

**WM TREASURY VEHICLE LIMITED**

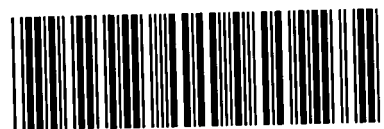
**Report and Financial Statements**

**For the year ended  
31 March 2019**

**Companies House Registered Number 10944302**

**Registered office: 4040 Lakeside  
Solihull Parkway  
Birmingham  
B37 7YN**

**SATURDAY**



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# **WM TREASURY VEHICLE LIMITED**

## **COMPANY INFORMATION**

### **Directors**

The Company was incorporated on 4 September 2017. The following are all members of the Board of WM Treasury Vehicle Limited and served as such during the year ended 31 March 2019 unless otherwise stated:

Mr C Dennis  
Mr S Kellas  
Mr K Rodgers

### **Secretary**

Mr S Kellas

### **Auditor**

Beever and Struthers  
St. George's House  
215-219 Chester Road  
Manchester  
M15 4JE

## **STRATEGIC REPORT**

The Directors present their reports and audited financial statements for WM Treasury Vehicle Limited ("the Company") for the year ended 31 March 2019. The Company is a member of WM Housing Group.

## **BUSINESS REVIEW**

The Company was incorporated in September 2017. The Company entered into secured loan facility agreements with external banks and building societies on 20 December 2017 using property owned by fellow subsidiaries of WM Housing Group Limited as security. All of the drawn funding was on-lent to the Group's asset owning Registered Provider subsidiaries. The Company has undrawn revolving credit facilities which have been secured for the benefit of any asset owning Registered Provider within the Group. Non-utilisation fees in relation to undrawn loan facilities are re-charged to the Group's asset owning Registered Provider subsidiaries.

The statement of comprehensive income shows a result of £nil for the period. This is in line with the Company's role as a special purpose lending vehicle which does not seek to generate significant financial returns.

The Company benefits from the Group-centralised Treasury service with policies and procedures approved by the Group Board. These cover funding, interest rate exposures, cash management and the investment of surplus cash.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

WM Treasury Vehicle Limited on-lends all of its drawn debt to asset owning subsidiaries of WM Housing Group Limited under a guarantee and security trust basis. Where debt has been on-lent, the underlying assets securing the debt belong to the relevant asset owning (i.e. homes for rent) subsidiary of WM Housing Group Limited - being Whitefriars Housing Group Limited, West Mercia Homes Limited, Optima Community Association Limited or Family Housing Association (Birmingham) Limited and are secured through a Security Trust arrangement with the Prudential Trustee Company Limited.

As WM Treasury Vehicle Limited is not obliged to provide incremental funding to any Group asset owning subsidiaries, WM Treasury Vehicle Limited is not at risk if it cannot obtain further funding for the WM Housing Group. All of WM Treasury Vehicle Limited's costs relating to providing funding services are billed to the relevant asset-owning subsidiary of WM Housing Group Limited.

Following the referendum decision on 23 June 2016 in favour of leaving the EU ("Brexit"), the United Kingdom had been due to leave the EU on 29 March 2019, two years after it started the exit process by invoking Article 50 of the EU's Lisbon Treaty. However, the withdrawal agreement negotiated between the EU and UK was rejected three times by the UK Parliament. Having granted an initial extension of the Article 50 process until 12 April 2019, EU leaders have now backed a six-month extension until 31 October 2019. However, the UK will leave before this date if the withdrawal agreement is ratified by the UK and the EU before then.

Brexit has caused significant uncertainty in financial markets and the political world, and this is likely to continue as politicians negotiate our exit from the EU and put new arrangements in place. As a Group, WM Housing Group will continue to analyse the local and immediate impacts as more information becomes available regarding the timing and nature of the way that the UK will finally leave the EU, and the detailed implications will be tested through our risk management and stress testing arrangements. We have undertaken a detailed Brexit 'Self-Assessment', and are confident that our business plan and stress testing are able to withstand the likely range of pressures in the short and medium term.

**STRATEGIC REPORT (Continued)**

**FINANCIAL PERFORMANCE**

The Company is a special purpose lending vehicle and does not seek to generate significant financial returns. The Company makes neither a profit nor a loss in line with its role as a special purpose lending vehicle. The Company therefore does not have financial key performance indicators.

