

---

**WEST HIGHLAND HOUSING ASSOCIATION LIMITED**  
**Financial Statements**

For the year ended 31 March 2011

---

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

---

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

### Index to Financial Statements For the year ended 31 March 2011

Information	1
Report of the Management Committee	3
Statement on Internal Financial Controls	7
Auditors' Reports	8
Income and Expenditure Account	10
Balance Sheet	11
Cash Flow Statement	12
Notes to the Financial Statements	13

---

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## INFORMATION as at 31 March 2011

---

### Registered Office

Crannog Lane, Oban, Argyll, PA34 4HB

### Registration Numbers

Industrial & Provident Society number	1691R(S)
The Scottish Housing Regulator	HEP 163
Scottish Charity number	SC017357

### Management Committee

Murray Sim	Chairman	
Gwyneth Neal	Vice Chair	
Barbara Milne	Secretary and Tenant	
Blair Allan		
Gordon Chalmers	Councillor	
Robin Currie	Councillor	resigned 8 February 2011
Cherilynn Duffield	Tenant	resigned 26 August 2010
Donald Harrison		appointed 26 August 2010
Rev Ken Hunter		appointed 26 November 2010
Kenneth MacColl		
Duncan MacKenzie		
Mike MacKenzie		appointed 26 November 2010
Mary Morrison	Tenant	
Elaine Munro		appointed 26 November 2010
Elaine Robertson		

### Chief Executive (not a member of the committee)

Lesley McInnes

### Auditors

Baker Tilly UK Audit LLP  
Chartered Accountants  
Breckenridge House  
274 Sauchiehall Street  
Glasgow  
G2 3EH

### Accountant

David Smith, Chartered Accountant  
Keppoch  
Croft Road  
Oban

---

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## INFORMATION as at 31 March 2011

---

### Bankers

Alliance & Leicester Commercial Bank  
Customer Service Centre  
Bootle  
Merseyside

Bank of Scotland  
Station Road  
Oban

Clydesdale Bank  
6 Argyll Square  
Oban

Dunfermline Building Society  
Head Office  
Caledonia House  
Carnegie Avenue  
Dunfermline

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

Cooperative Bank  
206 St Vincent Street  
Glasgow

### Solicitors

E Thornton & Co  
8 High Street  
Oban

T C Young  
7 West George Street  
Glasgow

---

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## REPORT OF THE MANAGEMENT COMMITTEE 31 March 2011

---

The Management Committee present their report and audited financial statements for the year ended 31 March 2011.

### **Organisation**

The association is a non-profit making body registered with the Financial Services Authority as an Industrial and Provident Society, with the Scottish Housing Regulator as a Registered Social Landlord and with the Office of the Scottish Charities Regulator as a charity.

The association's constitution is a variation of the Model Rules for a Charitable Housing Association and provides for its governance by voluntary management committee. One third of the Management Committee are elected each year at the Annual General Meeting and the association is keen to support tenant participation on the Management Committee. In addition, to the elected members, the Management Committee includes two representatives nominated by Argyll and Bute Council.

The main source of funding for the association's development activities is the Scottish Government by way of Social Housing Grant.

### **Principal activity**

The principal activity of West Highland Housing Association Limited is the provision of high quality, well maintained, truly affordable housing to meet local needs and to assist in supporting fragile communities within its area.

### **Corporate Governance**

The association's strategic direction is set by the Management Committee. The Management Committee is elected at the Annual General Meeting and is responsible to the wider membership. The Management Committee is composed of volunteers who are unpaid.

As well as the strategic direction the Management Committee monitors the operational activities of the association and set standards of service delivery.

The association's staff support the Management Committee and report to the Management Committee and service Committees.

### **Review of the Year**

The main focus of our efforts in the year to 31 March 2011 was the development of a longer term energy strategy for all the association's properties. Key to our work was our ability to gain grant funding for 2 posts. The association is grateful to Community Energy Scotland, LEADER and the Wider Role Team in the Scottish Government for their support not just financially but also for their willingness to embark on a new type of project. Key to this is the development of a number of energy schemes that will be progressed in the coming years. We have renewable schemes planned for Mull, Oban and Benderloch. We are looking to community involvement in all these schemes so it is not just the association but the wider community as well.

