Westmoreland Supported Housing Limited

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2024

Community Benefit Society Number: RS008610

A Registered Provider of Social Housing

First Floor, 56 Radcliffe Road, West Bridgford, Nottingham, NG2 5HH

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Registered in England No: RS008610 | Housing Association No: 4772 | Registered with the RSH

REPORT AND FINANCIAL STATEMENTS

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1 BOARD MEMBERS, ADVISORS AND BANKERS

Board of Directors

The Directors of Westmoreland Supported Housing Limited are:

- Jayne Francis-Ward (Chair)
- Andrew Stafford (Vice Chair)
- Neil Timms
- Vivien Cross
- Cherry Dunk
- Alasdair Macarthur
- Susan Smyth (Customer Representative, appointed 13 May 2023)
- Stephen Fensom (Executive Director & CEO)

Directors are appointed by Westmoreland Board members for an initial two-year term.

Society Information

Society Secretary: Adam Reece

Registered Office: First Floor, 56 Radcliffe Road, West Bridgford, Nottingham, NG2 5HH

The Society was formed as a Company limited by guarantee on 1 August 2002, and converted to a Community Benefit Society, no. RS008610, on 20 April 2021.

Westmoreland Supported Housing Limited is established as a registered provider of social housing with the Regulator of Social Housing ("RSH") under the Housing and Regeneration Act 2008. Regulator of Social Housing Registration Number: 4772.

Advisors and Bankers

Auditors: Crowe U.K. LLP
The Lexicon
Mount Street
Manchester
M2 5NT

Bankers: Lloyds Bank PLC
25 Gresham Street
London
EC2V 7HN

2 STRATEGIC REPORT

The Directors present their Annual Report and Financial Statements for the year ended 31 March 2024 for Westmoreland Supported Housing Limited ("the Society", "Westmoreland").

2.1 Purpose and Principal Activities

Westmoreland provides supported living accommodation in England and Wales to meet the individual and unique needs of adults with learning disability, mental ill-health, acquired brain injury, physical or sensory disability, diagnosed long term conditions such as dementia or who may, for a multitude of reasons, require care and support. Westmoreland partners with local authorities who establish the care needs of our residents and a range of care provider organisations who provide the long-term care to enable our customers to thrive in their own homes. Westmoreland provides the appropriate homes and intensive housing management services to ensure the home continues to meet our customers' needs over the long term.

2.2 Vision and Strategic Priorities

Westmoreland's vision is to be a high-quality provider of long-term specialist supported housing to some of the most vulnerable people in society. We seek to be an active contributor to the development and improvement of services and solutions that lead to better life outcomes for our customers.

2.3 Our Values

Value	Key Words	Description
We do the right thing	Honesty and Integrity	We are honest and transparent with ourselves, our colleagues, our beneficiaries, partners and other stakeholders. We choose to act with a consistent and uncompromising adherence to strong moral and ethical principles
We deliver	Professionalism and Accountability	We consider that we have an obligation to our beneficiaries to act in their best interests at all times. We make decisions and complete activities for the benefit of our beneficiaries before any other stakeholders. We hold ourselves and each other responsible for our decisions, actions, or lack of actions. We continuously apply and seek to improve our technical and professional skill sets to maximise the benefits and Value for Money we can deliver.
We use New Thinking	Innovation and Problem Solving	We challenge ourselves to introduce new ideas or technologies to provide better ways of delivering a service that benefits our service users. We operate in a sector that requires broad-based improvement to improve Value for Money and customer outcomes; we actively seek to contribute to development of the sector overall.
We are one team	Collaboration and Inclusivity	We share knowledge, information and work together within and across organisational boundaries to deliver improved outcomes for our beneficiaries and to develop a stronger, more united voice. We have respect for the individual and aim to provide equal access to opportunities and resources for people who might otherwise be excluded or marginalised. All of our interactions are undertaken with due regard for the dignity, feelings, wishes, or rights of others irrespective of age, disability, gender, racial origin, religion, belief, sexual orientation, language, perspectives or opinions.
We are a learning organisation	Understanding and Curiosity	We use our interest in and empathy with those around us, our beneficiaries and other stakeholders to improve our understanding and learn better ways of meeting changing needs. We always seek to do better.

STRATEGIC REPORT (continued)

2.4 Status of the Business

The year to 31 March 2024 has seen continued financial challenges with interest and inflation rates remaining high for business in general and for the social housing sector in particular.

Westmoreland has performed strongly, with all service standards maintained or improved across the year, all committed investment delivered and controlled growth achieved.

From a purely financial perspective, Westmoreland has delivered a significantly increased operating margin in the year ended March 2024. This is ahead of forecasted performance and represents a further significant step forward in the Society's recent performance. This performance has been delivered through a combination of improved underlying operational performance of the core business, and the addition of new growth.

The other principal highlights are as follows:

- Westmoreland continues to make significant progress against the six key objectives of the business plan and has delivered against the expectations of year two of the plan.

- The Board and Executive have worked together to develop the first five-year Customer Strategy that details the services that will be delivered and the way in which they will be carried out.

- Growth has been a focus for this year, with 52 new to market units delivered and a pipeline in excess of 100 committed units to be delivered in the coming 12 months that will provide good quality, compliant properties to support the increasing demand for independent homes for our customers.

- In the latter half of the year, Westmoreland entered a voluntary partnership with another lease-based Provider – Bespoke Supportive Tenancies Limited (BeST) – in our sector. The early objectives of the partnership include Westmoreland's leadership assisting BeST to resolve performance issues within the business and for both organisations to share knowledge on best practice delivery. Should this prove successful, both Boards will consider the business case for a potential merger between the two organisations. For the duration of the partnership, Westmoreland's CEO is acting as CEO of both businesses. Westmoreland's Board sees this partnership as a potentially transformative opportunity to further Westmoreland's purpose, to support its objective to be a contributor to developing the sector capability and to accelerate its journey to regulatory compliance through building increased financial and operational resilience.

STRATEGIC REPORT (continued)

To the date of issue of this report, highlights of activity subsequent to the end of the 2023-2024 financial year include:

- On 30 April 2024 the Board decided to permanently retain 73 of the 81 units transferred to Westmoreland in June 2022 from a failing provider. This is a result of Westmoreland delivering improved services to customers, compliance and financial outlook. This provides additional long-term strength and capability to the Society.
- Westmoreland is in the process of carrying out a self-assessment with an independent third-party review against the Regulator of Social Housing's revised Consumer Standards, issued on 1 April 2024.
- In May 2024 Westmoreland reached an agreement in principal to transfer 236 units from another Housing Provider, which took place on 19 August 2024. This has resulted in an increase of 35% of units under management. Although an increase in resources is required to support this growth, it will provide increased net surplus in future years.

2.5 Business Plan for 2022-2025

The scope of the business plan seeks to deliver against the remaining areas of Westmoreland's non-compliance, improved capability, organisational development and to deliver controlled growth. The plan encompasses six key corporate objectives:

1. Governance and Compliance

At the end of year 3, Westmoreland views itself as a compliant business

At the centre of Westmoreland's plan is to regain compliant status with the Regulator of Social Housing. Significant progress has made since business recovery commenced in 2020. In July 2023 an internal assessment alongside a 3rd party review of Westmoreland's position against the Regulatory Consumer Standards led to the removal of the Regulatory Notice that had been issued in 2019. This is an important step in achieving regulatory compliance.

At the end of the year the Regulator issued new consumer standards. The Board acknowledge that there is an increased requirement upon Westmoreland's service delivery as a result. Westmoreland is currently undertaking an independent review of our compliance with the new standards.

Westmoreland's Board considers Westmoreland compliant with the governance aspects of the Governance and Financial Viability Standard. However, despite the significant improvements in the Society's financial strength over the last 3 years, the Board does not yet consider Westmoreland fully compliant with the financial viability requirements of the Standard and acknowledges that it holds insufficient free reserves to effectively manage materialisation of key sector risks.

STRATEGIC REPORT (continued)

The Board is confident that Westmoreland will continue to build resilience and financial reserves to enable full compliance.

2. Capability

At the end of year 3, Westmoreland is a systems- and data-led business, with fit-for-purpose capabilities, scalable beyond 1,000 units

To date, Westmoreland has reviewed and refreshed all operating processes and systems of internal control. The results of a deep systems and data review has led to improvements in IT and data security, migration to upgraded housing management software and a data cleansing programme. Further work will follow in year 3 to make long-term decisions on a strategic systems plan, which will better enable the Society to streamline processes, reduce manual data handling and place effective data analytics at the centre of decision-making. The plan will deliver improved operational resilience and internal controls in preparation for future expansion.

3. Customer Engagement & Involvement

At the end of year 3, Westmoreland is providing an effortless customer experience for a defined service scope that responds to customer needs

During the year, Westmoreland published its first five-year Customer Strategy, which sets out the scope for our services for the next 5 years. This will set the framework for how services are developed and delivered going forward. We also carried out the first year of Tenant Satisfaction Measures that provided an insight into the views of customers on a range of topics. Westmoreland is in the process of analysing the data and making improvements based on the needs of our customers.