**FUTURE DEVELOPMENT, PERFORMANCE AND POSITION**

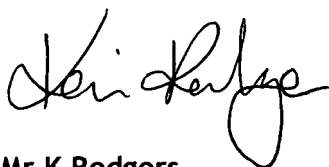
The Company has £58m of undrawn revolving credit facilities as at 31 March 2019 (2018: £58m). The Company expects to raise new facilities to support the Group's expanded development programme towards the end of 2019/20. The Company's future financial performance is expected to show neither a profit nor a loss.

**OTHER INFORMATION**

The Company has no direct employees and it exists solely to on-lend debt which has been sourced through loan facility agreements with banks and building societies for the benefit of the Group. At 31 March 2019, the Company had three male directors.

**BY ORDER OF THE BOARD**

Approved by the board on 05 August 2019  
and signed on its behalf by

A handwritten signature in black ink, appearing to read 'K. Rodgers', written over a horizontal line.

**Mr K Rodgers**  
Director

## REPORT OF THE DIRECTORS

### OVERVIEW AND PRINCIPAL ACTIVITY

WM Treasury Vehicle Limited is a wholly owned subsidiary of WM Housing Group Limited. Its objective is to source funding on behalf of WM Housing Group Limited directly from banks and building societies and on-lend the proceeds to asset-owning subsidiaries of WM Housing Group. The Company's directors are listed on page 1.

### FINANCIAL RISK MANAGEMENT

#### Risk Management Objectives and Policies

The WM Housing Group's Finance function is responsible for the treasury management activities and control of associated risks. Its activities are governed by the Treasury Management Policy Statement, approved by the Group's Board, which is ultimately responsible for treasury issues in all of WM Housing Group's legal entities, which include the Company. The Group finance function does not operate as a profit centre.

The Company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company by monitoring levels of debt finance and related finance costs.

#### Interest Rate Risk/Hedging & Market Risk

The Company currently borrows funds on a mixture of fixed and variable rate bases from banks and building societies and then on-lends these funds to asset-owning subsidiaries within WM Housing Group at a blended interest rate which means all of the Company's interest costs are fully recovered from the relevant asset-owning subsidiaries. As such, the Company does not bear any market risk or any exposure to interest rate risk on a net basis. The Company does not undertake any hedging activities and it does not have any derivatives.

#### Liquidity Risk

The Company mitigates its liquidity risk in relation to principal repayments and interest payments by lending drawn debt on similar repayment terms to each loan facility agreement.

#### Credit Risk

All of the Company's drawn debt is immediately on-lent to the relevant WM Housing Group subsidiary, which represents the only credit risk to the Company. This credit risk is mitigated through a number of factors, including the housing asset security which stands behind the loans, the overall Regulator of Social Housing (RSH) assessment of the Group's financial viability and the contractual protection of the loan agreement between the Company and the relevant WM Housing Group subsidiary itself.

The Company is not obliged to source further funding from banks and building societies for on-lending to WM Housing Group's subsidiaries. It should be noted that the WM Housing Group, which comprises WM Treasury Vehicle Limited and asset-owning subsidiaries, has an A2 (stable) credit rating from Moody's Investor Services, which was upgraded from A3 (stable) following the latest rating assessment for the WM Housing Group was published by Moody's on 31 October 2018.

**REPORT OF THE DIRECTORS (Continued)**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE REPORT OF THE DIRECTORS AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

**STATEMENTS AS TO DISCLOSURE OF INFORMATION TO AUDITOR**

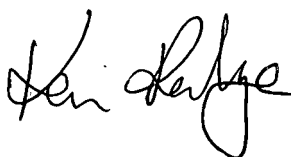
The directors who held office at the date of approval of the Strategic Report and of this Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**AUDITOR**

Beever and Struthers are auditor to the Company and its parent, WM Housing Group Limited.