Last year we reported that we had approval for the Mull Progressive Care Centre but were not yet on site – we are delighted to report that work is progressing well on this site and the Centre should be open in 2012. We are extremely grateful to all the people who supported this development and made it possible.

---

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## REPORT OF COMMITTEE OF MANAGEMENT 31 March 2011

---

### **Performance Management**

Our performance management in terms of managing empty properties, repairs, income and factoring is good. Indeed our income figures and our loss due to empty properties has further improved from last year. Our average time to relet a property is only 4 days and this in part reflects the demand for housing within our area of operation and also reflects our ability to quickly relet properties.

The repairs performance remains good but it is not quite as good as last year but emergency repairs completed on time are still above 97%.

### **Development**

The association had 68 new properties to let in 2010/11. These properties were in Oban, Mull and Kilmelford. We were delighted to build new properties in Mull, for the first time for several years but we were very pleased to build in Kilmelford which represents the first new social housing in this area. In both Kilmelford and Mull as part of our work we built a small number of properties for sale and we are pleased to report that by the end of the financial year most of these properties had sold.

In terms of development the association is unlikely to be developing at the same level in future years. However, we have a further development on site at Tobermory, Mull which should be finished in the next year.

### **Housing Management**

We have taken a far more proactive approach to estate management and we now have a staff member who is responsible for this area of work. The vast majority of our tenants look after their house and also feel responsible for the wider community in which they live. Our work is more about a service for our tenants and we hope this, along with the new grounds maintenance contract, will improve areas in the future.

The association in conjunction with Argyll and Bute Council and the other Argyll associations continue to develop work within Home Argyll. The common housing register is working well and has certainly made it easier for applicants to apply for housing. There are over 3500 people who have registered with Home Argyll and whilst this is crude indication of housing need the figure does demonstrate that there is a desire to be housed in the Argyll area. The housing pressure in Oban remains significant and the association are looking at a number of ways of meeting the need in Oban.

### **Maintenance**

The association has made changes to its planned and cyclical maintenance programmes and this should see benefits to all tenants. We made improvements to our properties on Colonsay and Mull and these have seen real benefits to our tenants.

The association has been piloting new energy systems to see whether they may assist people in the future but the energy market is changing rapidly and this is an area that we will need to invest time and money in during future years. No matter what heating system is used in a property it appears that fuel costs will increase in the future – the association has recognised this and has made plans to increase insulation levels in all our properties. This will be done early in the next financial year.

### **Management Structure**

The association currently operates with a small team of 3 senior managers who are operationally responsible for delivering the service on an operational basis with the Management Committee setting the strategic objectives.

---

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## REPORT OF COMMITTEE OF MANAGEMENT 31 March 2011

---

### **Risk Management Strategy**

The association is developing its approach to risk management. As the association increases in size and does more development then the risks to the organisation increases. Much of the risk comes in terms of our future financing and also through the association's work on development. However, there are other risks other than financial, for example health and safety. The Management Committee with the staff group identify the types of risks the association faces, prioritising them in terms of potential impact and likelihood of occurrence and identifying means of mitigating the risks.

### **Budgetary process**

The association prepares a detailed annual budget which is seen as a key element in the financial management of the association and the monitoring of performance. Quarterly management accounts provide the management committee with a detailed breakdown of actual performance against budget, highlighting problem areas and allowing remedial action to be taken as appropriate.

In line with regulatory requirements the association also prepares a 5 year budget and financial projections for submission to the Scottish Housing Regulator.

### **Financing and liquidity**

The association manages its borrowings and cash investments in accordance with the Treasury Management Policy approved by the management committee. 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 2011, the association has a mix of fixed and variable rate finance, which it considers appropriate at this time.

### **Statement of Management Committee's responsibilities**

The Industrial and Provident Societies Acts and registered social housing legislation require the committee to prepare financial statements for each financial year which give a true and fair view of the associations's state of affairs and of the surplus or deficit for that period. In preparing these financial statements the committee 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the association will continue in business.
- prepare a statement on internal financial control.