4. People

At the end of year 3, Westmoreland is an employer of choice for this sub-sector, with members who understand and have a direct connection with our purpose

The Board believes that the value delivered by Westmoreland is centred upon our staff; our ability to deliver and maintain high quality properties, appropriate and effective services, to be able to engage effectively with customers and collaborate with partners. Therefore, our aim is to attract, secure and retain competent and committed staff, to invest in their skills and development and to foster a deep connection with our purpose. In this year we have increased and strengthened our team with four new posts and have supported new professional qualifications for a number of the team.

STRATEGIC REPORT (continued)

Westmoreland acknowledges and supports the Regulator of Social Housing's call for increased professionalisation across the sector and will respond appropriately to the legislative requirements.

5. Growth

At the end of year 3, Westmoreland will have scaled to 820 units of compliant and effective stock located in chosen geographies

Controlled and effective growth is a key plank of the Board's strategy to deliver to Westmoreland's purpose and to develop long term scale, strength and resilience. Increased interest rates have temporarily reduced the external investment in the sector which has had a knock-on impact on the delivery of new units; yet despite this, 52 new to market units were added this year. The Society therefore ends the year at 686 units, growth of 8.2%. The remaining 134 units of the objective are expected to be delivered via a pipeline of in excess of 100 committed new-to-market units.

As a result of the transfer on 19 August 2024 detailed above, Westmoreland is expected to have in excess of 900 units under management at the end of Year 3 at March 2025.

6. Contribution to the SSH Sector

At the end of year 3, Westmoreland will be known as a positive "force for good" in the SSH Sector

Westmoreland will work with peer companies, funders, care providers and other stakeholders to the provision and management of SSH to seek to improve standards in key areas and to help in developing and delivering stronger, better risk-balanced and cost-effective solutions for our customer cohort.

The Specialist Supported Housing Network (SSHN), which is a group of peer company CEOs established by Westmoreland, has worked closely together to shape and improve lease terms, engage jointly with the Regulator of Social Housing on key issues, respond to changes in the legislative framework as a sector as well as develop good practice.

In 2023-24 we have jointly:

- Developed a benchmarking club;
- Established knowledge/experience sharing amongst members to get a better understanding of challenges across the areas we work;
- Acted on several issues common to all members, reducing the cost of advice/services that would otherwise have been incurred individually; and
- Collectively negotiated improvements that reduce legacy lease risks, and engaged with new market entrants to shape new lease/ownership products for SSH.

STRATEGIC REPORT (continued)

In 2024-25 we will:

- Share the experience and learning of those members who took in the pilot of Tenant Satisfaction Measures for small providers;
- Continue to identify common areas where collaboration can achieve cost savings not achievable as individual entities (e.g. training and legal procurement); and
- Develop new models of housing investment to increase the supply of specialist housing with a reduced risk profile for RPs.

2.6 Regulatory Engagement

It is important to note that Westmoreland remains non-compliant with certain areas of the Regulator of Social Housing Standards, as stated earlier in this report. Returning Westmoreland to regulatory compliance remains at the centre of the Society's business planning. Whilst there is work required to further mitigate key risks of long-term index linked leases, this year has seen some significant success in improving risk share between Westmoreland and Landlords for existing and new leases, working in conjunction with the SSHN.

Throughout the year, the Board has engaged openly and worked closely with the Regulator of Social Housing to share Westmoreland's journey and progress.

The Board has restated its commitment to the Regulator that achieving regulatory compliance remains a critical priority for Westmoreland.

2.7 Objectives and Going Concern

The objectives of the Society during the year have been to ensure the safety of residents, manage compliance and availability of properties and to deliver the second year of Westmoreland's three-year business plan. The work completed in our 2024 financial year has delivered to expectations in most areas, and exceeded them in relation to overall financial performance: the target to reduce Westmoreland's deficit in assets was achieved a full twelve months earlier than the 31 March 2025 deadline.

The net assets position is supported by a high cash balance and there are no borrowings other than a long-term payment arrangement for a trade creditors balance. As at the year-end, the outstanding amount on this agreement was £245,000, with the final instalment due to be paid in May 2025.

As a result, the Board has adopted the going concern basis in the financial statements. Throughout the remainder of the business plan period, the Society will focus on improving long-term resilience by building up net assets further, driving operational improvements, achieving regulatory compliance and controlled growth.

3 BUSINESS PERFORMANCE

During the year Westmoreland has worked with a total of 45 Care and Support partner organisations delivering services to up to 686 customers living in 137 supported housing schemes located across England and Wales.

Westmoreland's teams have focused on continued improvement in service delivery to customers, effectiveness and efficiency in operations, consistent performance in assisting customers with rent, repairs and maintenance and adding new units to the portfolio.

3.1 Key Operating Metrics

Westmoreland's key operating metrics for the year are given below. Performance relating to the main portfolio has been separated from the transferred in portfolio to allow direct period-on-period comparison.

		Mar 2024		Mar 2023	
	Metric (as at period end)	**Core**	**Transfers**	**Core**	**Transfers**
Housing Management	Number of Units	606	80	553	81
	Occupancy - Gross (%)	85%	74%	87%	62%
	Occupancy - of Lettable (%)	87%	81%	89%	62%
	Number of Voids	88	21	69	31
	Number of unlettable Voids	12	7	10	0
	Overall Income Collected (%)	99.90%	104.70%	98.80%	71.00%
	Current and Former Tenant Arrears	£957k	£114k	£1,893k	£264k
	Care Provider Debt	£125k	£0k	£306k	£0k
Asset Management	Repair Volume Per Annum	2,741	439	2,670	470
	Cyclical Schedule Adherence	100%	100%	91%	100%
	Compliance - Gas	100%	100%	100%	100%
	Compliance FRA	100%	100%	100%	100%
	Compliance - Elec	100%	100%	100%	100%
	Compliance - Asbestos	100%	100%	100%	100%
	Compliance - Water	100%	100%	100%	100%
	Compliance - Legionella	100%	100%	100%	100%
	Planned investment (£ Delivered in Period)	£414k	£254k	£1,449k	£40k
	Planned investment (£ Forecast next period)	£447k	£101k	£233k	£110k
Employee	Employee Numbers (FTE)	25		21	
	Staff Turnover	4.29%		21.98%	
	Total Sickness Days	3.03		2.12	

Overall, Westmoreland has maintained strong operating performance throughout the year and made further incremental gains in key areas.

BUSINESS PERFORMANCE (continued)

While the headline occupancy metric has reduced marginally, this can be attributed to the addition of 29 new-to-market units in the final quarter of the year. The delivery of such growth is always on the assumption that it will take a few months to build occupancy up to WSHL's historic performance of around 90%, and as a result there were 16 unoccupied units at 31 March 2024. Ignoring the impact of these units on total units and total voids, Westmoreland's occupancy on the Core portfolio at 31 March 2024 was 89%, in line with the result of the previous period.

In addition, two long-term empty sites are currently under redevelopment and will be brought back to the market in summer 2024, which will resolve all twelve unlettable voids in the Core portfolio. Assuming all twelve units are occupied, Westmoreland's overall occupancy performance will then increase by a further 1.7%. Westmoreland is in negotiation with landlords on repurposing or returning a small number of other assets.

Throughout the year, Westmoreland has maintained effective engagement with Housing Benefit teams across our geography, ensuring a high level of rent collection. In the latter part of the year, the DWP commissioned a pilot deep dive audit into specialised supporting housing Housing Benefit claims in a small number of Local Authorities. This has led to greater scrutiny of the validity of claims in these locations and in some cases pausing of payments until outstanding queries were resolved. It has affected Westmoreland in three Local Authorities: two audits have been successfully completed, with one outcome remaining.

Repairs, maintenance and investment performance remained strong in the year. The total number of responsive repairs remained high, but proportionately the cost per property has reduced as new, higher quality stock has been added. Overall expenditure is marginally above budget.

The significant investment deployed (£668k, including £254k investment deployed for the transferred in portfolio) is the second year of the baselined 30-year investment plan. The combined programme was delivered to time and c. £25k under budget.

During the year, Westmoreland brought the procurement and management of the following cyclical services in house: gardening, cleaning, window cleaning and gutter clearance. This has been a success, with a reduction in overall spend, increase in frequency of service delivered and 100% adherence to the published schedules. Customer feedback has been positive.

In the 2023 Statutory Accounts, it was reported that Westmoreland transferred in a distressed portfolio previously managed by Larch Housing Association. Since the transfer was completed, performance across occupancy and income collection have improved significantly and repairs expenditure stabilised as all outstanding work has been completed. Health and Safety compliance is 100% at the date of signing the report. Relationships with customers, Care Providers and Local Authority commissioners are strongly positive.

BUSINESS PERFORMANCE (continued)

We are pleased to report retention of the majority of staff during the year, an increase in headcount of four employees to reflect the strengthening of the business as well as continued improvement in staff engagement. The small increase in sickness days relates to two long-term sickness absences for newly diagnosed medical conditions. Westmoreland has fully supported all affected colleagues during their absence and following their return to work.