**BY ORDER OF THE BOARD**

Approved by the board on 05 August 2019  
and signed on its behalf by



**Mr K Rodgers**  
Director

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WM TREASURY VEHICLE LIMITED**

**Opinion**

We have audited the financial statements of WM Treasury Vehicle Limited "the company" for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Reserves, the Statement of Cash Flows and notes to the financial statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

**Other information**

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

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

We have nothing to report in this regard.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WM TREASURY VEHICLE LIMITED (Continued)**

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and report of the directors has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the report of the directors.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are 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 directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company'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 directors either intend to liquidate the company 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's web-site at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WM TREASURY VEHICLE LIMITED (Continued)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

*Beever and Struthers*

Maria Hallows (Senior Statutory Auditor)  
For and on behalf of  
BEEVER AND STRUTHERS, Statutory Auditor  
St George's House  
215/219 Chester Road  
Manchester  
M15 4JE

Date: 22.8.19

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2019**

	Notes	Year ended 31 March 2019 £'000	7 months ended 31 March 2018 £'000
Turnover	6	2,889	813
Cost of Sales	7	<u>(2,889)</u>	<u>(813)</u>
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	8	<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u>-</u>	<u>-</u>

All activities from the company are from continuing operations.

The notes on pages 13 - 20 are an integral part of the financial statements.

## STATEMENT OF FINANCIAL POSITION AT 31 MARCH 2019

	Notes	2019 £'000	2018 £'000
<b>Current Assets</b>			
Debtors due within one year	9	2,246	2,050
Debtors due after one year	9	77,775	79,699
Cash		-	-
		<u>80,021</u>	<u>81,749</u>
<b>Creditors: Amounts falling due within one year</b>	10	<u>(2,246)</u>	<u>(2,050)</u>
<b>Net Current Assets</b>		<b>77,775</b>	<b>79,699</b>
Creditors: Amounts falling due after more than one year	11	<u>(77,775)</u>	<u>(79,699)</u>
<b>Net Assets</b>		<u>-</u>	<u>-</u>
<b>Share Capital and Reserves</b>			
Profit and loss account		-	-
		<u>-</u>	<u>-</u>
<b>Total Reserves</b>		<u>-</u>	<u>-</u>

The notes on pages 13 - 20 are an integral part of the financial statements.

These financial statements were approved by the Board of Directors on 05 August 2019 and signed on its behalf by:

  
**Kevin Rodgers**  
 Director

  
**Colin Dennis**  
 Director

Companies House Registered Number 10944302

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 MARCH 2019

	Profit & Loss account £'000	Total £'000
At 4 September 2018	-	-
Profit/(loss) for the period	-	-
Total comprehensive income for the period	-	-
At 31 March 2018	-	-
Profit/(loss) for the year	-	-
Total comprehensive income for the period	-	-
At 31 March 2019	-	-

The notes on pages 13 - 20 are an integral part of the financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	2019 £'000	2018 £'000
<b>Cash flows from operating activities</b>		
Profit for the financial period	-	-
<b>Cash flows from investing activities</b>		
Interest received	2,598	58
	<u>2,598</u>	<u>58</u>
<b>Cash flows from financing activities</b>		
Interest paid	(2,598)	(58)
	<u>(2,598)</u>	<u>(58)</u>
<b>Changes in:</b>		
Trade and other debtors	1,728	(81,749)
Trade and other creditors	(1,728)	81,749
Cash generated from operations	<u>-</u>	<u>-</u>
<b>Net increase in cash and cash equivalents</b>	<u>-</u>	<u>-</u>
Cash and cash equivalents at the beginning of the year	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at the end of year</b>	<u><u>-</u></u>	<u><u>-</u></u>

The company's cash outflows relate to the payment of interest on loans and the back-to-back cash inflows from relevant Group companies. The Company's intention is to pay interest and fees on all of its facilities in this way during 2019/20.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**LEGAL STATUS**

WM Treasury Vehicle Limited is incorporated in England under the Companies Act 2006 as a private limited company (limited by guarantee). The registered office is: -

4040 Lakeside  
Solihull Parkway  
Birmingham Business Park  
B37 7YN

**1 STATEMENT OF COMPLIANCE**

The Financial Reporting Council (FRC) has recently conducted its planned triennial review of FRS102. The result of this review is that an updated version of the standard, FRS102 (March 2018) has been released, applicable to accounting periods beginning on or after 1 January 2018. Early application was permitted provided that all amendments were applied at the same time. The financial statements have therefore been prepared in compliance with FRS102 (March 2018).