The committee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association. The committee must ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001, the Registered Social Landlords Accounting Requirements (Scotland) Order 2007 and are based on the Statement of Recommended Practice for Registered Social Landlords. They are responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the association's suppliers are paid promptly.

---

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## REPORT OF COMMITTEE OF MANAGEMENT 31 March 2011

---

### Information for Auditors

As far as the committee are aware, there is no relevant audit information of which the auditors are unaware and the committee have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to ensure that the auditors are aware of any such information.

### Going Concern

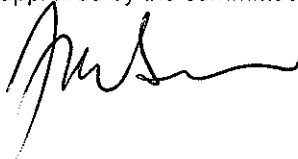
The Management Committee has reviewed the results for this year and has also reviewed the projections for the next five years. It, therefore, has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, the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

### Auditors

Baker Tilly UK Audit LLP have indicated their willingness to continue in office.

This report was approved by the committee on 18 August 2011 and signed on its behalf.

Murray Sim  
Chairman





---

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## MANAGEMENT COMMITTEE'S STATEMENT ON INTERNAL FINANCIAL CONTROLS 31 March 2011

---

The committee 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 committee's responsibility to establish and maintain systems of internal financial control. Such systems only provide reasonable and not absolute assurance against material financial mis-statement 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 the association's assets;
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared regularly which allow the Committee of Management and staff to monitor the key business risks and financial objectives, and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information with significant variances from budgets being investigated as appropriate;.
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through relevant sub-committees comprising Committee of Management members and others;.
- the Management Committee review reports from management, from directors, staff and from the internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed. This includes a general review of the major risks facing the association;
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports.

The Management Committee have reviewed the effectiveness of the system of internal financial control in existence in the association for the year ended 31 March 2011 and until the below date. No weaknesses were found in internal financial controls which resulted in material losses, contingencies, or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements.

This statement was approved by the committee on 18 August 2011 and signed on its behalf.

Murray Sim  
Chairman



---

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## AUDITORS' REPORT ON CORPORATE GOVERNANCE MATTERS 31 March 2011

---

### Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Management Committee's statement on page 7 concerning the association's compliance with the information required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing".

### Basis of Opinion

We carried out our review having regard to Bulletin 2006/05 that was issued by the Auditing Practices Board. The Bulletin does not require us to review the effectiveness of the association's procedures for ensuring compliance with the guidance notes, nor to investigate the appropriateness of the reasons given for non-compliance.

### Opinion

In our opinion the statement on internal financial control on page 7 has provided the disclosures required by the section on Internal Financial Control within SFHA's publication "Raising Standards in Housing" and is consistent with the information which came to our attention as a result of our audit work on the financial statements.

*Baker Tilly UK Audit LLP*  
Baker Tilly UK Audit LLP  
Statutory Auditor  
Glasgow

Date: 24/03/11

---

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

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

---

We have audited the financial statements of West Highland Housing Association for the year ended 31 March 2011 on pages 10 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Association's members as a body, in accordance with section 9 of the Friendly and Industrial and Provident Societies Act 1968. 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.

### Respective responsibilities of Committee of Management and auditors

As explained more fully in the Committee's Responsibilities Statement set out on page 5, the Committee are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### Opinion on financial statements

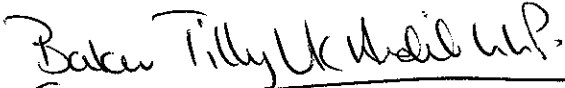
In our opinion the financial statements:

- give a true and fair view of the state of the Association's affairs as at 31 March 2011 and of its income and expenditure for the year then ended; and
- have been prepared in accordance with the requirements of the Industrial and Provident Societies Acts 1965 to 2002, Schedule 7 of the Housing (Scotland) Act 2001 and the Registered Social Landlords Accounting Requirements (Scotland) Order 2007.

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

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts 1965 to 2002 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.