3.2 Customer and Care Provider Engagement

The period from April 2023 to March 2024 saw the inaugural year of the Tenant Satisfaction Measures. These are combination of operational performance statistics and direct customer feedback on a range of services and approach to delivery. Every Registered Provider has given their customers the opportunity to respond and the results are submitted to the Regulator of Social Housing and published by the Provider.

All of our customers have care and support needs, with over 50% having an appointee. Many are unable to understand or respond to the questions in the format provided by the Regulator. To ensure that our customers have a voice, Westmoreland has engaged with customers, Care Providers and family members where appropriate, to gain responses. A 43% response rate was achieved. Presentation of responses to all questions can be found in the 2024 Annual Customer Report. Satisfaction with Westmoreland as a landlord overall is reported as follows:

Satisfaction	**Score**
Very Satisfied	34%
Satisfied	43%
Neither satisfied or dissatisfied	18%
Fairly dissatisfied	2%
Very dissatisfied	3%

Feeback is being analysed, actions will be taken and the survey will be repeated in the next financial year.

We also used the survey to refresh the customer data we hold so that we better understand our customers care and support requirements and how they would like to access our services. As Westmoreland develops its services, this information will be key for delivering services tailored to each individual.

Westmoreland adopts the Housing Ombudsman's Complaint Handling Code and publishes an annual self-assessment. In the year, three complaints were received, none of which were upheld. All three were concluded as a "Stage 1" complaint. In all three cases, advice was given to the customer and their representative.

BUSINESS PERFORMANCE (continued)

Separately, we focused our customer engagement upon ensuring the continued safety and wellbeing of customers and care provider staff. The core areas of focus were:

Question	As at March 2024	As at March 2023
Is the customer's care plan in place and adhered to for each resident	100%	100%
Have staffing levels remained sufficient for customer support?	95% Yes - recruitment has improved and issues are limited to particular rural geographies.	80% Yes - recruitment remains difficult in the sector but is improving – temporary staff hours have reduced by over 50%
Are Fire Evacuation plans in place and current?	100% Yes	100% Yes
Are lift and hoist checks all current?	100% Yes	100% Yes
Are COSHH records known and current	100% Yes	100% Yes
Is confidentiality being maintained for customer records?	100% Yes	100% Yes

The issues reporting in 2023 relating to staffing availability for Westmoreland's Care Provider partners have reduced during this year. The ability to recruit has improved and the remaining concerns are focussed upon specific rural areas. Some of our Care Providers have taken part in international sponsorship schemes to address their difficulties. No Care Provider's services are currently affected by this risk.

3.3 Asset Management

Health and Safety Compliance across all key measures (including the "big six") has been at 100% throughout this year. 304 compliance remedial jobs have been completed during this time. At the end of March 2024 there were no overdue compliance remedial works.

In this financial year, 3,180 reactive maintenance jobs (2,741 in the core portfolio, 439 in the transferred properties) were completed. Westmoreland has worked with its repairs partner Renov8 to increase the number of direct labour operatives across our geography to carry out non-specialist work. As a result, Westmoreland is seeing a continued reduction in overall average job costs, as shown by the table below. The Contractor Average cost is increasing due to their focus on more complex jobs only.

	Sep 21 - March 23	Full year FY24	Last 6 months
Average Repair Cost	£291.29	£281.55	£270.54
DLO % delivered	5%	24%	43%
Contractor % delivered	95%	76%	57%
DLO average cost	£297.30	£167.51	£129.50
Contractor Average cost	£205.74	£277.47	£332.98

BUSINESS PERFORMANCE (continued)

This improvement has allowed an increase in spend for other maintenance areas. Overall, more work has been carried out within the budget than planned.

Repair performance has been strong with 97% of repairs completed within timescale, average repair time at 7.7 days and fix first time measures in excess of 90% for the year. Following work with Care Providers and Renov8 on the categorisation of repairs, Westmoreland has reduced the proportion of emergency repairs from 29% to 17% and the proportion of overall urgent repairs from 79% to 61%. This assists with reduced costs and the ability to plan appropriately. This is expected to improve in the 2024-25 financial year.

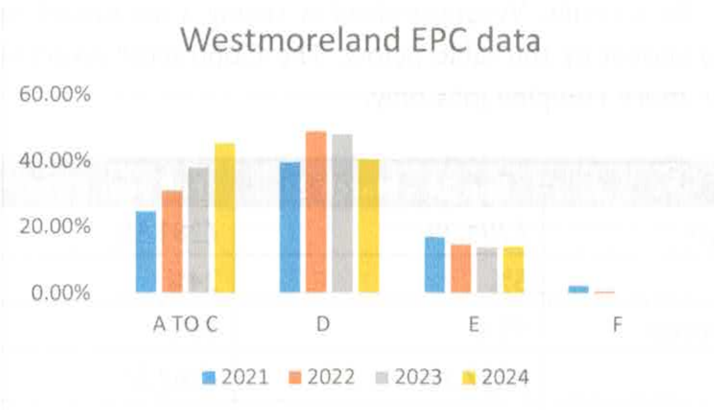
Westmoreland delivered a total of 44 investment projects benefitting 225 customers in this financial year at a cost of £668k, which was under the allocated budget. Each property is in the 2nd year of a 30 year planned maintenance programme. A further £548k is budgeted to be spent in the coming financial year.

Through the year, there were four cases of damp and mould identified, two of which have been addressed in this financial year and the remaining 2 were completed in April 2024.

In the last financial year it was reported that there was one property not meeting Decent Homes Standard, due to poor thermal performance. This has been remediated and all properties now meet the Decent Homes Standard.

3.4 Energy Performance

Funding has not been available to Westmoreland in this financial year for targeted improvements in energy performance. All growth properties are targeted at an EPC of C or better and in many cases new build properties have been developed at an A rating. Whilst progress has been made in improving the quality of the portfolio, the Board recognises that there is some distance yet to travel to achieve A-C ratings by 2030.



During 2024, we will further close the gap and will progress negotiations with landlords on how to work together to deliver the required improvements.

4 FINANCIAL REVIEW

The results for the year ended 31 March 2024 are not immediately comparable with those of the prior period, mainly as a result of the extended period length in the comparative period, but also as the result of substantial growth in the number of units under management from June 2022 onwards.

Results for the current and comparative periods are summarised in the tables below, with the effect of the new units acquired in June 2022 shown separately, under "Transfers". The figures presented for the eighteen months to 31 March 2023 have been restated, as explained in note 19 to these financial statements.

Statement of Comprehensive Income	**Twelve months to 31 March 2024**			Eighteen months to 31 March 2023		
	Core £	**Transfers £**	**Total £**	Core £ (as restated)	Transfers £ (as restated)	Total £ (as restated)
Rent and other income	**13,868,621**	**1,434,384**	**15,303,005**	18,205,359	1,645,829	19,851,188
Non-payment of rent	**(223,053)**	**26,608**	**(196,445)**	(88,696)	(238,174)	(326,870)
Lease rentals	**(7,567,228)**	**(746,327)**	**(8,313,555)**	(10,387,206)	(587,860)	(10,975,066)
Other direct costs	**(3,299,611)**	**(438,360)**	**(3,737,971)**	(5,248,163)	(600,860)	(5,849,023)
Gross profit/(loss)	**2,778,729**	**276,305**	**3,055,034**	2,481,294	218,935	2,700,229
Overheads	**(1,573,580)**	**(209,811)**	**(1,783,391)**	(2,206,382)	(166,755)	(2,373,137)
Interest receivable	**32,974**	**-**	**32,974**	1,064	-	1,064
Net profit/(loss)	**1,238,123**	**66,494**	**1,304,617**	275,976	52,180	328,156

Statement of Financial Position	**As at 31 March 2024 £**	As at 31 March 2023 £ (as restated)
Fixed assets	**168,784**	175,860
Net current assets	**1,182,307**	87,689
Long term liabilities	**(35,000)**	(245,000)
Surplus/(deficit) in reserves	**1,147,307**	(157,311)

Capital and reserves	**As at 31 March 2024 £**	As at 31 March 2023 £ (as restated)
Share capital	**7**	6
Income and expenditure reserve	**70,027**	(668,600)
Sinking fund reserve	**1,077,273**	511,283
Surplus/(deficit) in reserves	**1,147,307**	(157,311)

FINANCIAL REVIEW (continued)

Comparing like with like, the main variances between the current and prior period are attributable to growth in rent and other income (as a result of the annual rent increase in April 2023) and a like-for-like reduction in other direct costs. The decrease in other direct costs is attributable to changes in repairs and maintenance expenditure, which amounted to £3,361k in the eighteen months ended 31 March 2023 but only £1,719k in the twelve months ended 31 March 2024. The higher spend in the previous period reflects a catch up of investment by Westmoreland into its housing stock.