**2 ACCOUNTING POLICIES**

At the date of these financial statements the Directors have carried out a detailed and comprehensive review of the business and its future prospects. In the opinion of the Directors, the Company is expected to be able to continue trading within the current arrangements and consequently the financial statements are presented on the going concern basis.

**(a) Basis of preparation**

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the company.

**(b) Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period.

The Company's only use of estimation relates to the accrual of interest payable on drawn facilities and non-utilisation fees on undrawn facilities at the end of each financial year.

**(c) Revenue recognition**

Turnover represents interest receivable and other financing costs in relation to facilities lent to members of the Group. All turnover arose on activities undertaken in the UK.

**(d) Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments, where a financing transaction, are initially recognised at fair value including any premium or discount on issue and subsequently measured at amortised cost using the effective interest method.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 2 ACCOUNTING POLICIES (Continued)

#### (e) Segmental information

The Company has one class of business from which it derives its income being to provide funding to other Group asset owning subsidiaries. All interest income, expenditure and net assets are derived from UK operation.

#### (f) Taxation

Any charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

### 3 OPERATING PROFIT

During the period, the Company recharged interest paid and other financing costs on loans to the asset-owning borrowers to whom the debt was on-lent or asset-owning borrowers to whom an undrawn element of a loan facility is available. Consequently, during the year the Company made neither a profit nor a loss (2018: £Nil).

Audit fees for the Company are paid for by the parent company, WM Housing Group Limited and disclosed within its consolidated financial statements. The proportion of the audit fee attributable to the Company is £4k (2018: £4k). Non-audit fees (excl. VAT) amounted to £Nil (2018: £Nil).

### 4 EMPLOYEES

The Company does not have any employees. All employees acting on behalf of the Company are employed by WM Housing Group Limited or one of its asset-owning subsidiaries, whose costs are disclosed in those financial statements.

### 5 BOARD OF DIRECTORS' REMUNERATION

The directors of WM Treasury Vehicle Limited are employed and remunerated by WM Housing Group Limited or one of its asset-owning subsidiaries. Full accounting disclosures on Directors' remuneration are therefore included within the respective Group member's accounts.

### 6 TURNOVER

	Year ended 31 March 2019 £'000	7 months ended 31 March 2018 £'000
Interest receivable from Group undertakings	2,889	813
	<u>2,889</u>	<u>813</u>



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 7 COST OF SALES

	Year ended 31 March 2019 £'000	7 months ended 31 March 2018 £'000
Interest payable under drawn facilities	2,599	736
Non-utilisation fees payable under undrawn facilities	290	55
Valuation fees for portfolios re-valued during the period	-	22
	<u>2,889</u>	<u>813</u>

## 8 TAXATION

	Year ended 31 March 2019 £'000	7 months ended 31 March 2018 £'000
<b>UK Corporation Tax</b>		
UK Corporation Tax on surplus for the period	-	-
	<u>-</u>	<u>-</u>
The tax assessed on the surplus on ordinary activities for the period is lower than the rate of Corporation Tax in the UK of 19% (2018: 19%)		
Profit/(Loss) on ordinary activities before tax	-	-
	<u>-</u>	<u>-</u>
Corporation Tax calculated as surplus on activities before tax, multiplied by 19% (2018: 19%)	-	-
	<u>-</u>	<u>-</u>

## 9 DEBTORS

	2019 £'000	2018 £'000
<u>Due within one year</u>		
Interest from Group undertakings	2,246	2,050
	<u>2,246</u>	<u>2,050</u>
<u>Due after one year</u>		
Loans to Group undertakings	77,775	79,699
	<u>77,775</u>	<u>79,699</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 10 CREDITORS: amounts falling due within one year

	2019 £'000	2018 £'000
Bank/building society loans (see note 12)	1,925	1,973
Accruals	321	77
	<u>2,246</u>	<u>2,050</u>

## 11 CREDITORS: amounts falling due in more than one year

	2019 £'000	2019 £'000
Bank/building society loans (see note 12)	77,775	79,699
	<u>77,775</u>	<u>79,699</u>