  
BAKER TILLY UK AUDIT LLP  
Statutory Auditor  
Breckenridge House  
274 Sauchiehall Street  
Glasgow  
G2 3EH

Date 24/05/11

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### INCOME AND EXPENDITURE ACCOUNT for the year ended 31 March 2011

	Notes	2011	2010
Turnover	2	3,850,812	2,455,060
Less Operating costs	2	<u>(2,531,927)</u>	<u>(1,824,058)</u>
Operating surplus	2	1,318,885	631,002
Charitable donation		(9,089)	(9,780)
Gain on sale of fixed assets		<u>-</u>	<u>100,487</u>
		1,309,796	721,709
Interest receivable		17,235	17,632
Interest payable and similar charges	8	<u>(551,916)</u>	<u>(487,755)</u>
		<u>(534,681)</u>	<u>(470,123)</u>
Surplus on ordinary activities before tax		775,115	251,586
Taxation		<u>-</u>	<u>-</u>
Surplus for year		<u><u>775,115</u></u>	<u><u>251,586</u></u>

All activities relate to continuing activities within the year.

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## BALANCE SHEET as at 31 March 2011

	Notes	£	2011 £	£	2010 £
<b>Tangible Fixed Assets</b>					
Housing property	10		76,457,707		71,451,706
less Social Housing Grant	10		<u>(60,790,060)</u>		<u>(57,666,208)</u>
			15,667,647		13,785,498
Other tangible fixed assets	11		<u>627,293</u>		<u>625,339</u>
			16,294,940		14,410,837
<b>Investments</b>	12		<u>100</u>		<u>100</u>
			16,295,040		14,410,937
<b>Current Assets</b>					
Stock and work in progress	13	381,000		685,722	
Debtors	14	1,982,632		1,174,747	
Bank and cash		<u>3,089,053</u>		<u>2,570,502</u>	
		5,452,685		4,430,971	
<b>Current Liabilities</b>					
Creditors due within one year	15		<u>3,653,211</u>		<u>2,572,997</u>
<b>Net Current Assets</b>			<u>1,799,474</u>		<u>1,857,974</u>
			18,094,514		16,268,911
Creditors due after one year	16		<u>(14,111,113)</u>		<u>(13,060,628)</u>
<b>Net Assets</b>			<u>£ 3,983,401</u>		<u>£ 3,208,283</u>
<b>Capital and Reserves</b>					
Share capital	17		196		193
Major repairs reserve	18		3,407,480		2,707,480
Revenue reserve	18		<u>575,725</u>		<u>500,610</u>
			<u>£ 3,983,401</u>		<u>£ 3,208,283</u>

These financial statements were approved by the Committee of Management on 18 August 2011 and authorised for issue on 18 August 2011 and signed on their behalf by:

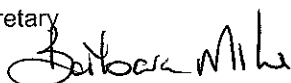
Committee Member



Committee Member



Secretary



# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## CASH FLOW STATEMENT for the year ended 31 March 2011

	Notes	2011		2010	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	19.1		1,912,559		983,414
<b>Returns on investments and servicing of finance</b>					
Interest received		17,235		17,632	
Interest paid		<u>(551,916)</u>		<u>(487,755)</u>	
			(534,681)		(470,123)
<b>Investing activities</b>					
Cash paid for construction and purchases		(5,191,134)		(3,931,951)	
Social Housing Grant received		3,123,852		1,577,741	
Sales of housing properties		-		185,240	
Purchase of other fixed asset		(25,394)		(29,740)	
Social Housing Grant repaid		<u>-</u>		<u>(79,833)</u>	
<b>Net cash outflow from investing</b>			(2,092,676)		(2,278,543)
<b>Financing</b>					
Loans received		1,516,547		3,189,171	
Loan principal repaid		(274,112)		(278,436)	
Increase/(Decrease) in share capital		<u>3</u>		<u>(2)</u>	
<b>Net cash inflow on financing</b>			1,242,438		2,910,733
<b>Charitable donation</b>			<u>(9,089)</u>		<u>(9,780)</u>
<b>Increase in cash</b>			<u>£ 518,551</u>		<u>£ 1,135,701</u>

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

---

### 1. Accounting Policies

#### 1.1 Introduction and accounting basis

The principal accounting policies of the association are set out in the paragraphs below. The Association is incorporated under the Industrial and Provident Societies Act 1965 and is registered by the Financial Services Authority. These financial statements are prepared under the historical cost convention, except for office premises which are included at valuation, and are based on the Registered Social Landlords Accounting Requirements (Scotland) Order 2007 and the Statement of Recommended Practice "Accounting by Registered Social Landlords" 2008, and in accordance with applicable accounting standards."

