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**WEST HIGHLAND HOUSING ASSOCIATION LIMITED**  
**Report and Financial Statements**  
For the year ended 31 March 2023

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Registered Housing Association Number HEP 163  
Financial Conduct Authority Number 1691R(S)  
Charity Number SC017357

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### INFORMATION

#### Registered Office

Crannog Lane, Oban, Argyll, PA34 4HB

#### Registration Numbers

Financial Conduct Authority number	1691RS
The Scottish Housing Regulator reference	HEP 163
Scottish Charity number	SC017357

#### Management Board

Gerry Boyle	Chair
Linda Houston	Vice Chair
Donald Harrison	Secretary
David Bittleston	(resigned 22 June 2023)
Jack Degnan	
Mark Feinmann	
Douglas Mackie	
Kirsteen MacKenzie	(resigned 18 August 2022)
Sine MacVicar	
David Sloss	
Torquil Telfer	
James Tolmie	

Councillor Anne Horn	Council Nominee (retired 4 May 2022)
Councillor Elaine Robertson	Council Nominee (retired 4 May 2022)
Councillor Luna Martin	Council Nominee (appointed 18 August 2022)
Councillor Dougie McFadzean	Council Nominee (appointed 18 August 2022)

#### Key Management Personnel

Brett Sadler	Chief Executive (appointed 1 July 2022)
Lesley McInnes	Former Chief Executive (resigned 30 June 2022)
Moir MacVicar	Partnership Lead (retired 31 May 2023)
Linda Hoar	Director of Finance and Business Support
Michael Driscoll	Director of Customer Experience

#### Auditor

RSM UK Audit LLP  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL

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## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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### INFORMATION

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#### Accountant

David Smith, Chartered Accountant  
Keppoch  
Croft Road  
Oban  
PA34 5JN

#### Internal Auditor

Azets  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

#### Solicitors

T C Young  
7 West George Street  
Glasgow  
G2 1BA

#### Bankers

Santander  
Corporate and Commercial  
250 Stanley Road  
Bootle  
Merseyside  
L20 3PQ

Clydesdale Bank  
6 Argyll Square  
Oban  
PA34 4AZ

Royal Bank of Scotland  
Corporate Banking  
Glasgow & West of Scotland  
Kirkstane House  
139 St Vincent Street  
Glasgow  
G2 5JF

Nationwide Building Society  
Commercial Division  
Caledonia House  
Carnegie Avenue  
Dunfermline  
KY11 8PE

Bank of Scotland  
Station Road  
Oban  
PA34 4LL

CAF Bank  
25 Kingshill avenue  
West Malling  
Kent  
ME19 4JQ

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## REPORT OF THE MANAGEMENT BOARD 31 March 2023

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

### Legal Status

West Highland Housing Association Limited (the Association) is a registered non-profit making body organisation under the Co-operative and Community Benefit Societies Act 2014 No. 1681R(S).

The Association is governed under its Model Rules and registered with the Financial Conduct Authority, the Scottish Housing Regulator as a Registered Social Landlord and with the Office of the Scottish Charities Regulator as a Scottish charity.

### Principal Activity

The Association's principal activity is the provision of affordable, well-maintained, high-quality housing in the Oban, Lorn and Island area. In doing this we support fragile communities within the local area.

### Mission, Objectives and Values

Our Mission Statement and Values were refreshed in early 2023 to reflect our work in supporting local communities and our tenants.

#### Our Mission

Providing and maintaining quality homes to support local communities to thrive.

#### Objectives

The Association plans activities around the following strategic objectives:

- Providing high quality homes
- Delivering excellent services
- Keeping the Organisation safe and secure
- Value our people
- Promoting positive community partnerships

#### Our Values

Our Values underpin everything we do:

- Responsibility – We all take responsibility for our actions.
- Empathy – We work hard to understand how people feel as individuals and treat them with dignity.
- Social Impact – We strive to ensure that there is a positive social impact from our activities and work with others who share these aims.
- Participation – We are proactive in providing opportunities for people to engage with us and help us to improve our services.
- Equity – We are all equal and different, and we aim to provide inclusive environments for work and for living.
- Challenge – We challenge ourselves and others towards excellence and innovation in all we do.
- Transparency – We wish to be open and honest about what we do and how we do it.

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# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT BOARD 31 March 2023

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### Management Board and Executive Officers

The members of the Management Board and the Executive Officers are listed on page 1.

Each member of the Management Board holds one fully paid share of £1 in the Association. The Executive Officers hold no interest in the Association's share capital and, although not having the legal status of Directors, they act as Executives within the authority delegated by the Management Board. The members of the Management Board are also Trustees of the Charity. Members of the Management Board are appointed by the members at the Association's Annual General Meeting.

### Corporate Structure

West Highland Housing Association Limited is a subsidiary of Link Group Limited (the Group), a Registered Social Landlord. Ultimate responsibility for the conduct and the control of the Group and its subsidiaries rests with the Link Group Board, while an Independence and Responsibilities Agreement sets out conditions for the autonomous operation of the Association within the Group.

### Corporate Governance

Link Group submits Group assurance statements to the Regulator confirming compliance with:

- All relevant regulatory requirements set out in Chapter 3 of the Regulatory Framework
- All relevant standards and outcomes in the Scottish Social Housing Charter
- All relevant legislative duties
- The Standards of Governance and Financial Management

The Association's Board Member, David Bittleston, is also a member of the Link Group Board as part of the Link Group structure. The Association's Chair, Gerry Boyle, has also been part of the Link Engagement Group that has met regularly during the year.

### Board and Governance

On an operational day to day basis the Association is managed by the Chief Executive who reports to the Board. Board Meetings are held approximately every 2 months. Following a Governance Structure Review in the latter half of 2022, supported by an external consultant, the governance structure was amended to an overall Board, with two separate Committees that meet on a quarterly basis throughout the year: the Audit & Risk Committee and the Performance & Health & Safety Committee. A new Nominations Committee has also been introduced, to meet on a twice-yearly basis or as required.

The Board sets the strategic direction of the organisation and monitors the operational activities. As at the year-end there were 13 elected Board Members. Of the 13 Members, the Council appointed 2 people to the Board and the appointed Councillors are Dougie McFadzean and Luna Martin.

In August 2022 we held a virtual Annual General Meeting and Gerry Boyle was re-elected as Chair.

The Board held an in-person away day (split over two days) in October 2022 where the main themes were the formulation of a new five-year Corporate Plan, along with discussing, reviewing and updating a new five-year Development Strategy.

The members of the Board during the last year have been detailed on page 1 of these financial statements.

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# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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## REPORT OF THE MANAGEMENT BOARD 31 March 2023

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### Corporate Plan 2023-2028

Following consultation and workshops with tenants, staff, Board members and partner organisations, a new Corporate Plan was developed for 2023 to 2028. The Corporate Plan provides details on the actions agreed over the five-year period of the Plan, to meet the organisational objectives set. Alongside this, an annual Delivery Plan provides a further level of detail on the actions set for the year, again to ultimately meet the organisational objectives set.

### Development Strategy 2023-2028

Following a full review and workshop with the Board, a new Development Strategy was agreed. The Development Strategy clarifies that West Highland Housing Association will continue to be a developing housing association, with a focus on supporting island and mainland communities through new housing developments.

