC charges weekly rents, Monday to Sunday. Tenants may pay at any time during the week. Some tenants pay part or all of their rent through housing benefit. This is paid either one week or four weeks after it is due and WGHC accepts payment of housing benefit outside the normal weekly cycle. March 31st 2016 was a Thursday, March 31st 2015 was a Tuesday.

In measuring arrears and reporting to the Scottish Housing Regulator, payments made after the end of the financial period, but to an agreed schedule are excluded. However, arrears written off in the year and provision for bad debts are included. The arrears reported to the Scottish Housing Regulator are shown below:

	2016 £	2015 £
Arrears 31st March	34,092	70,987
Arrears written off to bad debts in year	7,108	1,002
Less: housing benefit due in respect of arrears	(11,387)	(45,361)
Less: payments in respect of arrears made later in rent week	(5,158)	(3,701)
Gross Rent arrears reported to Scottish Housing Regulator	<u>24,655</u>	<u>22,927</u>
Gross rent arrears as a percentage of rent due for the year	1.60%	1.52%

15. PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Housing Loans	235,853	231,517
Rent in Advance	13,281	11,763
Social Housing Grant Repayable	289,544	289,544
Corporation Tax	2,231	1,737
Other Taxation and Social Security	10,389	11,295
Trade and other Payables	51,037	70,713
Liability for Past Service Contributions	42,401	41,166
	<u>644,736</u>	<u>657,735</u>

At the balance sheet date there were pension contributions outstanding of £3,548 (2015 £3448)

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR

	2016 £	2015 £
Liability for Past Service Contributions	245,783	282,069
Housing Loans	4,489,045	4,725,821
	4,734,828	5,007,890
<i>Housing Loans</i>		
Amounts due within one year	235,853	231,517
Amounts due in one year or more but less than two years	240,551	236,041
Amounts due in two years or more but less than five years	751,435	736,779
Amounts due in more than five years	3,497,059	3,753,001
	4,724,898	4,957,338
Less: Amount shown in Current Liabilities	235,853	231,517
	4,489,045	4,725,821
<i>Liability for Past Service Contributions</i>		
Amounts due within one year	42,401	41,166
Amounts due in one year or more but less than two years	51,165	42,401
Amounts due in two years or more but less than five years	162,890	158,145
Amounts due in more than five years	31,728	81,523
	288,184	323,235
Less: Amount shown in Current Liabilities	42,401	41,166
	245,783	282,069

The Co-operative has a number of long-term housing loans the terms and conditions of which are as follows:

Lender	Security	Effective Interest Rate	Maturity Variable / Fixed
Nationwide Building Society	Standard Security over 302 properties	0.94%	2023 variable
Nationwide Building Society	Standard Security over 302 properties	0.94%	2031 variable
Nationwide Building Society	Standard Security over 302 properties	0.94%	2033 variable
Nationwide Building Society	Standard Security over 302 properties	4.49%	2036 fixed to 2021
Nationwide Building Society	Standard Security over 302 properties	4.49%	2038 fixed to 2021
Nationwide Building Society	Standard Security over 302 properties	4.49%	2039 fixed to 2021

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

The liability for the past service contributions has been accounted for in accordance with FRS 102 para 28.13A and represents the present value of the contributions payable. The cash out flows have been discounted at a rate of 2.29% (2015 - 2.22%)

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

17. STATEMENT OF CASH FLOWS

<i>Reconciliation of operating surplus to Balance as at 31st March 2016</i>	2016 £	Restated 2015 £
Operating Surplus	477,869	483,104
Depreciation	684,272	687,752
Amortisation of Capital Grants	(414,607)	(394,147)
Change in Receivables	37,762	37,988
Change in Payables	(54,115)	20,968
Corporation Tax Paid	(1,737)	(2,912)
Unwinding of Discount on Pension Liability	(7,528)	(25,812)
Share Capital Written Off	(18)	(12)
	<hr/>	<hr/>
Balance as at 31st March 2016	721,898	806,929
	<hr/>	<hr/>

18. DEFERRED INCOME

<i>Social Housing Grants</i>	2016 £	Restated 2015 £
Balance as at 1st April 2015	14,741,073	15,135,220
Released / Repaid as the result of property disposal	(22,033)	-
Amortisation in Year	(392,574)	(394,147)
	<hr/>	<hr/>
Balance as at 31st March 2016	14,326,466	14,741,073
	<hr/>	<hr/>

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

	2016 £	2015 £
Amounts due within one year	392,574	394,147
Amounts due in one year or more	13,933,892	14,346,926
	<hr/>	<hr/>
	14,326,466	14,741,073
	<hr/>	<hr/>

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. SHARE CAPITAL

Shares of £1 each Issued and Fully Paid	£
At 1st April 2015	373
Issued in year	17
Cancelled in year	(18)
	<hr/>
At 31st March 2016	372

All Co-operative tenants are members and each has one share. These shares carry no rights to dividend or distributions on a winding up. Each shareholder has one vote at general meetings of the Co-operative. 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.

20. HOUSING STOCK

The number of units of accommodation in management at the year end was:-	2016 No.	2015 No.
General Needs - New Build	371	371
General Needs - Rehabilitation	2	5
	<hr/>	<hr/>
	373	376

21. RELATED PARTY TRANSACTIONS

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

All members of the Committee are tenants. Their tenancies are on the Co-operative's normal terms and membership of the Committee confers no additional benefits.