#### 1.2 Mortgages

Mortgage loans are advanced by private lenders under the terms of the individual mortgage deeds in respect of each property or housing scheme. Advances are available only in respect of those developments which have been given approval for Social Housing Grant by the Scottish Housing Regulator.

#### 1.3 Social Housing Grants

Social Housing Grants (SHG), previously referred to as Housing Association Grants (HAG) are utilised to reduce the amount of mortgage loan in respect of an approved scheme to the amount which it is estimated can be serviced by the net annual income of the scheme. The amount of SHG is calculated on the qualifying cost of the scheme in accordance with instructions issued from time to time by the Scottish Government. SHG and other grants are repayable under certain circumstances. These include the disposal of the properties to which the grants relate.

#### 1.4 Social Housing Grant - Acquisition and Development Allowances receivable

Acquisition and Development Allowances are determined by the Scottish Government and are advanced as grants. They are intended to finance certain internal administrative costs relating to the acquisition and development of housing land and buildings for approved schemes. Development allowances become available in instalments according to the progress of work on the scheme. These allowances are shown as HAG additions when they are receivable.

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

---

### 1.5 Fixed assets - Housing land and buildings

Properties included in housing properties are stated at cost. The cost of such properties includes the following:

- (i) cost of acquiring land and buildings
- (ii) development expenditure including applicable overheads
- (iii) interest charged on the loans raised to finance the scheme

These costs are either termed "qualifying costs" by Scottish Ministers for approved SHG schemes and are considered for mortgage loans by the relevant lending authorities or they are met out of the association's reserves.

All invoices and architects' certificates relating to capital expenditure incurred in the year at gross values before retentions are included in the financial statements for the year, provided that the dates of issue or valuations are prior to the year end.

Development costs are capitalised to the extent that they are directly attributable to specific schemes, where such costs are not felt to be excessive.

Expenditure on schemes which are subsequently aborted is written off in the year in which it is recognised that the scheme will not be developed to completion.

Interest on the loan financing the development is capitalised up to the relevant date of SHG completion.

### 1.6 Depreciation

#### (i) Housing properties

Housing Properties are stated at cost, less social housing and other public grants and less accumulated depreciation. Depreciation is charged on a straight-line basis over the expected economic useful lives of the properties, which is estimated to be 50 years.

No depreciation is charged on the cost of land.

#### (ii) Other fixed assets

The association's 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:

Office Property	-	over 50 years
Furniture & equipment	-	20 % reducing balance
Motor vehicles	-	25% reducing balance



# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

---

### 1.7 Impairment of fixed assets

Reviews for impairment of housing properties are carried out on an annual basis and any impairment in an income-generating unit is recognised by a charge to the income and expenditure account. Impairment is recognised where the carrying value of an income-generating unit exceeds the higher of its net realisable value or its value in use. Value in use represents the net present value of expected future cash flows from these units.

Impairment of assets would be recognised in the income and expenditure account.

### 1.8 Improvements

Improvements are capitalised where these result in an enhancement of the economic benefits of the property. Such enhancement can occur if the improvements result in:-

- a) an increase in rental income or
- b) a material reduction in future maintenance costs or
- c) a significant extension of the life of the property.

Works to existing properties, which fail to meet the above criteria, are charged to the income and expenditure account.

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

LIFT 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.

### 1.10 Reserves

Designated reserve - reserve for major repairs

Future major repairs expenditure, being the association's commitment to undertake major repairs to its properties, is set aside in a designated reserve to the extent that it is not met from SHG.

### 1.11 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.

### 1.12 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

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

---

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.