### West Highland Futures Limited

West Highland Futures Limited is a wholly owned subsidiary of the Association and operates biomass heating systems providing heat to the Association's tenants and at the Mull Progressive Care Centre to NHS Highland and Argyll and Bute Council. West Highland Futures Limited has a separate board of directors which meets regularly through the year to review performance. The results for West Highland Futures Limited are consolidated within the accounts of Link Group Limited so are not consolidated within these accounts.

### Investors in People

During 2022 the Association was reassessed under the Investors in People framework, and we were very pleased to again be awarded Investors in People Gold.

### Risk

As part of the Link Group, the Association shares its risk approach and utilises the Link Group Risk Management Framework. The Group risks are discussed by the Link Group and the Association's risks are discussed at the Audit & Risk Committee, as well as the main Board. In the latter half of 2022 a full review and refresh was undertaken of the Association's Risk Register.

The Association has identified the following highest key risks:

- Being unable to meeting ESSH2/Net Zero Targets – *The Scottish Government are currently reviewing the ESSH2 and Net Zero standards and whilst the Association continues to upgrade our stock to improve energy efficiency, there will be a need to review the Associations strategic approach once further details of the new standards have been released.*
- Continued Increased Cost Pressures on our Future Finances – *whilst the Association is a financially sound and robust organisation, we recognise that there have been increased and continued cost pressures on our future finances. We will continue to pay close attention to current and anticipated costs across the business.*
- Lack of Quality Repairs Contractors in Argyll – *we recognise that historically there has been a lack of choice in repairs contractors in Argyll, which in turn has often resulted in poor feedback from our tenants regarding repairs service delivery. We have recently tendered and awarded a new repairs contract to a different contractor, with the clear objective of improving service delivery and tenant satisfaction in this area of operation.*

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## REPORT OF THE MANAGEMENT BOARD 31 March 2023

### Financial Performance

The financial statements reflect the requirements of the Statement of Recommended Practice (SORP) for registered social housing providers, the Housing SORP 2018.

The financial statements show total comprehensive income for the year of £492k (2022: £882k). This surplus was after taking account of a loss on the Association's pension liability of £60k compared to a gain of £184k in 2022.

Turnover increased in the year to £6,564k from £6,109k in 2022. Turnover also included income from the sale of shared equity properties which amounting to £272k for 2023 compared to £200k 2022.

The Association's core income from property rents increased by 5.5% to £4,353k from £4,125k, reflecting the rent increase, which took effect in April 2022, together with additional rental income from recently completed properties.

Operating costs increased by 9.4% from £5,101k in 2022 to £5,578k in 2023 reflecting an increase in property costs and overheads.

On the Statement of Financial Position, the Association's housing properties amount to £69,142k (2022: £68,205k). Investment in housing property during the year amounted to £3,098k (2022: £2,568k) which included both the development of new properties and the upgrade of existing properties.

Net current assets fell slightly from £4,802k in 2022 to £4,496k and this is attributed to the funding of developments from cash reserves rather than from additional loan finance.

At 31 March 2023 the Association's capital and reserves stood at £11,953k (2022: £11,461k).

The Management Board consider that these reserves are necessary to fund the cost of future major repairs and improvements to the Association's housing properties.

### Financing and Liquidity

The Association manages its borrowings and cash investments in accordance with the Treasury Management Policy approved by the Management Board. In this way the Association manages its borrowing arrangements to ensure that it is always in a position to meet its financial obligations as they fall due, whilst minimising excess cash and liquid resources held.

The Association does not enter into transactions of a speculative nature. At 31 March 2023, the Association had a mix of fixed and variable rate finance, which it considered appropriate at the time. As at the year end 48% of the Association's debt loans were fixed rate and 52% variable rate. This is regularly reviewed and is considered alongside potential interest rate increases.

### Properties in Management

The Association had 833 properties, including 14 under shared ownership, as of 31 March 2023. In addition, West Highland Housing Association manage 280 properties, on behalf of Link Housing Association. There are also a further 207 properties which are factored under West Highland's management.



## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### REPORT OF THE MANAGEMENT BOARD 31 March 2023

#### Staffing

The Association implemented a major restructuring in 2021/22 reflecting the increase in properties that it would be managing, on behalf of Link, as well as enhancing service delivery, customer experience and strengthening partnership working. The majority of the restructuring was completed by March 2022 but recruiting continued to a small number of remaining posts during 2022/2023.

The new Chief Executive started in post on 1 July 2022, following the retirement of the previous Chief Executive.

Team West Highland whole staff team meetings have been held on a monthly basis and from January 2023 Team West Highland staff satisfaction pulse surveys have been sent out to all staff on a quarterly basis, to gather staff satisfaction feedback.

#### Performance

The Performance & Health & Safety Committee monitors performance in terms of operations, business services and asset management on behalf of the main Board. A range of financial ratios and indicators are produced on a quarterly basis for the Audit & Risk Committee. The performance information is used by both Committees to monitor how the organisation is performing and, more importantly, initiate corrective action in underperforming areas.

The Association reports to the Scottish Housing Regulator each year on performance that is required for the Annual Return on Charter. To ensure the Board has some external assurance regarding the data an external validator is used. This provides some additional assurance for the Board but also provides the staff team with challenge around their understanding of ARC definitions and their collection of data.

This year the Association's overall operational performance has remained at a similar level to last year and generally remains in the higher quartile performance. However, tenant satisfaction has reduced in most areas. Further work is being undertaken, supported by an external consultant, to provide more information around why tenants have indicated that they are dissatisfied. This will in turn help the Association to improve satisfaction going forwards.

To draw on some specific areas:

- **Property allocations**

In 2022/23 there were 78 allocations, of which 10 were mutual exchanges.

- **Void**

Our void performance has returned to an excellent level, following a drop during the Covid pandemic.

- **Rents**

We know that the Association's rents are higher than other Argyll Registered Social Landlords (RSLs). There are several reasons for this to do with build date, type of stock and size of house and we know that our new build rents are set at a similar level to other RSLs. The Association has been utilising a rent tool developed by consultants which provides a deeper level of understanding of the issues around affordability. The Association intends to continue using this to provide tenants with more information around rent affordability and to also utilise the affordability information during Board discussions.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### REPORT OF THE MANAGEMENT BOARD 31 March 2023

#### Performance (continued)

- **Maintenance**

The Association has taken a prudent approach in terms of its planned maintenance both in the short/medium term and over the 30 years of the Business Plan.

We began a programme of upgrading windows and doors to three blocks of properties in Oban to improve energy efficiency.

A particular focus this year has been assessing any tenant reports of damp, mould and condensation. A number of improvements have been made around both reporting and monitoring of reports made by tenants, and this is being reported regularly to both Board and the Performance & Health & Safety Committee.

Towards the end of 2022/23 we tendered for the routine, void and emergency repairs contract for most of our areas of operation. We are just entering the implementation phase for the new successful contractor, and we are confident that the new contractor will represent a much-improved repairs service for our tenants.

- **Development**

This year the Association was delighted with the completion and hand over of 10 properties on the Isle of Jura, representing the first social housing properties to be built on the island for many years and 8 properties on the Isle of Islay, 2 of which were shared equity housing.

Presently the Association and its parent, Link Group, are the only RSLs providing shared equity housing in Argyll. There is specific Scottish Government grant for this initiative and the Association has found it is helping a number of people enter the housing market in a way that would not have been possible, without this initiative.

Several other new Association developments were either started on site or are being sufficiently progressed to anticipate a start-on-site within the next twelve months, representing a continued commitment towards developing much needed new social housing properties in the Argyll area.