## 12 DEBT ANALYSIS

Loans from banks and building societies and are secured by specific charges on the Group's housing properties. The loans accrue interest at varying rates and are repayable in instalments as shown below:

	2019 £'000	2018 £'000
<b><u>Bank/building society loans</u></b>		
<b>Amounts payable by instalments:</b>		
Repayable within one year	1,925	1,973
Repayable between one and two years	4,740	1,925
Repayable between two and five years	4,552	7,035
Repayable after five years	21,983	24,239
	<u>33,200</u>	<u>35,172</u>
<b><u>Bank/building society loans</u></b>		
<b>Amounts repayable otherwise than by instalments:</b>		
Repayable within one year	-	-
Repayable between one and two years	5,000	-
Repayable between two and five years	-	5,000
Repayable after five years	41,500	41,500
	<u>46,500</u>	<u>46,500</u>
Less: amount shown in Creditors: amounts falling due within one year (note 10)	(1,925)	(1,973)
<b>Creditors falling due after more than one year (note 11)</b>	<u>77,775</u>	<u>79,699</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**
**12 DEBT ANALYSIS (Continued)**

The amount repayable in relation to the bank and building society debt is offset by inter-company debtor balances between WM Treasury Vehicle Limited and Whitefriars Housing Group Limited, West Mercia Homes Limited, Optima Community Association Limited and Family Housing Association (Birmingham) Limited.

Loan Facility	2019 £'000	2018 £'000
Fixed rate loans	26,585	26,585
Index-linked loans	-	-
Variable loans	53,115	55,087
	<u>79,700</u>	<u>81,672</u>

The interest rate profile at 31 March 2019 was:

	Total £'000	Variable Rate £'000	Fixed Rate £'000	Weighted Average Rate %	Weighted Average Term Years
Instalment loans	33,200	20,115	13,085	3.64	8.97
Non-instalment loans	46,500	33,000	13,500	2.83	7.73
	<u>79,700</u>	<u>53,115</u>	<u>26,585</u>	<u>3.17</u>	<u>8.24</u>

The interest rate profile at 31 March 2018 was:

	Total £'000	Variable Rate £'000	Fixed Rate £'000	Weighted Average Rate %	Weighted Average Term Years
Instalment loans	35,172	22,087	13,085	3.50	9.62
Non-instalment loans	46,500	33,000	13,500	2.74	8.73
	<u>81,672</u>	<u>55,087</u>	<u>26,585</u>	<u>3.07</u>	<u>9.11</u>

WM Treasury Vehicle Limited has the following borrowing facilities:

	2019 £'000	2018 £'000
Undrawn committed facilities	<u>58,000</u>	<u>58,000</u>

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

## 13 ANALYSIS OF CHANGES IN NET DEBT

	At Beginning of the Year £'000	Cash Flows £'000	Non-Cash Movements £'000	At End of the Year £'000
Cash and Cash Equivalents	-	-	-	-
Housing Loans Due in One Year	(1,973)	48	-	(1,925)
Housing Loans Due After One Year	(79,699)	1,924	-	(77,775)
	<b>(81,672)</b>	<b>1,972</b>	<b>-</b>	<b>(79,700)</b>

## 14 FINANCIAL INSTRUMENTS

The Company had the following financial instruments:

	2019 £'000	2018 £'000
<b>Financial assets</b>		
(a) Financial assets measured at fair value through profit and loss	-	-
(b) Financial assets that are debt instruments measured at amortised cost:		
a. Cash at bank and in hand	-	-
b. Amounts owed by Group undertakings	80,021	81,749
(c) Financial assets that are equity instruments measured at cost less impairment	-	-
	<b>80,021</b>	<b>81,749</b>
<b>Financial liabilities</b>		
(a) Financial liabilities measured at amortised cost		
a. Bank and building society debt	79,700	81,672
b. Accrual (trade creditor)	321	77
(b) Derivative financial instruments designated as hedges of variable interest rate risk	-	-
(c) Financial liabilities measured at fair value through profit or loss	-	-
(d) Loan commitments measured at cost less impairment	-	-
	<b>80,021</b>	<b>81,749</b>