Westmoreland's total overhead cost base has increased by 12.7% on the previous period (adjusted to a 12-month equivalent value). While inflation has contributed to this increase, a much bigger factor is the 8% increase in total units under management as at 31 March 2024 compared to the previous period end, as successfully integrating this growth has required additional resources.

Westmoreland's continues to show exceptional performance in collections, as evidenced by the low non-payment provision recognised in the twelve months ended 31 March 2024, at less than 1.3% of total income.

At the end of the year, Westmoreland reported net reserves of £1,147k, which compares to a deficit in reserves at the previous period end. Westmoreland's income and expenditure reserve also switched from a deficit to a positive value in the year. The return to net assets was delivered a full twelve months ahead of business plan expectations.

4.1 Value for Money

Westmoreland is required to comply with the regulatory framework for the sector as issued by the Regulator of Social Housing. The regulatory framework contains a specific standard for Value for Money (VfM) and how registered providers are expected to address this issue.

Under the Value for Money Standard, the Regulator for Social Housing detailed seven financial metrics to be measured and reported. The first table below records Westmoreland's performance against the Regulator's calculations as required by the Standard, while the second table shows alternative calculations that are more relevant to the lease-based sector in which Westmoreland operates.

As required by the Standard, Westmoreland has included data for peers, using data collated by the Regulator in its 2022 Global Accounts reporting to show the upper quartile (UQ), median and lower quartile (LQ) figures for each of the seven metrics as a benchmark. However, as stated above these metrics are not ideally suited to Westmoreland's business, and so some results are significantly out of step with these benchmark figures.

FINANCIAL REVIEW (continued)

RSH VfM Metric	12 months to 31 March 2024	18 months to 31 March 2023 (as restated)	+ve or -ve change	Sector Upper Quartile	Sector Medium Quartile	Sector Lower Quartile
1. Reinvestment %	395.8%	581.9%	⬇	9.4%	6.7%	4.3%
2. New supply delivered	0%	0%	⬌	2.2%	1.3%	0.6%
3. Gearing %	-985.6%	-335.4%	⬆	53.7%	45.3%	33.4%
4. EBITDA MRI interest cover	N/A	N/A	⬌	169%	128%	89%
5. Headline social housing cost per unit	£20,157	£20,181	⬆	£5,847	£4,586	£4,082
6. Operating margin %	8.3%	1.6%	⬆	25.5%	19.8%	14.4%
7. Return on capital employed	107.6%	373.0%	⬇	3.6%	2.8%	2.2%

WSHL VfM Metric	12 months to 31 March 2024	18 months to 31 March 2023 (as restated)	+ve or -ve change
1. Reinvestment as % of total lease liability/ Reinvestment as % of lease liability within one year	0.3%/ 8.3%	0.5%/ 13.4%	⬇
2. New supply delivered including leased stock	8.2%	1.8%	⬆
3. Gearing recognising substance of financing%	100%	100%	⬌
4. Operating surplus ex. Lease costs as % lease costs	115.3%	103.0%	⬆
5. Headline social housing cost per unit excluding lease rent	£8,038	£8,640	⬆

Metric 1 - % reinvestment

This metric looks at the investment in properties (existing stock as well as new supply) as a percentage of total properties owned. As a lease-based provider, Westmoreland's equivalent metric looks at reinvestment as a % of lease liability.

Westmoreland only owns one tangible fixed asset, which is a housing property held at historic cost. The RSH metric requires the Westmoreland's entire reinvestment spend to be assessed against the value of this one property, which results in an unreasonably high reinvestment spend %. The alternative metric that Westmoreland calculates is a much fairer representation of the reinvestment.

Westmoreland's performance against both the RSH's metric and its own calculations show a reduction in performance in the current year, reflecting the enhanced maintenance and improvement programme that was undertaken in the prior period.

FINANCIAL REVIEW (continued)

Metric 2 – New Supply Delivered
This metric looks at the units acquired or developed in the year as a proportion of existing stock. Westmoreland has added new stock during the year but the units were leased and not owned outright. This new supply is excluded from the RSH's metrics whereas Westmoreland's alternative metric shows improved performance in this area.

Metric 3 – Gearing
This metric is more pertinent for Associations that develop and have larger asset bases than Westmoreland. Under the RSH's prescribed calculations, WSHL has a high, negative value for gearing as it only owns one property and holds very little long-term debt. However, as a leased-based provider, Westmoreland is effectively operating at 100% gearing. We have used this in addition to the traditional metric as it more accurately reflects the substance of the financing arrangements for the leased properties.

Metric 4 – Operating lease surplus ex. Lease costs as % Lease costs
In a traditional organisation the EBITDA-MRI metric would be used as is a key indicator for liquidity and investment capacity. It seeks to measure the level of surplus that a registered provider generates compared to interest payable.

As Westmoreland does not pay any interest on loans, the metric in this format is not relevant for it. Therefore, Westmoreland has calculated the Operating Surplus excluding lease costs as a % of lease costs. This shows an improvement in the current year.

Metric 5 – Headline social housing cost per unit
The unit cost metric assesses the headline social housing cost per unit as defined by the regulator. As the principal cost driver for this metric for Westmoreland is the level of lease rents payable, an alternative calculation that excludes lease costs is also shown. Both metrics show a small improvement in the current year.

Metric 6 – Operating Margin
The operating margin demonstrates the profitability of operating assets. Increasing margins are one way to improve the financial efficiency of the business. In assessing this ratio, it is important that consideration is given to registered providers' purpose and objectives. Westmoreland's operating margin has increased due to better performance of its stock, particularly newer units.

Metric 7 – Return on Capital Employed
This metric compares the operating surplus to total assets less current liabilities and is a common measure in the commercial sector to assess the efficient investment of capital resources. For Westmoreland this metric is not particularly relevant as there is only one social housing property owned.

FINANCIAL REVIEW (continued)

The extremely high ROCE figure in the prior period is a result of having a very small net current assets value. While performance appears to have declined in the current year, this is because the capital employed figure has increased by thirteen times the prior period value from a very low base, whereas the return has increased by less than four times.

VfM Targets for 2024-25

Westmoreland recognises its responsibility to set targets, deliver and report performance in line with the VfM Standard. 2023-24 saw a small improvement in Westmoreland's VfM performance, with the only negatives relating to reduced reinvestment. This can be attributed to exceptionally high one-off investment spend in the previous period.

The 2024-25 financial year is the final year of Westmoreland's three-year business plan. This year will focus on consolidating existing business practices and improving efficiency of delivery, and opportunities to increase overall supply will also be explored, as this growth requires very little additional overhead spend. As a result, adding new units should have the effect of reducing the management cost per unit, a key Value for Money improvement.

Westmoreland's focus on Value for Money aims to achieve improved value of better outcomes for residents, increased economic activity (focus on costs) and savings to local and national governments as a result of services that are no longer needed as Westmoreland is supplying that service.

5 MANAGEMENT OF RISK

The Board is responsible for managing risk and has implemented a management framework for the identification, measurement and management of key risks arising in the course of our business and that takes account of the Regulator of Social Housing's "Addendum to the Sector Risk Profile 2018" issued in April 2019 (and subsequently referenced in March 2020, October 2021 and November 2023).

The Board recognises the key risks faced by small specialist supported housing providers in the current economic climate. The resulting risk register identifies mitigations against financial, regulatory, external economic and environmental risks, is managed by the Executive team and reviewed by the Board at each meeting.

Underpinning our management of risk are core business assumptions and ongoing requirements, that we will:

- Continue to deliver Westmoreland homes and services to a compliant standard and deliver any necessary additional services to support our customers, thereby supporting a positive reputation for this sector.
- Develop and hold sufficient cash and reserves to deliver services during materialisation of any risk or adjustment of market approach.
- Seek to minimise the risk of service interruption to our customers, through working closely with our landlords, managing and balancing counterparty risk.
- Continually seek a timely route to achieve compliance with the Regulator of Social Housing Standards.

The Board and Executive maintain a Strategic Risk Register and have also done work this year to identify risk appetite across a number of themes that shape the decision making for the Board.

Westmoreland's risk appetite is set in the context of the focus of the Board in providing specialised supported housing. The Board has stated that it has no appetite for risk in the Health and Safety of its customers, staff and stakeholders. It has a very low tolerance to risk in activities that threaten legal or regulatory compliance, business continuity, investment in existing homes and financial viability.

The Board is open to some level of risk in diversifying services, improving operational performance, reputation, working in partnership with and collaborating with others, growth, improving customer satisfaction, staff development and retention and environmental sustainability.