Information on our Key Performance Indicators is given in the table on the next page.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### REPORT OF THE MANAGEMENT BOARD 31 March 2023

#### Performance (continued)

Key Performance Indicator	Performance 2022/23	Target 2022/23	Performance 2021/22
<b>Financial Health</b>			
Percentage of rent due lost through properties being empty	0.13%	0.40%	0.27%
Gross rent arrears (all tenants) as a percentage of rent due	2.27%	4.00%	2.38%
<b>Service Quality</b>			
Average re-let time (calendar days)	7 days	8 days	13 days
Average length of time taken to complete emergency repairs	4.1 hours	12 hours	4.5 hours
Average length of time taken to complete non-emergency repairs	7.4 days	6.5 days	6.9 days
Percentage of reactive repairs carried out in the last year completed right first time	85.8%	90.0%	93.4%
Percentage of Anti Social Behaviour cases reported and resolved	100.0%	95.0%	93.6%
Percentage of tenants who feel the rent for their property represents value for money	79.4%	80.0%	88.1%
<b>Stock Quality</b>			
Percentage of stock meeting the Scottish Housing Quality Standard (SHQS)	91.3%	99.0%	95.6%
Percentage of properties meeting the Energy Efficiency Standard Social Housing (ESSH)	98.7%	97.0%	95.9%
<b>Access to Housing and Support</b>			
Percentage of new tenancies sustained for more than one year	93.3%	90.0%	89.5%

#### Information for auditor

As far as the Management Board is aware, there is no relevant audit information of which the auditor is unaware and the Management Board has taken all the steps it ought to have taken to make itself aware of any relevant audit information and to ensure that the auditor is aware of any such information.

The members of the Management Board who held office at the date of approval of this report of the Management Board confirm that, so far as they are aware, there is no relevant audit information of which the Association's auditor is unaware; and each Trustee has taken all the steps that they ought to have taken as a Trustee to make themselves aware of any relevant audit information and to establish that the Association's auditor is aware of that information.

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## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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### REPORT OF THE MANAGEMENT BOARD 31 March 2023

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#### Going Concern

The Management Board has reviewed the results for this year and has also reviewed the projections for the next five years and believes that there is a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in these financial statements.

#### Auditor

A resolution to re-appoint the Auditor, RSM UK Audit LLP, will be proposed at the Annual General Meeting.

This report was approved by the board on 17 August 2023.

Board Member

DocuSigned by:  


19/8/2023 | 11:02 BST

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## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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### STATEMENT OF MANAGEMENT BOARD'S RESPONSIBILITIES under the Co-operative and Community Benefit Societies Act 2014 for a registered social landlord 31 March 2023

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The Co-operative and Community Benefit Societies Act 2014 and registered social housing legislation require the Management Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the surplus or deficit for that period. In preparing these financial statements, the Management Board is required to:

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

The Management Board is responsible for instituting adequate systems of internal control and for:

- safeguarding assets;
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Management Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Association and to enable it to ensure that the financial statements comply with the Co-operative and Community Benefit Societies Act 2014, the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

This statement was approved by the board on 17 August 2023 and signed on its behalf.

Board Member 

19/8/2023 | 11:02 BST

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### MANAGEMENT BOARD STATEMENT ON INTERNAL FINANCIAL CONTROL 31 March 2023

The Management Board acknowledges its ultimate responsibility for ensuring that the Association has in place a system of controls that is appropriate for the business environment in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Association, or for publication;
- the maintenance of proper accounting records;
- the safeguarding of assets against unauthorised use or disposition.

It is the Management Board's responsibility to establish and maintain systems of Internal Financial Control. Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss. Key elements of the Association's systems include ensuring that:

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

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

This statement was approved by the board on 17 August 2023 and signed on its behalf.

Board Member

DocuSigned by:



19/8/2023 | 11:02 BST

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## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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#### Opinion

We have audited the financial statements of West Highland Housing Association Limited (the 'Association') for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cashflows, Statement of Changes in Equity, 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 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 Association's affairs as at 31 March 2023 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Co-operative and Community Benefit Societies Act 2014, Part 6 of the Housing (Scotland) Act 2010 and the Determination of Accounting Requirements – February 2019.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Association 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 about the Association'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.

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

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## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST HIGHLAND HOUSING ASSOCIATION LIMITED (continued)

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#### 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 Board is responsible for the other information contained within the annual report. 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 course of 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 where the Co-operative and Community Benefit Societies Act 2014 requires us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the Association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account of the Association; 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 of Management's responsibilities statement set out on page 11 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.

In preparing the financial statements, the Board is responsible for assessing the Association'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 Association 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.



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## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST HIGHLAND HOUSING ASSOCIATION LIMITED (continued)

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#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory frameworks that the Association operates in and how the Association is complying with the legal and regulatory frameworks;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Housing SORP 2018, the Housing (Scotland) Act 2010 and 2014, and the Scottish Housing Regulator's Determination of Accounting Requirements – February 2019 and the Co-operative and Community Benefit Societies Act 2014. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included, reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the Scottish Housing Regulator's Regulatory Framework (published 2019) and the Housing (Scotland) Acts 2006 and 2014. We performed audit procedures to inquire of management whether the association is in compliance with these law and regulations and inspected correspondence with licensing or regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud.

For management override of controls, the audit procedures included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

For revenue recognition, the audit procedures included but were not limited to performing substantive analytics over rental income and detailed testing of other income streams, focusing on the existence and valuation of income recognised.

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## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST HIGHLAND HOUSING ASSOCIATION LIMITED (continued)

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A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at: . This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the Association's members as a body, in accordance with Part 7 of the Co-operative and Community Benefit Societies Act 2014. Our audit work has been undertaken so that we might state to the Association'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 Association and the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  


RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Third Floor  
2 Semple Street  
Edinburgh  
EH3 8BL

Date 25/8/2023 | 10:57 BST

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### REPORT BY THE AUDITOR TO THE MEMBERS OF WEST HIGHLAND HOUSING ASSOCIATION LIMITED ON CORPORATE GOVERNANCE MATTERS

In addition to our audit of the Financial Statements, we have reviewed your statement on page 12 concerning the Association's compliance with the information required by the Regulatory Standards in respect of internal financial controls contained within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes which are issued by the Scottish Housing Regulator.

#### **Basis of Opinion**

We carried out our review having regard to the requirements to corporate governance matters within Bulletin 2006/5 issued by the Financial Reporting Council. The Bulletin does not require us to review the effectiveness of the Association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reason given for non-compliance.

#### **Opinion**

In our opinion the Statement on Internal Financial Control on page 12 has provided the disclosures required by the relevant Regulatory Standards within the publication "Our Regulatory Framework" and associated Regulatory Advisory Notes issued by the Scottish Housing Regulator in respect of internal financial controls and is consistent with the information which came to our attention as a result of our audit work on the Financial Statements.