The drawn debt is secured by fixed charges over 2,162 of the Group's rented properties. The combined value of the 257 properties valued for security purposes at Existing Use Value Social Housing was £12.07m. The combined value of the 1,905 properties valued for security purposes at Market Value Subject to Tenancy was £140.91m. Undrawn debt is fully secured as at 31 March 2019 by fixed charges over 1,550 of the Group's properties. The combined value of the 1,154 properties valued for security purposes at Existing Use Value Social Housing was £43.17m. The combined value of the 396 properties valued for security purposes at Market Value Subject to Tenancy was £32.63m.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 14 FINANCIAL INSTRUMENTS (Continued)

The carrying value of these assets at cost within the relevant asset owning subsidiary accounts as at 31 March 2019 is £59.23m for the properties charged against drawn debt and £21.3m for the properties charged against the undrawn debt.

No collateral has been called in the period.

All of WM Treasury Vehicle's costs relating to providing funding services are billed to the relevant asset-owning subsidiary of WM Housing Group Limited.

The risks faced by this company have been disclosed within the Strategic Report and Report of the Directors on pages 2 and 4 respectively.

### 15 RELATED PARTIES

The parent and ultimate parent of WM Treasury Vehicle Limited is WM Housing Group Limited, a Co-operative and Community Benefit Society, registered in England and Wales.

#### Relationships between registered and non-registered elements of the business

The table below shows where relationships exist between WM Housing Group members.

	WMHG	WF	WMH	OCA	FHA	WMD	WMT	WMT2	WMTV	WBS	AGES
WMHG		✓	✓	✓	✓	✓					
WF	✓		✓	✓	✓	✓	✓	✓	✓	✓	
WMH	✓	✓		✓		✓		✓	✓		
OCA	✓	✓	✓					✓	✓		✓
FHA	✓	✓						✓	✓		
WMD	✓	✓	✓								
WMT		✓									
WMT2		✓	✓	✓	✓						
WMTV		✓	✓	✓	✓						
WBS		✓									
AGES				✓							

Entities in the table are abbreviated as follows and [R] denotes where the entity is a Registered Provider

WM Housing Group Limited [R]	WMHG	WM Treasury plc	WMT
Whitefriars Housing Group Limited [R]	WF	WM Treasury 2 plc	WMT2
West Mercia Homes Limited [R]	WMH	WM Treasury Vehicle Limited	WMTV
Optima Community Association Limited [R]	OCA	Whitefriars Business Services Limited	WBS
Family Housing Association (Birmingham) Limited [R]	FHA	Attwood Green Estate Services Limited	AGES
West Mercia Development Limited	WMD		

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 15 RELATED PARTIES (Continued)

#### Transactions with registered elements of the Group

The Association receives services from Group parent and fellow subsidiaries and provides management and other services to other Group entities.

	WMHG	WF	WMH	OCA	FHA
	£'000	£'000	£'000	£'000	£'000
2019	-	178	744	21	1,946
2018	-	37	385	4	387

WM Treasury Vehicle entered into loan agreements with bank and building society lenders on 20 December 2017. The drawn debt has been on-lent and interest costs are recharged to members of the WM Housing Group Limited as shown in the table below: Whitefriars Housing Group Limited, West Mercia Homes Limited, Optima Community Association Limited and Family Housing Association (Birmingham) Limited.

Registered entity	Recharge	Cost in year £'000	Balance at year end £'000
Whitefriars Housing Group	Loan interest & other finance costs	178	-
West Mercia Homes	Loan interest & other finance costs	744	32,429
Optima Community Association	Loan interest & other finance costs	21	-
Family Housing Association	Loan interest & other finance costs	1,946	47,592
<b>TOTAL</b>		<b>2,889</b>	<b>80,021</b>

#### Transactions with non-registered entities

There were no transactions with non-registered elements of the business in the year ended 31 March 2019 (2018: N/A).

### 16 CONTROLLING PARTY

The parent and ultimate parent of WM Treasury Vehicle Limited is WM Housing Group Limited, a Co-operative and Community Benefit Society, registered in England and Wales. WM Housing Group Limited accounts, being the only Group accounts in which WM Treasury Vehicle Limited is consolidated, are available from its registered office; 4040 Lakeside, Solihull Parkway, Birmingham, B37 7YN.