MANAGEMENT OF RISK (continued)

Key risks to the Society include:

Risk category	Key Controls and Sources of Assurance
Financial	• Active monitoring of cashflows • Ensuring high income collection rates • Monthly management accounts presented to Board • Financial Controls and Treasury Policy • Remain abreast of developments and sector responses from NHF, RSH, CIH and our peer organisations
Legal/Regulatory	• Corporate Objective to achieve regulatory compliance - ensuring continued focus upon required actions to close remaining gaps • Membership of appropriate professional organisations and participation in sector specific networking groups • Proactive horizon scanning and communication, with regular reporting to Board regarding new developments • Systems of Governance are documented and understood • Systems of Internal Control are reviewed at least annually on a rotating basis according to risk • All regulatory requirements assessed internally, with external independent advice and review
Brand/Reputation	• WSHL is focused upon improving services and service delivery for customers, including the launch of the Customer Strategy • WSHL engages positively and openly with Regulator of Social Housing • WSHL engages broadly to seek common resolution of sector level issues • WHSL is seen as a catalyst to good dialogue by those we engage with
Strategic	• WSHL has a full and detailed understanding of each portfolio's performance and are fully aware of the risks WSHL faces • WSHL's reputation with funders is for fast and effective delivery and a pragmatic partner that is easy to do business with • WSHL networks with key sector groups and significant stakeholders including the market's current largest investor funds • Board explores the opportunity for strategic partnerships with other RPs in the sector
Data/IT	• Westmoreland commissioned an independent IT and Data Security Review during the year. The outcome assured the Board that Westmoreland's IT estate is fit for purpose & secure, with some recommendation areas for further improvement in the process of being implemented • All WSHL data held in a secure data centre, no on-premise servers

MANAGEMENT OF RISK (continued)

5.1 Financial Risk Management

Risk management objectives and policies
The Board govern the treasury activities of the Society. The Executive Team is responsible for the management of funds and control of associated risks, with responsibility for the management of liquidity, interest rate and counterparty risk. The strategy has an overriding objective of the avoidance of unacceptable risk, with surplus cash being invested with approved counterparties (banks and money market funds) in line with Treasury Management Policy that defines credit quality criteria and maximum exposure limits.

The main risk facing the Society is that it will be unable to make its lease liability payments when they fall due. This risk is through long-term leases being agreed, with lease terms of 20-40 years. There is no security against any of the Society's assets.

Counterparty risk
The Society has a counterparty risk in respect of those institutions where surplus funds may be deposited. Deposits are made either in call accounts, or where the notice period is no more than one year. As part of the risk management process, the credit ratings of these institutions are regularly reviewed and form part of any investment decision.

The failure of a counterparty is deemed a low risk but the Executive Team will continue to monitor these institutions and, if deemed necessary, take action to spread cash balances over several counterparties.

Interest rate risk
The Society has no exposure to interest rate risk as it has no borrowings.

Liquidity risk
Liquidity is a key risk which is managed using well-established cash forecasting and business planning processes which are regularly stress tested. The Society's operations are entirely financed through cash flows generated from the collection of rent.

It is considered that the Society has sufficient financial resources to make all scheduled lease payments, and therefore the risk of being unable to meet its financial obligations to the landlords is considered to be low.

MANAGEMENT OF RISK (continued)

Credit risk

The Society's principal credit risk relates to customer arrears. This risk is mitigated to a large degree as a significant proportion of customers are in receipt of Housing Benefit which covers either all or a large proportion of rent payments. Westmoreland actively manages rent balances across all accounts whether the rent is paid through Housing Benefit or the customer directly via a clearly defined arrears and collections procedure.

Market risk

The Society's exposure to market risk limited to changes in inflation, which has the effect of eroding the purchasing power of any funds held.

Given the need to maintain liquidity and the historically low interest rates on offer across the banking sector, Westmoreland accepts this market risk as a reasonable cost of maintaining the relatively high degree of security provided by using a bank with a strong credit rating.

This risk has increased considerably in the past two years or so given the current rate of inflation. The declining buying power of Westmoreland's funds is particularly relevant in respect of future planned maintenance sinking fund needs, as the cost of the works could increase by more than the investment growth Westmoreland is able to achieve. However, inflation has fallen during late 2023 and into 2024, which will reduce the impact of this. In addition, some funds have been placed on deposit at higher interest rates, which has helped to partially close the inflation gap in the meantime.

6 CORPORATE GOVERNANCE

As at 1 April 2023, the Board had six non-executive members and one executive member. During the current financial year, a seventh non-executive member was appointed to the Board as a customer representative.

Board members are drawn from diverse backgrounds, bringing together professionals with a range of perspectives. The Board also obtains external specialist advice as necessary. Until August 2024, all business has been transacted by the Board with no formal Committees; however, an Audit & Risk Committee (ARC) has now been formed. The Board was remunerated during the year as shown below:

Board Member	Appointed	Paid
Jayne Francis-Ward (Chair)	06/06/2019	£12,000
Andrew Stafford (Vice Chair)	29/01/2019	£7,000
Alasdair Macarthur (ARC Chair)	02/05/2022	£6,000
Neil Timms (ARC member)	06/06/2019	£6,000
Vivien Cross	01/02/2022	£6,000
Cherry Dunk	01/04/2022	£6,000
Susan Smyth (customer representative)	13/05/2023	£5,300
Stephen Fensom (as Board member) *	13/07/2020	£0

* Stephen Fensom received a salary of £130,017 in his capacity as CEO during the year.

The Society remained in a period of intense oversight and control during delivery of the business recovery plan. Whilst the significant majority of recovery activities were completed by the early part of this year, the Board of Directors elected to continue a keen focus upon progress. The Board met thirteen times between April 2023 and March 2024 to set strategic direction, consider risk and review operations. Meetings were hold both in-person and via video conferencing platforms, and Member attendance was 93% across the year.

Officers have been granted a range of delegated authorities by the Board to facilitate the efficient running of operations.

CORPORATE GOVERNANCE (continued)

6.1 Compliance with the Regulator of Social Housing's Standards

On 5 July 2023, the regulator removed Westmoreland's Regulatory Notice in respect of non-compliance with the Consumer Standards, commenting that, "The issues giving rise to this Regulatory Notice have been resolved". Whilst the Board recognise that the Society has further work to do to regain overall compliant status, this positive milestone recognises the progress made to date.

The Consumer Standards have been revised effective from 1 April 2024 and Westmoreland is currently conducting an internal review, with a 3rd party external assessment to ensure continued compliance.

In respect of the Governance and Financial Viability Standard, the Society holds that it meets the standard expected in respect of systems of governance and internal control. However, the Board accepts that Westmoreland remains non-compliant with the standard overall, due to current insufficient financial resilience to withstand materialisation of major risks over the long term. Whist this issue is symptomatic for Registered Providers offering the majority of their homes using long-term index-linked leases, managing this risk - and therefore closing the gap to regulatory compliance - is a central objective of the remainder of the 2023-25 business plan.

Managing this risk requires ongoing focus in two areas. Firstly, Westmoreland must continue to work with landlords to improve risk share in current leases and growth. Secondly, Westmoreland must continue to improve operating performance and efficiency. Both requirements are part of the current business plan.

6.2 Financial Statement Preparation

The financial statements are prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

6.3 Directors and Officers Indemnity Insurance

Policy cover is in place that protects the personal assets of corporate directors and officers, and their spouses, in the event they are personally sued by employees, vendors, competitors, investors, residents, or other parties, for actual or alleged wrongful acts in managing a company or community benefit society up to a limit of £5m.

CORPORATE GOVERNANCE (continued)

6.4 Regulatory Compliance

NHF Code of Governance 2020

The Board has adopted the NHF Code of Governance. Westmoreland confirms that it is fully compliant following a review in August 2024.

Tenant Satisfaction Measures

Westmoreland carried out the inaugural surveys for the Tenant Satisfaction Measures, ending March 2024. The results were submitted in June 2024 and are compliant with the requirements of the survey

Housing Ombudsman Code of Conduct

Westmorland carried out a self-assessment against the requirements of the Housing Ombudsman's code of conduct in December 2023. Westmoreland confirms that it is fully compliant with the code.

6.5 Employees

On 31 March 2024, Westmoreland employed twenty-four full time employees plus one FTE on a temporary contract covering maternity leave. All employees are actively involved in the operational management of Westmoreland and are supported with personal development opportunities. Westmoreland does not discriminate on the grounds of disability, gender or ethnicity and has an equal opportunities recruitment policy.

6.6 SSH Property Compliance - Funding

None of the properties owned or leased by Westmoreland have any public subsidy or grant funding attached to them.

6.7 Internal Controls Assurance

The Board acknowledges its ultimate responsibility for ensuring that the Society has in place a system of internal control that is appropriate to the business environment in which it operates.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable (and not absolute) assurance against material misstatement or loss, in line with the Board's view that risks should be controlled and managed.

CORPORATE GOVERNANCE (continued)

The Board is satisfied that the major risks to which the Society is exposed are understood, well documented and that appropriate action plans are in place to mitigate these risks. The Board acknowledges that there has been significant investment in improving the control framework since September 2019, in particular: a comprehensive risk register, a self-improvement plan, compliance with health & safety legislation, improvements to tenancy management and consultation, a new robust financial authorisation framework, a new Board review framework, improvements in Board reporting, a range of policies and procedures, and a new comprehensive financial business plan model.

The work of the external auditor provides further independent assurance on the control environment, advising the Board of any weaknesses identified along with recommendations for improvement.