DocuSigned by:

RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Third Floor,  
3 Semple Street  
Edinburgh  
EH3 8BL

Date 25/8/2023 | 10:57 BST

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 March 2023

	Notes	£'000	2023 £'000	£'000	2022 £'000
<b>Turnover</b>	2		6,564		6,109
<b>Operating costs</b>	2		<u>(5,578)</u>		<u>(5,101)</u>
<b>Operating surplus</b>	2		986		1,008
<b>Interest receivable and other income</b>		40		50	
<b>Interest and financing costs</b>	9	(473)		(355)	
<b>Other finance charges</b>		<u>(1)</u>		<u>(5)</u>	
			<u>(434)</u>		<u>(310)</u>
<b>Surplus on ordinary activities before tax</b>			552		698
<b>Taxation</b>			<u>-</u>		<u>-</u>
<b>Surplus for the year</b>			552		698
<b>Actuarial (losses)/gains on defined benefit pension plan</b>	21		<u>(60)</u>		<u>184</u>
<b>Total comprehensive income for the year</b>			<u><u>492</u></u>		<u><u>882</u></u>

The notes on pages 22 to 44 form part of the financial statements.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### STATEMENT OF FINANCIAL POSITION as at 31 March 2023

	Notes	2023 £'000	2022 £'000
<b>Non-Current Assets</b>			
Housing property - depreciated cost	11	69,142	68,205
Other non-current assets	12	<u>1,442</u>	<u>1,179</u>
		70,584	69,384
<b>Investments</b>			
Investment in subsidiaries	13	<u>-</u>	<u>-</u>
		70,584	69,384
<b>Current Assets</b>			
Work in progress	14	539	403
Receivables	15	952	999
Cash investments		3,155	2,038
Cash at bank and in hand		<u>3,187</u>	<u>3,762</u>
		7,833	7,202
<b>Payables: amounts falling due within one year</b>	16	<u>(3,337)</u>	<u>(2,400)</u>
<b>Net Current Assets</b>		<u>4,496</u>	<u>4,802</u>
<b>Total Assets less Current Liabilities</b>		<u>75,080</u>	<u>74,186</u>
<b>Payables due after one year</b>	17	(11,089)	(11,623)
<b>Deferred income</b>	18	(51,976)	(51,062)
<b>Pension liability</b>	21	<u>(62)</u>	<u>(40)</u>
<b>Net Assets</b>		<u>11,953</u>	<u>11,461</u>
<b>Equity</b>			
Share capital	19	-	-
Revenue reserve	20	<u>11,953</u>	<u>11,461</u>
		<u>11,953</u>	<u>11,461</u>

These financial statements were approved by the Management Board on 17 August 2023 and signed on its behalf by:

Board Member	DocuSigned by:	19/8/2023   11:02 BST
Board Member	DocuSigned by:	19/8/2023   09:49 BST
Secretary	DocuSigned by:	18/8/2023   17:03 BST

The notes on pages 22 to 44 form part of the financial statements.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### STATEMENT OF CASHFLOWS for the year ended 31 March 2023

	£'000	2023 £'000	£'000	2022 £'000
<b>Surplus for the year</b>		552		698
<i>Adjustments for non-cash items</i>				
Depreciation	2,220		2,150	
Loss on disposal of components	21		76	
Amortisation of capital grants	(1,375)		(1,300)	
Gain on disposal of properties	-		-	
Share capital written off	-		-	
Pension deficit payments	(37)		(60)	
		829		866
Interest received		(40)		(50)
Interest paid		473		360
<b>Operating cash flows before movements in working capital</b>		1,814		1,874
Decrease in work in progress	(136)		(62)	
Decrease/(increase) in debtors	47		233	
Increase/(decrease) in creditors	1,018		(102)	
		929		69
<b>Net cash inflow from operating activities</b>		2,743		1,943
<b>Investing activities</b>				
Acquisition and construction of properties	(3,098)		(2,568)	
Social Housing Grant received	2,288		635	
Other grant received	-		813	
Proceeds of disposal of properties	-		-	
Social Housing Grant repaid	-		-	
Interest received on cash	40		50	
Movement in short-term investment	(1,117)		997	
Purchase of other fixed assets	(343)		(10)	
<b>Net cash (outflow)/inflow from investing</b>		(2,230)		(83)
<b>Financing activities</b>				
Interest paid on loans	(474)		(360)	
Loan principal repayments	(614)		(633)	
Share capital issued	-		-	
<b>Net cash outflow on financing</b>		(1,088)		(993)
<b>(Decrease)/increase in cash</b>		(575)		867
<b>Opening cash and cash equivalents</b>		3,762		2,895
<b>Closing cash and cash equivalents</b>		3,187		3,762
<b>Cash and cash equivalents at 31 March 2023</b>		3,187		3,762

The notes on pages 22 to 44 form part of the financial statements.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### STATEMENT OF CHANGES IN EQUITY as at 31 March 2023

	Share capital £'000	Revenue reserve £'000	Total £'000
<b>Balance as at 1 April 2021</b>	-	10,579	10,579
Issue of shares	-	-	-
Cancellation of shares	-	-	-
Surplus for financial year	-	698	698
Remeasurement of the defined benefit pension liability	-	184	184
<b>Balance as at 31 March 2022</b>	<u>-</u>	<u>11,461</u>	<u>11,461</u>

	Share capital £'000	Revenue reserve £'000	Total £'000
<b>Balance as at 1 April 2022</b>	-	11,461	11,461
Issue of shares	-	-	-
Cancellation of shares	-	-	-
Surplus for financial year	-	552	552
Remeasurement of the defined benefit pension liability	-	(60)	(60)
<b>Balance as at 31 March 2023</b>	<u>-</u>	<u>11,953</u>	<u>11,953</u>

The Association issued no shares in 2023 (2022: 0).

The notes on pages 22 to 44 form part of the financial statements.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### 1. Accounting Policies

#### 1.1 Legal Status

West Highland Housing Association (the Association) is a registered non-profit making body organisation under the Co-operative and Community Benefit Societies Act 2014 No. 1681R(S). The Association is a Public Benefit Entity in terms of its compliance with Financial Reporting Standard 102. The principal activities of the Association are detailed in the Report of the Management Board on page 3. These accounts are presented in Pounds Sterling (£) which is the functional currency of the Association.

The Association's registered office is Crannog Lane, Oban, Argyll, PA34 4HB.

#### 1.2 Statement of Compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice for registered social housing providers 2018. The principal accounting policies of the Association are set out in the paragraphs below.

#### 1.3 Going Concern

On the basis that the Management Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future, the Association has adopted the going concern basis of accounting in preparing these financial statements.

#### 1.4 Turnover

Turnover is recognised in the year to which it relates. Turnover represents income from lettings and property management, revenue grants and other income together with the amounts amortised on deferred government grants, which are released to income over the expected useful life of the assets to which they relate.

#### 1.5 Social Housing Grants

Social Housing Grants and Other Capital Grants are accounted for using the accrual method as outlined in section 24 of FRS102. Grants are treated as deferred income and recognised as income on a systematic basis over the expected useful life of the structure of the property to which it relates.

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

#### 1.6 Non-government grants

Non-government grants are accounted for using the performance method as outlined in section 24 of FRS 102 and the SORP 2018. Non-government grants are recognised as income when the performance conditions have been met.



## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### 1.7 Pensions

The Association participates in the SHAPS Defined Contribution pension scheme. Contributions are charged to the Statement of Comprehensive Income so as to spread the cost of pensions over the employees' working lives with the Association.

In respect of the defined benefit scheme, which is closed to new entrants, payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating associations taken as a whole. In accordance with FRS 102, the Association's share of the scheme assets and liabilities has been separately identified and included in the Statement of Financial Position and measured using a projected unit method and discounted at the current rate of return on a high- quality corporate bond of equivalent term and currency to the liability. The Association's share of the deficit is recognised in full and the movement is split between operating costs, finance items and in the Statement of Comprehensive Income as actuarial gain or loss on pension scheme.