Transactions with governing body members (and their close family) were as follows:

	£
Rent Received from Tenants on the Committee (and their close family)	59,251

Total rent arrears owed by the tenant members of the Committee (and their close family) were £316 at 31 March 2016. All of these rent arrears were cleared shortly after the year-end.

22. DETAILS OF THE CO-OPERATIVE

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

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

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

23. GOVERNING BODY MEMBER EMOLUMENTS

Board members received £435 in the year by way of reimbursement of expenses (2015 - £nil). No remuneration is paid to Board members in respect of their duties in the Co-operative.

24. CURRENT ASSET INVESTMENTS

	2016 £	2015 £
Short Term Deposits	1,206,182	600,000

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016

NOTES TO THE FINANCIAL STATEMENTS (Continued)

25. RETIREMENT BENEFIT OBLIGATIONS

General

West Granton Housing Co-operative Limited participates in the Scottish Housing Association Pension Scheme (the scheme).

The Scheme is a multi-employer defined benefit scheme. The Scheme is funded and is contracted out of the state scheme.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers as the scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS102 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30th September 2015 by a professionally qualified actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £612m. The valuation revealed a shortfall of assets compared with the value of liabilities of £198m (equivalent to a past service funding level of 76%).

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 re-apportioned amongst the remaining employers. Therefore in certain circumstances the Co-operative may become liable for the obligations of a third party.

Based on the provisional valuation the Scheme has provided an estimate of the contributions required to fund the past service deficit. Under the new proposals, the Co-operative will make payments of £51,165 from 1 April 2017. Payments are expected to increase by 3% per annum and continue until February 2022. Once finalised the proposals will replace the original plan which was expected to have lasted 10 years.

All employers in the scheme have entered into an agreement to make additional contributions to fund the Scheme's past service deficit. This obligation has been recognised in terms of Para 28.11A of Financial Reporting Standard 102. At the balance sheet date the present value of this obligation was £288,184 (2015 - £323,235). This was calculated by reference to the terms of the agreement and discounting the liability using the yield rate of high quality corporate bond with a similar term. The discount rate used was 2.29%.

The Co-operative made payments totalling £64,623 (2015: £65,472) to the pension scheme during the year.

WEST GRANTON HOUSING CO-OPERATIVE LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH 2016 NOTES TO THE FINANCIAL STATEMENTS (Continued)

26. TRANSITION TO THE FINANCIAL REPORTING STANDARD

In accordance with the Statement of Recommended Practice the Co-operative has adopted the Financial Reporting Standard for UK & Ireland (FRS 102) for the accounting period beginning on 1 April 2015. As a result of this the comparative figures for the period ending 31 March 2015 have been restated in accordance with FRS 102.

The transition to FRS 102 has resulted in a number of changes in accounting policies compared with those used previously.

The following describes the differences between the assets and liabilities and income and expenditure as presented previously, and the amounts as restated to comply with the accounting policies selected in accordance with FRS 102 for the reporting period ending 31 March 2016.

Reconciliation of Capital & Reserves							
At 31 March 2015				At 31 March 2014			
Note	As previously Stated £	Effect of Transition £	As Restated £	As previously Stated £	Effect of Transition £	As Restated £	
Non Current Assets (i)	5,640,752	14,998,700	20,639,452	5,936,960	15,371,991	21,308,951	
Current Assets	1,647,129	-	1,647,129	1,185,834	-	1,185,834	
Current Liabilities (ii)	(616,569)	(41,166)	(657,735)	(594,135)	(39,966)	(634,101)	
Non Current Liabilities (ii)	(4,725,821)	(282,069)	(5,007,890)	(4,958,062)	(298,838)	(5,256,900)	
Deferred Income (i)	-	(14,741,073)	(14,741,073)	-	(15,135,220)	(15,135,220)	
	1,945,491	(65,608)	1,879,883	1,570,597	(102,033)	1,468,564	
Capital & Reserves	(1,945,491)	65,608	(1,879,883)	(1,570,597)	102,033	(1,468,564)	

Reconciliation of Retained Surpluses for the Year			
Year Ended 31 March 2015			
Note	As previously Stated £	Effect of Transition £	As Restated £
Revenue (i)		1,514,326	1,908,473
Operating Costs (i) & (ii)		(1,093,459)	(1,425,369)
Other Income		87,590	87,590
Interest Receivable		8,671	8,671
Interest Payable		(140,498)	(140,498)
Other Finance Income / Costs		-	(25,812)
Corporation Tax		(1,737)	(1,737)
		374,893	411,318
Surplus		374,893	411,318

Notes to the Reconciliations

(i) - Social Housing Grants and Other grants have been accounted for in accordance with the SORP which has meant that grants are no longer deducted from the cost of the capital asset, but are instead treated as deferred income which is recognised in income over the useful life of the related asset.

(ii) - As the Co-operative has entered into an agreement to make contributions to fund a deficit in the SHAPS pension scheme this has been recognised as a liability in accordance with the FRS. This liability was not previously recognised and payments made under this agreement were written off as operating costs.

(iii) - The liability recognised as a result of (ii) above has been discounted to its present value. The unwinding of the discount is recognised as a finance cost in accordance with FRS 102 para 28.13A.