6.8 Statement of Board's Responsibilities for the Annual Report and Financial Statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Co-operative and community benefit society law requires the financial statements are prepared for each financial year in accordance with the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law including FRS102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements are required by law to give a true and fair view of the state of affairs and profit or loss of the Society for that year.

CORPORATE GOVERNANCE (continued)

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Society's ability to continue as a going concern, disclosing as applicable matters relating to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Society or to cease operations or has no unrealistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Society's transactions and disclose with reasonable accuracy at any time the financial position of the Society and enable them to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014. They are also responsible for safeguarding the assets of the Society and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Society's auditor is unaware and;
- The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Society's auditors are aware of that information.

By order of the Board:

Jayne Francis-Ward

Jayne Francis-Ward
Chair
2 September 2024

7 INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTMORELAND SUPPORTED HOUSING LIMITED

Opinion

We have audited the financial statements of Westmoreland Supported Housing Limited (the "Society") for the year ended 31 March 2024 which comprise the Statements of Comprehensive Income, the Statement of Changes in Reserves, Statement of Financial Position, the Statement of Cash Flows and notes to the financial statements, including 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 Society's affairs as at 31 March 2024 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, the Housing and Regeneration Act 2008 and the Accounting Direction for Private Registered Providers of Social Housing 2022.

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 Society 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

In auditing the financial statements, we have concluded that the Board's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Society's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT (continued)

Our responsibilities and the responsibilities of the Board with respect to going concern are described in the relevant sections of this report.

Other information

The Board is responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the financial statements themselves. 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Co-operative and Community Benefit Societies Act 2014 or the Housing and Regeneration Act 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Board for the financial period for which the financial statements are prepared is not consistent with the financial statements; or
- adequate accounting records have not been kept by the Society; or
- a satisfactory system of controls over transactions has not been maintained; or
- the Society financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board

As explained more fully in the Board's responsibilities statement set out on pages 27 to 28, the Board 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 Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (continued)

In preparing the financial statements, the Board is responsible for assessing the Society'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 Board either intends to liquidate the Society 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 the 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 obtained an understanding of the legal and regulatory frameworks within which the Society operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements such as the Co-operative and Community Benefit Societies Act 2014 (and related Directions and regulations), the Housing and Regeneration Act 2008 and other laws and regulations application to a registered social housing provider in England. We also considered the risks of non-compliance with the other requirements imposed by the Regulator of Social Housing, and we considered the extent to which non-compliance might have a material effect on the financial statements.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of other income from social housing activities, going concern and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases and substantive testing of key income streams.

INDEPENDENT AUDITOR'S REPORT (continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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 Society's members as a body in accordance with the Co-operative and Community Benefit Societies Act 2014 and the Housing and Regeneration Act 2008. Our audit work has been undertaken so that we might state to the Society'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 Society and the Society's members as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe UK LLP

Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

11 September 2024

8 FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2024

	Note	Twelve months to 31 March 2024 £	Eighteen months to 31 March 2023 £ (as restated)
Turnover	4	**15,303,005**	19,851,188
Operating expenditure	4	**(14,031,362)**	(19,524,096)
Operating surplus		**1,271,643**	327,092
Interest receivable		**32,974**	1,064
Surplus before tax		**1,304,617**	328,156
Tax on surplus on ordinary activities	7	**-**	-
Surplus for the period after tax		**1,304,617**	328,156
Total comprehensive income for the period		**1,304,617**	328,156

The results relate wholly to continuing activities.

The financial statements were approved and authorised for issue by the Board on 2 September 2024 and were signed on its behalf by:

Jayne Francis-Ward

Jayne Francis-Ward
Chair

Stephen Fensom
Board Member

Adam Reece
Secretary

The notes on pages 37 to 52 form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	31 March 2024 £	31 March 2023 £ (as restated)
Fixed assets			
Tangible fixed assets – housing properties	7	**168,784**	170,614
Other tangible fixed assets	7	**-**	5,246
		168,784	175,860
Current assets			
Trade and other debtors	8	**1,215,878**	1,934,113
Current asset investments	9	**501,646**	-
Cash and cash equivalents	10	**1,908,576**	1,027,246
		3,626,100	2,961,359
Current liabilities			
Creditors: amounts falling due within one year	11	**(2,612,577)**	(3,049,530)
Net current assets/(liabilities)		**1,013,523**	(88,171)
Total assets less current liabilities		**1,182,307**	87,689
Non-current liabilities			
Creditors: amounts falling due after more than one year	12	**(35,000)**	(245,000)
Total net assets/(liabilities)		**1,147,307**	(157,311)
Capital & reserves			
Share capital	13	**7**	6
Income and expenditure reserve		**70,027**	(668,600)
Sinking fund reserve		**1,077,273**	511,283
Total capital & reserves		**1,147,307**	(157,311)

The financial statements were approved and authorised for issue by the Board on 2 September 2024 and were signed on its behalf by:

J Francis-Ward

Jayne Francis-Ward
Chair

Stephen Fensom
Board Member

Adam Reece
Secretary

The notes on pages 37 to 52 form an integral part of these financial statements

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2024

	Income and expenditure reserve	Sinking fund reserve	Total
	£	£	£
Balance at 1 October 2021 (as originally stated)	**(725,842)**	**-**	**(725,842)**
Prior period adjustment	-	240,369	240,369
As restated	**(725,842)**	**240,369**	**(485,473)**
Surplus from Statement of Comprehensive Income	328,156	-	328,156
Transfer from income and expenditure reserve to sinking fund reserve	(270,914)	270,914	-
Balance at 31 March 2023	**(668,600)**	**511,283**	**(157,317)**
Balance at 1 April 2023 (as originally stated)	**(668,600)**	**-**	**(668,600)**
Prior period adjustment	-	511,283	511,283
As restated	**(668,600)**	**511,283**	**(157,317)**
Surplus from Statement of Comprehensive Income	1,304,617	-	1,304,617
Transfer from income and expenditure reserve to sinking fund reserve	(565,990)	565,990	-
Balance at 31 March 2024	**70,027**	**1,077,273**	**1,147,300**

The notes on pages 37 to 52 form an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Twelve months to 31 March 2024 £	Eighteen months to 31 March 2023 £ (as restated)
Cash flow from operating activities		
Surplus before taxation	**1,304,617**	328,156
Adjustments for non-cash items:		
Depreciation and loss on disposal	**7,076**	5,542
(Increase)/decrease in trade and other debtors	**718,235**	(742,941)
Increase/(decrease) in trade and other creditors	**(646,953)**	99,692
	1,382,975	(309,551)
Adjustments for investing activities:		
Interest received	**(32,974)**	(1,064)
Net cash generated from operating activities	**1,350,001**	(310,615)
Cash flow from investing activities		
Interest received	**32,974**	1,064
Increase in current asset investments	**(501,646)**	-
Cash flow from financing activities		
Shares issued	**1**	6
Net change in cash and cash equivalents	**881,330**	(309,545)
Cash and cash equivalents at beginning of the period	**1,027,246**	1,336,791
Cash and cash equivalents at end of the period	**1,908,576**	1,027,246

The notes on pages 37 to 52 form an integral part of these accounts

9 NOTES TO THE ACCOUNTS

1. LEGAL STATUS

Westmoreland Supported Housing Limited (Westmoreland) is registered under the Co-operative and Community Benefit Society Act 2014 and is a registered provider of social housing.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102) and the Housing SORP 2018: Statement of Recommended Practice for Registered Social Housing Providers and comply with the Accounting Direction for Private Registered Providers of Social Housing 2022.

The Board is satisfied that the current accounting policies are the most appropriate for the Society. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Westmoreland is a public benefit entity in accordance with FRS 102.

The Financial Statements are presented in Pound Sterling (£). This also the functional currency.

The Financial Statements are for the twelve-month period ended 31 March 2024, whereas the comparative values are for the eighteen-month period ended 31 March 2023.

Going concern

Westmoreland's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic Report on pages 4 to 9.

2023-24 is the third consecutive accounting period in which a surplus has been realised after a difficult period from 2016 – 2019 where steep losses were incurred. As at 31 March 2024, Westmoreland has returned to a position of net assets, with the sinking fund reserve and Westmoreland's income and expenditure reserve both in surplus. The elimination of Westmoreland's deficit in reserves has been achieved a year ahead of business plan expectations.

The Board has undertaken planning and forecasting for a range of possible scenarios and continues to closely monitor the ongoing situation. The Society's current forecasts show that there is a robust business plan which ensures future viability.

Having assessed the circumstances, the Directors have determined there is no material uncertainty as to the ability of the Society to continue as a going concern for the foreseeable future, and they believe it is appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments if the entity were unable to continue as a going concern.

NOTES TO THE ACCOUNTS (continued).

2. ACCOUNTING POLICIES (continued)

Turnover and revenue recognition

Turnover comprises rental income receivable in the period and other services included at the invoiced value of goods and services supplied in the period. Rental income is recognised from the point when properties under development reach practical completion or otherwise become available for letting, net of any voids.