### 1.8 Non-Current assets

#### (i) Housing properties

Housing Properties are properties for the provision of social housing or to otherwise provide social benefit and are principally properties available for rent. Housing Properties are stated at cost less accumulated depreciation and impairment. Housing under construction is not depreciated. The Association depreciates housing properties by major component on a straight-line basis over the estimated useful economic lives of each identified component. All components are categorised as Housing Properties.

Component	Useful Economic Life
Land	Not depreciated
Structure	50 years
Roof	45 years
Render	20 years
Heating	15 years
Hot water cylinder	30 years
External doors	20 years
Windows	30 years
Bathroom	30 years
Kitchen	15 years

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### (ii) Works to existing properties

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

(i) Where a component of the housing property that has been treated separately for depreciation purposes and depreciated over its useful economic life is replaced or restored; or

(ii) Where the subsequent expenditure provides an enhancement of the economic benefits of the tangible fixed assets in excess of the previously assessed standard of performance. Such enhancement can occur if the improvements result in an increase in rental income, a material reduction in future maintenance costs or a significant extension of the life of the property.

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

### (iii) Other Non-current assets

Other non-current assets are stated at cost less accumulated depreciation and impairment. The other non-current assets, other than land, are written off at rates calculated to write off the cost of each asset less any grant received evenly over their expected useful economic lives as follows:

Land	Not depreciated
Office Property	Over 50 years
Plant and equipment	5% straight line
Furniture & equipment	20% reducing balance
Motor vehicles	25% reducing balance

### 1.9 Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset (including housing properties) may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist the Association estimates the recoverable amount of the asset. Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher value less costs to sell and value-in-use of the asset based on its service potential, are recognised as impairment losses in the Statement of Comprehensive Income.

### 1.10 Stock and work in progress

Completed properties and property under construction for outright sale are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. In respect of mixed tenure developments, the allocation of costs and the related grant is based on the amounts included in the original grant application.

Net realisable value is based on estimated sale price after allowing for all further costs of completion and disposal.

Shared equity transactions are grants received from the grant awarding body and passed onto an eligible beneficiary. The grant awarding body has a benefit of a fixed charge on the property. This entitles the grant awarding body to a share of the proceeds on the sale of the property by the beneficiary.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### 1.11 Financial instruments

The Association has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Association becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Association transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

#### Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### Derecognition of financial liabilities

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### 1.12 Apportionment of management expenses

Direct employee administration and operating costs have been apportioned to the income and expenditure account on the basis of costs of the staff to the extent that they are directly engaged in each of the operations dealt with in those accounts. The allocation of management costs between rented and shared ownership properties has been calculated in proportion of the amount of rental income received.

### 1.13 Sale of housing properties

Properties are disposed of under the appropriate legislation and guidance. All costs and grants relating to the share of property sold are removed from the financial statements at the date of sale, except for first tranche sales. Any grants received that cannot be repaid from the proceeds of sale are abated and the grants removed from the financial statements. First tranche shared ownership disposals are credited to turnover on completion, the cost of construction of these sales is taken to operating costs. Disposals of subsequent tranches are treated as fixed asset disposals with the gain or loss on disposal shown in the income and expenditure account, in accordance with the SORP.

Disposals under shared equity schemes are accounted for in the income and expenditure account.

### 1.14 Lease obligations

Rentals paid under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term.

### 1.15 Value added tax

The Association is VAT registered and is included within the Link VAT Group. As the major part of the Association's income is exempt, expenditure is shown inclusive of VAT.

### 1.16 Estimation Uncertainty and key judgements

The preparation of financial statements requires the use of certain accounting estimates. It also requires the Management Board to exercise judgement in applying West Highland Housing Association's accounting policies. The areas requiring a higher degree of judgement or complexity and areas where assumptions or estimates are most significant to the financial statements are disclosed below:

#### Rent arrears - bad debt provision

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

#### Life cycle of components

The Association estimates the useful lives of major components of its housing property with reference to experience within the housing association sector and to expected design life for components

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### 1.16 Estimation Uncertainty and key judgements (continued)

#### Useful life of properties plant and equipment

The Association assesses the useful life of its properties, plant and equipment and estimates the annual charge for depreciation based on this.

#### Development cost of housing property

The Association assesses the value of the work in progress in respect of the development cost of shared equity properties for sale against the expected sale proceeds to establish whether any impairment charge is required.

#### Classification of commercial properties

The Association has reviewed the classification of its surplus office accommodation properties and concluded that these are correctly included within its property plant and equipment assets rather than as investment properties.

#### Pension scheme liabilities

The SHAPS pension scheme liability is valued in these financial statements by an independent actuary. The assumptions used are reviewed by the Board of Management and considered appropriate. Assumptions include estimates of mortality, salary inflation, inflation and discount rates. There are also judgements in respect of the allocation of assets and liabilities in SHAPS as a multi-employer pension scheme.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2023

#### 2. Particulars of turnover, operating costs and operating surplus or deficit

	Turnover	Operating Costs	2023 Operating Surplus	2022 Operating Surplus
	£'000	£'000	£'000	£'000
Affordable letting activities (note 3)	5,804	(4,806)	998	1,019
Other activities (note 4)	<u>760</u>	<u>(772)</u>	<u>(12)</u>	<u>(11)</u>
Total for 2023	<u><u>6,564</u></u>	<u><u>(5,578)</u></u>	<u><u>986</u></u>	<u><u>1,008</u></u>
Total for 2022	<u><u>6,109</u></u>	<u><u>(5,101)</u></u>	<u><u>1,008</u></u>	

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2023

#### 3 Particulars of turnover, operating costs and operating surplus or deficit from affordable lettings activities

	General Needs Housing	Shared Ownership Housing	2023 Total	2022 Total
	£'000	£'000	£'000	£'000
<b>Revenue from lettings</b>				
Rent receivable net of service charges	<u>4,321</u>	<u>41</u>	<u>4,362</u>	<u>4,146</u>
Gross income from rent and service charges	4,321	41	4,362	4,146
Less: Rent losses from voids	<u>(9)</u>	<u>-</u>	<u>(9)</u>	<u>(21)</u>
<b>Net income from rents and service charges</b>	4,312	41	4,353	4,125
Grants released from deferred income	1,364	11	1,375	1,300
Revenue grants from Scottish Ministers	38	-	38	69
Release of deferred income	<u>38</u>	<u>-</u>	<u>38</u>	<u>47</u>
<b>Total turnover from affordable letting activities</b>	<u>5,752</u>	<u>52</u>	<u>5,804</u>	<u>5,541</u>
<b>Expenditure on affordable letting activities</b>				
Management and maintenance administration costs	1,309	6	1,315	1,044
Service costs	2	-	2	-
Planned and cyclical maintenance including major repair costs	545	-	545	722
Reactive maintenance costs	778	-	778	610
Bad debts - rents and service charges	17	-	17	(6)
Depreciation of affordable let properties	2,127	13	2,140	2,076
Loss on disposal of components	21	-	21	76
(Gain) on disposal of housing properties	<u>-</u>	<u>(12)</u>	<u>(12)</u>	<u>-</u>
<b>Operating costs of affordable letting activities</b>	<u>4,799</u>	<u>7</u>	<u>4,806</u>	<u>4,522</u>
<b>Operating surplus for affordable letting activities</b>	<u>953</u>	<u>45</u>	<u>998</u>	<u>1,019</u>
<b>Operating surplus for affordable letting activities for previous year</b>	<u>986</u>	<u>33</u>	<u>1,019</u>	

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

as at 31 March 2023

4 Particulars of turnover, operating costs and operating surplus or deficit from other activities	Grants from Scottish Ministers £'000	Other income £'000	Total turnover £'000	Other operating costs £'000	2023 Operating surplus / (deficit) £'000	2022 Operating surplus / (deficit) £'000
Wider role activities	-	-	-	-	-	(1)
Development and construction of property activities (see note below)	67	272	339	(341)	(2)	(10)
Energy supply and RHI grant	36	75	111	(111)	-	-
Other rental income	-	33	33	(28)	5	12
Agency/management services for other housing associations	-	116	116	(116)	-	-
Donations	-	-	-	(15)	(15)	(12)
Other income	90	71	161	(161)	-	-
	<u>193</u>	<u>567</u>	<u>760</u>	<u>(772)</u>	<u>(12)</u>	<u>(11)</u>
Total from other activities for the previous year	<u>99</u>	<u>469</u>	<u>568</u>	<u>(579)</u>	<u>(11)</u>	

Note - Development and construction of property activities consisted of the development and sale of shared equity properties.



## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 5 EMPLOYEE INFORMATION

	2023 £'000	2022 £'000
Staff costs during year		
Wages and salaries	961	764
Social security costs	100	74
Other pension costs	58	48
	<u>1,119</u>	<u>886</u>
The average number of persons employed by the Association during the year were as follows:	<b>No.</b>	<b>No.</b>
Full time equivalent	<u>27</u>	<u>22</u>

#### 6 KEY MANAGEMENT PERSONNEL

Key management personnel, during the year, are defined as the

Chief Executive	Brett Sadler
Former Chief Executive	Lesley McInnes
Partnership Lead	Moira MacVicar
Director of Finance and Business Support	Linda Hoar
Director of Customer Experience	Michael Driscoll

Aggregate emoluments payable to employees with emoluments greater than £60,000 (excluding pension contributions) were:

	2023 £'000	2022 £'000
Emoluments (excluding pension contributions)	<u>126</u>	<u>142</u>
Total emoluments	<u>135</u>	<u>153</u>
The number of key management personnel whose emoluments exceed £60,000 are shown within the following bands:	<b>No.</b>	<b>No.</b>
£60,001 to £70,000	2	-
£70,001 to £80,000	-	2
£90,001 to £100,000 (see below)	1	-

In the above figure the emoluments of retiring Chief Executive and the new Chief Executive have been aggregated to reflect the total for the role.

	£'000	£'000
<b>Emoluments payable to Chief Executive</b>		
Emoluments excluding pension contributions	93	71
Employer's pension contributions	7	6
	<u>100</u>	<u>77</u>
Figures include both retiring Chief Executive and new Chief Executive		
<b>Total emoluments paid to key management personnel</b>	<u>265</u>	<u>169</u>

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

#### Management Board member emoluments

No member of the Management Board received any emoluments in respect of their services to the Association.

#### 7 SURPLUS FOR FINANCIAL YEAR

	2023 £'000	2022 £'000
Surplus is stated after charging/(crediting):-		
Depreciation - tangible owned fixed assets	2,220	2,150
Loss on disposal of components	21	76
Remuneration of auditor for audit services	16	13
Remuneration to auditor for tax compliance services	2	2
Operating lease rentals - other	9	9
(Gain)/Loss on disposal of housing property	<u>(12)</u>	<u>-</u>

#### 8 GAIN ON SALE OF HOUSING STOCK

	2023 £'000	2022 £'000
Sale proceeds	12	-
Cost of sales	<u>-</u>	<u>-</u>
Gain on sale of housing stock	<u>12</u>	<u>-</u>

#### 9 INTEREST PAYABLE

	2023 £'000	2022 £'000
Loan interest payable	<u>473</u>	<u>355</u>

No interest has been capitalised.

#### 10 TAXATION

The Association is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2012 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Association is potentially exempt from taxation in respect of income and capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 11 NON-CURRENT ASSETS HOUSING PROPERTY

	Letting properties			
	Held for letting £'000	Under construction £'000	Shared ownership £'000	Total £'000
<b>Cost</b>				
As at 1 April 2022	89,613	6,504	633	96,750
Additions during the year	704	2,394	-	3,098
Transfers during the year	3,225	(3,225)	-	-
Disposals during the year	(122)	-	-	(122)
As at 31 March 2023	<u>93,420</u>	<u>5,673</u>	<u>633</u>	<u>99,726</u>
<b>Depreciation</b>				
As at 1 April 2022	28,220	-	325	28,545
Provided for year	2,127	-	13	2,140
Eliminated on disposals	(101)	-	-	(101)
As at 31 March 2023	<u>30,246</u>	<u>-</u>	<u>338</u>	<u>30,584</u>
<b>Net Book Value</b>				
As at 31 March 2023	<u>63,174</u>	<u>5,673</u>	<u>295</u>	<u>69,142</u>
As at 1 April 2022	<u>61,393</u>	<u>6,504</u>	<u>308</u>	<u>68,205</u>

Total works expenditure on existing housing properties amounted to £704k (2022: £1,225k) of which £596k (2022: £1,225k) was capitalised in respect of component replacements. The amount capitalised in respect of improvements was £108k (2022: nil).

There were no amounts capitalised, during the year, in respect of loan interest (2022: nil).

The Association's lenders have standard securities over housing property with a net book value of £12,189k (2022: £12,851k).

The cost of land within housing property was £8,046k (2022: £7,806k).

All land and buildings included above are wholly owned by the Association.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 12 NON-CURRENT ASSETS

##### OTHER TANGIBLE FIXED ASSETS

	Office property £'000	Plant & equipment £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>					
As at 1 April 2022	695	1,036	284	27	2,042
Additions	-	336	7	-	343
As at 31 March 2023	<u>695</u>	<u>1,372</u>	<u>291</u>	<u>27</u>	<u>2,385</u>
<b>Depreciation</b>					
As at 1 April 2022	226	366	248	23	863
Charge for year	12	60	7	1	80
As at 31 March 2023	<u>238</u>	<u>426</u>	<u>255</u>	<u>24</u>	<u>943</u>
<b>Net book value</b>					
As at 31 March 2023	<u>457</u>	<u>946</u>	<u>36</u>	<u>3</u>	<u>1,442</u>
As at 1 April 2022	<u>469</u>	<u>670</u>	<u>36</u>	<u>4</u>	<u>1,179</u>

#### 13 INVESTMENTS

	2023 £	2022 £
Share in West Highland Futures Limited	<u>1</u>	<u>1</u>
	<u>-</u>	<u>-</u>

West Highland Futures Limited is a wholly owned subsidiary of the Association. During the year West Highland Futures Limited made a profit of £22k (2022: £27k), which was carried forward to reserves, bringing total reserves to £81k (2022: £59k).

In the opinion of the Management Board the aggregate value of the assets of the subsidiary is not less than the aggregate of the amount at which those assets are stated in the Association's Statement of Financial Position.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 14 WORK IN PROGRESS

	2023 £'000	2022 £'000
As at 1 April 2022	403	340
Expenditure on development properties	475	403
Cost of sales transferred to expenditure	<u>(339)</u>	<u>(340)</u>
	<u>539</u>	<u>403</u>

These amounts relate to the development cost of shared equity properties which are held for sale.