Charges for cyclical services provided, such as gardening & window cleaning, plus the provision of utilities are accounted for and recovered from customers under a system of variable service charges. As a result, the value of any amounts charged to customers that is in excess of the cost of providing the services is deferred.

Deferred income at the year-end is included in creditors.

Resources expended

Liabilities are recognised once there is a legal or constructive obligation that commits the Society to the obligation. Expenditure is recognised when a liability is incurred. Contractual arrangements are recognised as goods and services are supplied. All resources expended are classified under activity headings that aggregate all costs related to the category.

Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Tangible fixed assets and other tangible fixed assets

Freehold properties are stated in the statement of financial position at cost less depreciation.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life.

The depreciation rates used for other assets are as follows:

Freehold properties	1% straight line
Fixtures and fittings	25% reducing balance
Computer equipment	33.3% reducing balance

Financial instruments

Westmoreland has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method. Financial assets held at amortised cost comprise cash and bank and in hand, together with trade and other debtors. Financial liabilities held at amortised cost comprise trade and other creditors.

NOTES TO THE ACCOUNTS (continued)

2. ACCOUNTING POLICIES (continued)

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Rent debtors were assessed at the year-end and the value held in the accounts is less any impairment losses for bad and doubtful debts.

Creditors

Short-term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

Sinking fund liability

Sinking funds for planned maintenance expenditure are included as a liability where the terms of leases or any linked document require the funds to be paid to the ultimate landlord upon the return of the property.

Sinking fund reserve

Where there is no obligation to pay accumulated sinking fund balances to the ultimate landlord, the value of planned maintenance sinking funds is held as a designated reserve, with all accretion in the year recognised in the Statement of Comprehensive Income at the point it is charged. At the end of each year, a transfer is made from the Income and Expenditure Reserve to the Sinking Fund Reserve for the value of all accretion in the year less any associated expenditure.

Taxation

The Society is registered by HMRC as being charitable and, as a result, is not liable to corporation tax on its surpluses.

Value added tax

The Society charges value added tax (VAT) on some of its income and is able to recover part of the VAT it incurs on associated expenditure. The financial statements include VAT to the extent that it is suffered by the Society and not recoverable from HM Revenue and Customs. The balance of VAT payable at the year-end is included as a current liability.

Employee benefits

Short-term employee benefits and contributions to the Society's defined contribution pension scheme are recognised as an expense in the period in which they are incurred and become payable.

NOTES TO THE ACCOUNTS (continued)

2. ACCOUNTING POLICIES (continued)

Leased assets
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the Society's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Prior period adjustments
During the year and error in the classification of planned maintenance sinking funds was uncovered. The total amount of error was £511k of sinking funds had been recognised as a liability as at 31 March 2023 instead of a reserve.

As per the accounting policy for sinking funds detailed above, these should only be recognised as liabilities where the terms of the lease or any linked document require the funds to be paid to the ultimate landlord upon the return of the property. However, since 2020, all sinking fund balances had continued to be recognised as a liability in the Society's financial statements in all cases, despite the lack of any contractual requirement to pay the funds to the landlord upon lease termination.

The reclassification has resulted in the derecognition of sinking fund liabilities in most cases, with a small number of sinking funds still meeting the recognition criteria for liabilities. The reclassification has resulted in a restatement of the Statement of Comprehensive Income, Statement of Changes in Reserves, Statement of Financial Position and Statement of Cash Flows.

Further information is included in note 19.

NOTES TO THE ACCOUNTS (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies, which are described in note 2, the Board is required to make judgements, estimates, assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

In the view of the Board, other than as stated below, no assumptions concerning the future or estimation uncertainty affecting assets and liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial period.

Provision for doubtful debts

The estimate for receivables relates to the recoverability of the balances outstanding at the period end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, if appropriate. The actual lives of the assets are assessed annually and may vary depending on a number of factors.

Operating leases

Whether leases entered into by the Society either as a lessee or lessor are operating leases or finance leases. These decisions depend on an assessment of whether risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

Fair value measurement

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets including investment properties. This involves developing estimates and assumptions consistent with how market participants would price the instrument or asset. Management bases its assumptions on observable data as far as possible, but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices.

NOTES TO THE ACCOUNTS (continued)

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)

Impairment

As part of the continuous review of the performance of their assets, management identify any homes, or schemes, that have increasing void losses, are impacted by policy changes or where the decision has been made to dispose of the properties. These factors are considering to be an indication of impairment.

Where there is evidence of impairment, the fixed assets are written down to the recoverable amount and any impairment losses are charged to operating surpluses. As a result, the Society estimates the recoverable amount of its housing properties as follows:

(a) Determine the level at which the recoverable amount is to be assessed (i.e., the asset level or cash-generating unit (CGU) level). The CGU level is determined to be an individual scheme;
(b) Estimate the recoverable amount of the cash-generating unit;
(c) Calculate the carrying amount of the cash-generating unit; and
(d) Compare the carrying amount to the recoverable amount to determine if an impairment loss has occurred.

The outcome of this assessment has determined there is no impairment based on the future cashflows, the long-term contribution from which is positive.

4. TURNOVER, OPERATING EXPENDITURE AND OPERATING SURPLUS

	Twelve months to 31 March 2024		
	Turnover	**Operating expenditure**	**Operating surplus**
	£	**£**	**£**
Social housing lettings (Note 4a)	**15,303,005**	**(14,031,362)**	**1,271,643**
Activities other than social housing	-	-	-
TOTAL	**15,303,005**	**(14,031,362)**	**1,271,643**

	Eighteen months to 31 March 2023 (as restated)		
	Turnover	Operating expenditure	Operating surplus
	£	£	£
Social housing lettings (Note 4a)	19,851,188	(19,524,096)	327,092
Activities other than social housing	-	-	-
TOTAL	19,851,188	(19,524,096)	327,092

NOTES TO THE ACCOUNTS (continued)

4a. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS

	Supported housing & housing for older people £	Care homes £	Twelve months to 31 March 2024 Total £	Eighteen months to 31 March 2023 Total £ (as restated)
INCOME				
Rent receivable net of identifiable service charges	11,777,590	90,194	**11,867,784**	14,954,851
Service charge income	1,343,966	-	**1,343,966**	1,229,048
Other income from social housing lettings	2,088,888	2,367	**2,091,255**	3,667,289
TURNOVER FROM SOCIAL HOUSING LETTINGS	15,210,444	92,561	**15,303,005**	19,851,188
OPERATING EXPENDITURE				
Management costs	1,771,075	5,240	**1,776,315**	2,367,595
Rent to landlords and ground rent	8,228,386	85,169	**8,313,555**	10,975,066
Service charge costs	1,378,944	-	**1,378,944**	1,592,164
Routine maintenance	1,061,583	315	**1,061,898**	1,709,278
Planned maintenance	199,780	1,518	**201,298**	427,805
Major repairs expenditure	668,014	-	**668,014**	1,489,162
Other property costs	425,603	2,214	**427,817**	630,614
Bad debts	196,445	-	**196,445**	326,870
Depreciation & loss on disposal	7,076	-	**7,076**	5,542
Operation expenditure on social housing lettings	13,936,906	94,456	**14,031,362**	19,524,096
OPERATING SURPLUS/(DEFICIT) ON SOCIAL HOUSING LETTINGS	**1,273,538**	**(1,895)**	**1,271,643**	327,092
Void losses	1,988,495	-	1,988,495	2,289,696

Income and expenditure for the year is not directly to the comparative period as this covered the eighteen months to 31 March 2023.

NOTES TO THE ACCOUNTS (continued)

4a. PARTICULARS OF INCOME AND EXPENDITURE FROM SOCIAL HOUSING LETTINGS (continued)

Management costs include salaries, business insurances, office costs, travel and legal and professional fees.

As explained in note 19, a prior year adjustment has been made in respect of the vast majority of sinking fund balances, to reclassify these from liabilities to reserves. Income from sinking fund collections is now included within rent receivable net of identifiable service charges.