#### 15 RECEIVABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Arrears of rent and service charges	125	129
Bad debt provision	<u>(64)</u>	<u>(77)</u>
	61	52
Social Housing Grant	605	659
Other receivables	140	102
Amounts due from group undertakings	<u>146</u>	<u>186</u>
	<u>952</u>	<u>999</u>

#### 16 PAYABLES AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £'000	2022 £'000
Housing loans (see note 17)	555	635
Trade payables	853	30
Rent in advance	76	56
Shared equity grant	448	262
Social Housing Grant repayable	362	400
Other taxation and social security	26	32
Amounts due to group undertakings	346	-
Accruals and deferred income	<u>671</u>	<u>985</u>
	<u>3,337</u>	<u>2,400</u>

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

<b>17</b>	<b>PAYABLES AMOUNTS FALLING DUE AFTER ONE YEAR</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	Housing loans	<u>11,089</u>	<u>11,623</u>
	In respect of loans above:		
	within one year	555	635
	within one to two years	555	595
	within two to five years	1,816	1,842
	in five years or more	<u>8,718</u>	<u>9,186</u>
		11,644	12,258
	Less amounts shown in current payables	<u>(555)</u>	<u>(635)</u>
		<u>11,089</u>	<u>11,623</u>
	<b>Analysis of housing loans</b>		
		<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Fixed rate</b>		
	Advanced by banks	4,722	5,828
	Advanced by building societies	-	-
	Advanced by other institutions	822	919
	<b>Variable rate</b>		
	Advanced by banks	4,927	4,252
	Advanced by building societies	1,173	1,259
	Advanced by other institutions	-	-
		<u>11,644</u>	<u>12,258</u>

Interest on the loans was charged at rates between 2.9% and 6% (2022: between 0.47% and 5.41%)

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

<b>18</b>	<b>DEFERRED INCOME</b>	<b>2023</b>	<b>2022</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Social Housing Grants</b>		
	Balance as at 1 April	48,410	49,021
	Additions in year	2,288	636
	Released as a result of land and property disposal	-	-
	Amortisation during year	<u>(1,272)</u>	<u>(1,247)</u>
	Balance as at 31 March	<u>49,426</u>	<u>48,410</u>
	<b>Other Grants</b>		
	Balance as at 1 April	2,652	1,894
	Additions in year	-	811
	Amortisation during year	<u>(102)</u>	<u>(53)</u>
	Balance as at 31 March	<u>2,550</u>	<u>2,652</u>
	<b>Total Deferred Income</b>	<u>51,976</u>	<u>51,062</u>
	This is expected to be released to the Statement of Comprehensive Income as follows:		
	Amount due to be released within one year	1,385	1,332
	Amount due to be released after one year	<u>50,591</u>	<u>49,730</u>
	Total	<u>51,976</u>	<u>51,062</u>

<b>19</b>	<b>SHARE CAPITAL</b>	<b>2023</b>	<b>2022</b>
		<b>No,</b>	<b>No</b>
	Shares of £1 fully paid and issued		
	As at 1 April	100	104
	Issued in year	-	-
	Cancelled in year	<u>-</u>	<u>(4)</u>
	As at 31 March	<u>100</u>	<u>100</u>

Each member of the Association holds one share of £1 in the Association. These shares carry no rights to dividend or distributions on winding up. When a shareholder ceases to be a member, that person's share is cancelled and the amount paid thereon becomes the property of the Association. Each member has a right to vote at members' meetings.

#### **20 RESERVES**

The Revenue reserve represents the accumulated annual surpluses of the Association.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 21 PENSIONS

##### Defined Contribution Scheme

The Association offers all staff membership of the SHAPS Defined Contribution Scheme, with employer contribution rates of up to 8% of pensionable salaries.

As at the year-end, there were 26 active members (2022: 23) of the Defined Contribution Scheme employed by the Association. Employer contributions during the year amounted £58k (2022: £48k). As at the year-end there were outstanding contributions of £10k (2022: £16k) were payable to the fund and are included in creditors.

##### Defined Benefit Scheme

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

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

The last triennial valuation of the scheme for funding purposes was carried out as at 30 September 2021. This valuation revealed a deficit of £27m. A Recovery Plan has been put in place to eliminate the deficit which ran until 30 September 2022.

The Scheme is classified as a 'last-man standing arrangement'. Therefore, the Association is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the Scheme. Participating employers are legally required to meet their share of the Scheme deficit on an annuity purchase basis on withdrawal from the Scheme.

For financial years ending on or before 28 February 2019, it was not possible for the company to obtain sufficient information to enable it to account for the Scheme as a defined benefit scheme, therefore the company has accounted for the Scheme as a defined contribution scheme.

For financial years ending on or after 31 March 2019, it is possible to obtain sufficient information to enable the Association to account for the Scheme as a defined benefit scheme.

For accounting purposes, a valuation of the scheme is carried out with an effective date of 30 September each year. The liability figures from this valuation are rolled forward for accounting year-ends from the following 31 March to 28 February inclusive.

The latest accounting valuation was carried out with an effective date of 30 September 2022. The liability figures from this valuation were rolled forward for accounting year-ends from the following 31 March 2023 to 28 February 2024 inclusive.

The liabilities are compared, at the relevant accounting date, with the company's fair share of the Scheme's total assets to calculate the company's net deficit or surplus.



## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 21 PENSIONS - (continued)

##### Fair Value of Plan Assets, Present Value of Defined Benefit Obligation and Defined Benefit Asset/(Liability)

	2023 £'000	2022 £'000
Fair value of plan assets	1,376	2,252
Present value of benefit obligation	<u>(1,438)</u>	<u>(2,292)</u>
Deficit in the plan	(62)	(40)
Other amounts recognised	-	-
Defined benefit liability to be recognised	<u><u>(62)</u></u>	<u><u>(40)</u></u>

##### Reconciliation of Opening and Closing Balances of the Defined Benefit Obligation

	2023 £'000	2022 £'000
Opening Defined Benefit Obligation	2,292	2,502
Expenses	2	2
Interest Expense	62	51
Actuarial Losses (Gains) due to scheme experience	(77)	(25)
Actuarial Losses (Gains) due to changes in demographic assumptions	(32)	7
Actuarial Losses (Gains) due to changes in financial assumptions	(709)	(216)
Benefits Paid	<u>(100)</u>	<u>(29)</u>
Closing Defined Benefit Obligation	<u><u>1,438</u></u>	<u><u>2,292</u></u>

##### Reconciliation of Opening and Closing Balances of the Fair Value of Plan Assets

	2023 £'000	2022 £'000
Opening Fair Value of Scheme Assets	2,252	2,218
Experience on plan assets (excluding amounts included in interest income) - gain	61	46
Interest income	(878)	(50)
Employer Contributions	41	67
Benefits Paid	(100)	(29)
Administration costs	-	-
Closing Fair Value of Scheme Assets	<u><u>1,376</u></u>	<u><u>2,252</u></u>

The actual return on plan assets (including any changes in share of assets) over the period from 31 March 2022 to 31 March 2023 was £(817,000)

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 21 PENSIONS (continued)

##### Defined Benefit Costs recognised in Statement of Comprehensive Income

	2023 £'000	2022 £'000
Administration costs	2	2
Net interest on net defined benefit obligation	<u>1</u>	<u>5</u>
Costs recognised in Statement of Comprehensive Income	<u><u>3</u></u>	<u><u>7</u></u>

##### Defined Benefit Costs recognised in Other Comprehensive Income

	2023 £'000	2022 £'000
Experience on plan assets (excluding amounts included in net interest cost) - gain (loss)	(878)	(50)
Experience gains and losses arising on the plan liabilities - gain (loss)	77	25
Effects of changes in the demographic assumptions underlying the present value of the defined benefit obligation - gain	32	(7)
Effects of changes in the financial assumptions underlying the present value of the defined benefit obligation - gain (loss)	<u>709</u>	<u>216</u>
Total actuarial gains and losses (before restriction due to some of the surplus not being recognisable) - gain (loss)	(60)	184
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	<u>-</u>	<u>-</u>
Total amount recognised in Other Comprehensive Income - gain (loss)	<u><u>(60)</u></u>	<u><u>184</u></u>

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

The major categories of Scheme assets as a total of plan assets are as follows:

	2023 £'000	2022 £'000
Global Equity	36	446
Absolute Return	19	103
Distressed Opportunities	42	81
Credit Relative Value	53	72
Alternative Risk Premia	8	93
Emerging Market Debt	11	84
Risk Sharing	100	73
Insurance linked securities	38	47
Property	57	58
Infrastructure	148	141
Private Debt	61	57
Opportunistic Illiquid Credit	61	75
High Yield	7	22
Opportunistic Credit	-	8
Cash	6	6
Corporate Bond Fund	2	142
Liquid Credit	-	14
Long Lease Property	46	65
Secured Income	92	120
Over 15 Year Gilts	-	1
Liability Driven Investments	583	545
Currency Hedging	3	(8)
Net Current Assets	3	7
<b>Total</b>	<b><u>1,376</u></b>	<b><u>2,252</u></b>

None of the fair values of the assets shown above include any direct investments in the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Principal Actuarial Assumptions	2023	2022
Discount rate	4.95%	2.75%
Inflation (RPI)	3.40%	3.85%
Inflation (CPI)	2.90%	3.25%
Salary Growth	2.00%	2.39%
Allowance for commutation of pension for cash at retirement	75% of maximum allowance	75% of maximum allowance

Mortality Assumptions adopted at 31 March 2023 imply the following expectancies:

	Life expectancy at the age of 65
Male retiring in 2023	20.5 years
Female retiring in 2023	23.0 years
Male retiring in 2043	21.7 years
Female retiring in 2043	24.4 years

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 22 CASHFLOWS

##### Reconciliation of net cashflow to movement in net debt

	2023		2022	
	£'000	£'000	£'000	£'000
Increase in cash	(575)		867	
Change in liquid resources	1,117		(997)	
Cashflow from change in net debt	<u>614</u>		<u>633</u>	
Movement in net debt during the year		1,156		503
Net debt at 1 April		<u>(6,458)</u>		<u>(6,961)</u>
Net debt at 31 March		<u><u>(5,302)</u></u>		<u><u>(6,458)</u></u>

Analysis of changes in net debt	1 April 2022	Cashflows	Other changes	31 March 2023
Cash and cash equivalents	3,762	(575)	-	3,187
Liquid resources	2,038	1,117	-	3,155
Debt : due within 1 year	(635)	-	80	(555)
due after one year	<u>(11,623)</u>	<u>614</u>	<u>(80)</u>	<u>(11,089)</u>
Net debt	<u><u>(6,458)</u></u>	<u><u>1,156</u></u>	<u><u>-</u></u>	<u><u>(5,302)</u></u>

#### 23 OBLIGATIONS UNDER LEASES

The future minimum payments under non-cancellable operating leases are as follows:

	2023	2022
	£'000	£'000
Within one year	7	7
In two to five years	12	5
In over five years	-	-
	<u><u>19</u></u>	<u><u>12</u></u>

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 24 OPERATING LEASE ARRANGEMENTS AS LESSOR

The Association leases surplus office space. Future minimum rentals receivable under these leases are as follows:

	2023 £'000	2022 £'000
Within one year	5	5
In two to five years	-	-
	5	5

#### 25 CAPITAL COMMITMENTS

As at the year end the Association had capital commitments in respect of amounts contracted for but not provided for in these financial statements as follows:

	2023 £'000	2022 £'000
Contracted but not provided for	6,514	4,028

This expenditure will be funded by Social Housing Grant and by loans secured on the Association's developments.

#### 26 CONTINGENT LIABILITY

In connection with the initial development of 50 properties at Dunbeg, which was carried out in partnership with Link Housing Association, the Association has entered into a bond in favour of Argyll and Bute Council for the amount of £40,000. The bond relates to an obligation imposed under the development's planning conditions for the construction of a playpark for community recreation within five years of the commencement of the development. An extended period was agreed on the understanding that although the planning condition was attached to the initial development of 50 properties, this has been rolled over pending construction of play areas which will form part of the ongoing development.

The Association has been notified by the Trustee of the Scottish Housing Association Pension Scheme (SHAPS) that it has performed a review of the changes made to the Scheme's benefits over recent years. The Trustee has been advised to seek clarification from the Court on potential changes to the pension liability. This process is ongoing and the Association understands that the matter is unlikely to be resolved before the end of 2024, at the earliest. It is recognised that this could potentially impact the value of Scheme liabilities, but until the outcome of the Court process is known, it is not possible to calculate the impact on the liabilities of this issue, particularly on an individual employer basis, with any accuracy for the purposes of the 31 March 2023 financial statements. Accordingly, no adjustment has been made in these financial statements in respect of this potential issue.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

#### 27 HOUSING STOCK

The number of units in management 31 March was as follows:-

	2023 No.	2022 No.
Property for rent	819	803
Shared ownership	14	14
Property for rent managed for Link Housing Association	234	148
Rent to buy *	<u>46</u>	<u>46</u>
	<u><u>1,113</u></u>	<u><u>1,011</u></u>

\* the rent to buy properties are managed by the Association on behalf of Link Housing Association

#### 28 RELATED PARTIES

Members of the Management Board are related parties of the Association as defined by Financial Reporting Standard 102.

The related party relationships of the members of the Management Board are summarised as set out below.

Management Board members cannot use their position to their advantage and any transactions between the Association and any entity with which a Management Board member has a connection is made at arm's length and under normal commercial terms.

There was one member of the Management Board, who was a tenant of the Association. During the financial year the rent charged to the Management Board member was £4,594 (2022: £4,451). As at 31 March 2023, there were no amounts due to the Association (2022: nil).

Management Board members Luna Martin and Dougie McFadzean together with Anne Horn and Elaine Robertson are or were councillors with Argyll and Bute Council. Any transactions with Argyll and Bute Council are carried out at arm's length, on normal commercial terms and none of the above councillors can use their position to their advantage. Councillors who are members of the Management Board declare their interests relating to relevant decisions taken by the Association

As a wholly owned subsidiary of Link Group Limited the Association is exempt from the requirements of FRS 102 to disclose details of transactions with other members of the group headed by Link Group Limited, Link House, 2C New Mart Road, Edinburgh, EH14 1RL.

#### 29. ULTIMATE CONTROLLING PARTY

The Association's parent undertaking as at 31 March 2023 was Link Group Limited, a registered society under the Co-operative and Community Benefit Societies Act 2014, registered with the Financial Conduct Authority, registration number 1481RS. Link Group Limited exercises dominant control through its ability to control the majority of the membership of the Management Board.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 March 2023

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**29. ULTIMATE CONTROLLING PARTY (continued)**

The accounts of West Highland Housing Association are consolidated within the consolidated accounts of Link Group Limited. The registered office of Link Group Limited and the address from which the consolidated accounts can be obtained from is:

Registered Office  
2C New Mart Road  
Edinburgh  
EH14 1RL

Website  
[www.linkhousing.org.uk](http://www.linkhousing.org.uk)

Email  
[linkhousing@linkhousing.org.uk](mailto:linkhousing@linkhousing.org.uk)