5. ACCOMMODATION OWNED, MANAGED AND IN DEVELOPMENT

	As at 31 March 2024 No. of units		As at 31 March 2023 No. of units	
Social housing	**Owned**	**Managed**	**Owned**	**Managed**
Under management at end of period:				
Supported housing and housing for older people	**1**	**677**	1	625
Care homes	**-**	**8**	-	8
	1	**685**	1	633

6. SURPLUS ON ORDINARY ACTIVITIES

	Twelve months to 31 March 2024	Eighteen months to 31 March 2023
	£	£
The operating surplus is stated after charging/(crediting):		
Audit fees (excluding VAT)	**20,200**	22,900
Non-audit fees (excluding VAT)	**1,295**	-
Operating lease rentals – land & buildings	**8,323,555**	11,004,896
Depreciation of fixed assets	**1,830**	5,542
Loss on disposal of fixed assets	**5,246**	-

NOTES TO THE ACCOUNTS (continued)

7. TANGIBLE FIXED ASSETS

	Housing properties		Other fixed assets	
	Social housing properties for letting	Total Housing properties	Fixtures and fittings	Total Other fixed assets
COST				
At 1 April 2023	182,964	**182,964**	32,005	**32,005**
Additions	-	-	-	-
Disposals	-	-	(32,005)	**(32,005)**
At 31 March 2024	182,964	**182,964**	-	-
DEPRECIATION AND IMPAIRMENT				
At 1 April 2023	12,350	**12,350**	26,759	**26,759**
Charge for the period	1,830	**1,830**	-	-
Elimination on disposals	-	-	(26,759)	**(26,759)**
At 31 March 2024	14,180	**14,180**	-	-
Net book value at 31 March 2024	168,784	**168,784**	-	-
Net book value at 1 April 2023	170,614	170,614	5,246	5,246

8. TRADE AND OTHER RECEIVABLES

	31 March 2024 £	31 March 2023 £
Rent arrears	**1,459,160**	2,552,880
Less: provision for bad debts	**(551,042)**	(1,656,339)
Other debtors	**12,965**	18,460
Prepayments and accrued income	**294,795**	1,019,112
	1,215,878	1,934,113

NOTES TO THE ACCOUNTS (continued)

9. CURRENT ASSET INVESTMENTS

	31 March 2024 £	31 March 2023 £
Cash on deposit	**501,646**	-
	501,646	-

Current asset investments comprises £500k invested in a 95-day notice account on 27 February 2024 and the accumulated interest to 31 March 2024.

10. CASH AND CASH EQUIVALENTS

	31 March 2024 £	31 March 2023 £
Cash at bank	**1,908,576**	1,027,246
	1,908,576	1,027,246

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 2024 £	31 March 2023 £ (as restated)
Trade creditors	**1,016,636**	930,646
Rent & service charges paid in advance	**167,164**	141,160
Other taxation and social security	**49,362**	27,956
Other creditors	**5,562**	3,366
Accruals and deferred income	**1,373,853**	1,946,402
	2,612,577	3,049,530

As explained in note 19, a prior year adjustment has been made in respect of the vast majority of sinking fund balances, to reclassify these from liabilities to reserves. The sinking fund balances that are still recognised as a liability continue to be included as a component of accruals and deferred income.

NOTES TO THE ACCOUNTS (continued)

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 March 2024	31 March 2023
	£	£
Trade creditors	**35,000**	245,000
	35,000	245,000

13. SHARE CAPITAL

	Issued share capital	**Issued share capital**
	No.	**£**
At 1 April 2023	**6**	**6**
Proceeds from share issue	**1**	**1**
At 31 March 2024	**7**	**7**

During the year, the Society issued a share to the new customer representative Board Member.

14. FINANCIAL ASSETS AND LIABILITIES

Details of the Society's financial risk management policies and risks is included in Section 5: Management of Risk on pages 22 to 23.

	31 March 2024	31 March 2023
Categories of financial assets and financial liabilities	**£**	£ (as restated)
Financial assets that are debt instruments measured at amortised cost	**3,331,305**	1,942,247
Financial liabilities measured at amortised cost	**(1,273,724)**	(1,348,128)
Total	**2,057,581**	594,119

NOTES TO THE ACCOUNTS (continued)

14. FINANCIAL ASSETS AND LIABILITIES (continued)

Other than short-term debtors, the only financial assets held are cash at bank. They are sterling denominated and the interest rate profile at the period end was:

	31 March 2024	31 March 2023
	£	£
Floating rate on cash at bank and on deposit	**2,410,222**	1,027,246
Financial assets on which no interest is earned	**921,083**	915,001
	3,331,305	1,942,247

Financial liabilities excluding trade creditors – interest rate risk profile
The interest rate profile of the Society's financial liabilities at the period end was:

	31 March 2024	31 March 2023
	£	£
Fixed rate	**-**	-
Floating rate	**5,562**	3,366
	5,562	3,366

The floating rate liabilities relate to a corporate credit card facility.

NOTES TO THE ACCOUNTS (continued)

15. OPERATING LEASES

The Society holds properties under non-cancellable operating leases. At the end of the period the Society had commitments of future minimum lease payments as follows:

	31 March 2024 £	31 March 2023 £
Land and buildings:		
Within one year	**8,025,013**	7,394,650
Between two and five years	**30,891,269**	26,855,690
Greater than five years	**192,910,236**	182,942,183
	231,826,518	217,192,523
Other plant and equipment:		
Within one year	**8,318**	11,374
Between two and five years	**7,799**	21,385
	16,117	32,759
	231,842,635	217,225,282

The lease agreements do not include any contingent rent or restrictions. The majority of the leases for land and buildings include options to extend that are exercisable at the sole discretion of the landlord. It is assumed that all options to extend will be exercised by the landlords in the calculation of the future minimum lease payments shown above.

Since the period end, the society has entered into further operating lease commitments totalling £2,618,220, all with a life of greater than five years.

16. EMPLOYEES

The average number of employees expressed in full time equivalent of a 37.5 hour working week was as follows:

Twelve months to 31 March 2024 No.	Eighteen months to 31 March 2023 No.
23	18

NOTES TO THE ACCOUNTS (continued)

16. EMPLOYEES (continued)

	Twelve months to 31 March 2024	Eighteen months to 31 March 2023
	£	£
Employee costs		
Wages and salaries	**1,048,163**	1,213,257
Social security costs	**93,821**	121,530
Other pension costs	**17,687**	16,030
Total	**1,159,671**	1,350,817

The Society operates the NEST defined contribution pension scheme.

The number of employees who received remuneration (including employer pension contributions) greater than £60,000 is as follows:

	Twelve months to 31 March 2024	Eighteen months to 31 March 2023
	No.	No.
£90,001 to £100,000	**2**	-
£130,001 to £140,000	**-**	2
£140,001 to £150,000	**1**	-
£210,001 to £220,000	**-**	1

The figures for the eighteen months to 31 March 2023 are not representative of the annual remuneration of the employees concerned. In the twelve months from 1 April 2022 to 31 March 2023, two employees received remuneration between £90,001 and £100,000, and one employee received remuneration between £140,001 and £150,000.

NOTES TO THE ACCOUNTS (continued)

17. KEY MANAGEMENT PERSONNEL

The aggregate remuneration for key management personnel, which includes all members of the Executive Team, charged in the period is:

	Twelve months to 31 March 2024	Eighteen months to 31 March 2023
	£	£
Wages and salaries	**296,449**	428,373
Social security costs	**37,144**	52,668
Other pension costs	**3,980**	3,742
Total	**337,573**	484,783

The remuneration payable to the highest paid director (excluding pension and NI contributions) was £130,017 (31 March 2023: £190,833).

The Chief Executive receives pension contributions equal to 3% of their salary up to the qualifying earnings band set out under Auto Enrolment legislation. The pension scheme is a defined contributions scheme funded through rental income received. The Chief Executive is an ordinary member of the pension scheme and no enhanced or special terms apply.

No compensation was made to any Directors or past Directors in relation to the period of account in respect of loss of office.

Details of payments made to Board Members is shown on page 24 of the financial statements.

18. RELATED PARTIES

On 13 May 2023, Susan Smyth was appointed to WSHL's Board. Susan Smyth is a family member of one of WSHL's customers. From the date of appointment to 31 March 2024, the total rent charged to the customer was £31,648 and the customer's closing arrears at this date was £2,038.

On 1 February 2024, Westmoreland entered into a voluntary, non-binding partnership working agreement with Bespoke Support Tenancies Limited (BeST), with the aim of undertaking a full merger in due course. In addition, it was agreed that Westmoreland's CEO, Stephen Fensom, would also be appointed as CEO of BeST from this date. However, while Stephen is a member of Westmoreland's Board, he has not been appointed to BeST's Board. As at the date of signing the financial statements, both organisations remain separate entities, independently regulated by the Regulator of Social Housing.

NOTES TO THE ACCOUNTS (continued)

18. RELATED PARTIES (continued)

In the year to 31 March 2024, WSHL recharged a proportion of Stepen Fensom's salary costs totalling £13,282 to BeST. Other services totalling £13,500 were also recharged to BeST during the year, relating to support provided by Westmoreland colleagues separate to the partnership working agreement. As at 31 March 2024, BeST owed Westmoreland £19,819.

There were no other related party transactions in the current or prior period.

19. PRIOR PERIOD ADJUSTMENT

During the financial accounting periods ended September 2021 and March 2023, the Society incorrectly recognised revenue of £511,283 relating to sinking funds as a liability, contrary to the sinking fund reserve accounting policy detailed in note 2 (March 2023: £270,914 and September 2021: £240,369).

To correct this, the Society has restated the Statement of Comprehensive Income to include the revenue that had previously been recognised as a liability in the period ended March 2023, restated the Statement of Financial Position to remove the cumulative liability at March 2023 and restated the Statement of Changes in Reserves to show the sinking fund reserve as at 1 October 2021 and 31 March 2023. Changes have also been made to the Statement of Cash Flows and associated notes as appropriate.