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

---

### 1.13 Lease obligations

Rentals paid under operating leases are charged to the income and expenditure account on the accruals basis.

### 1.14 Value added tax

The association became VAT registered during the year to 31 March 2011. As the major part of the association's income is exempt, expenditure is shown inclusive of VAT.

### 1.15 Pensions

The association participates in the centralised SHAPS Defined Benefit Pension Scheme and retirement benefits to employees of the association are funded by contributions from all participating employers and employees in the Scheme. Payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across the various participating associations taken as a whole.

The expected cost to the association of pensions is charged to the Income and Expenditure Account so as to spread the cost of pensions over the service lives of the employees.

### 1.16 Turnover

Turnover represents rental, service and management charges from properties, agency fees, revenue grants from Scottish Ministers and other grant awarding bodies and sale of first tranche shared ownership properties and sale of shared equity properties.

### 1.17 Consolidation

The association and its subsidiary undertaking comprise a group. The Financial Services Authority has granted exemption from preparing group accounts because of the insignificant amounts involved. The accounts represent the results of the association and not of the group.

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

#### 2. Particulars of turnover, operating costs and operating surplus by class of business

	Turnover	Operating Costs	Operating Surplus	2010 Total
	£	£	£	£
Income and expenditure from letting (note 3)	2,543,694	(1,145,758)	1,397,936	661,686
Income and expenditure from other activities (note 4)	<u>1,307,117</u>	<u>(1,386,169)</u>	<u>(79,052)</u>	<u>(30,684)</u>
Current year total	<u>3,850,811</u>	<u>(2,531,927)</u>	<u>1,318,884</u>	<u>631,002</u>
Previous year total	<u>2,455,060</u>	<u>(1,824,058)</u>	<u>631,002</u>	

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

### 3 Particulars of income and expenditure from lettings

	General Needs Housing	Shared Ownership	2011 Total	2010 Total
	£	£	£	£
<b>Income from lettings</b>				
Rent receivable net of Identifiable Service charges	2,489,462	59,667	2,549,129	2,252,716
Service charges receivable	-	-	-	-
Gross Rents Receivable	<u>2,489,462</u>	<u>59,667</u>	<u>2,549,129</u>	<u>2,252,716</u>
Rent losses from voids	<u>(5,435)</u>	<u>-</u>	<u>(5,435)</u>	<u>(8,260)</u>
<b>Total turnover from social lettings activities</b>	<u>2,484,027</u>	<u>59,667</u>	<u>2,543,694</u>	<u>2,244,456</u>
<b>Expenditure on social letting activities</b>				
Management and maintenance administration	565,336	7,093	572,429	522,427
Service costs	46,432	1,335	47,767	81,909
Planned and cyclical maintenance including major repair costs	162,493	-	162,493	669,524
Reactive maintenance	157,065	-	157,065	141,235
Bad debts	20,871	-	20,871	18,972
Depreciation on social housing	<u>183,508</u>	<u>1,625</u>	<u>185,133</u>	<u>148,703</u>
<b>Operating costs for social letting activities</b>	1,135,705	10,053	1,145,758	1,582,770
<b>Operating Surplus for social lettings</b>	<u>1,348,322</u>	<u>49,614</u>	<u>1,397,936</u>	<u>661,686</u>
<b>Operating surplus for social lettings for previous year restated</b>	<u>607,790</u>	<u>53,896</u>	<u>661,686</u>	

The total major repairs expenditure incurred in the year was £140,060 (2010: £618,874). Included within this amount was £nil (2010: £65,621) which was capitalised in the year.

**WEST HIGHLAND HOUSING ASSOCIATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

as at 31 March 2011

4 Particulars of turnover, operating costs and operating surplus or deficit from other activities	Grants from Scottish Ministers £	Other revenue grants £	Other income £	Total turnover £	Operating costs - bad debts £	Other operating costs £	Operating surplus or deficit £	Operating surplus or deficit for previous year £
Administration charges	-	-	6,496	6,496	-	(6,496)	-	-
Wider role projects	215,378	-	-	215,378	-	(275,731)	(60,353)	(30,684)
Shared equity	-	-	990,484	990,484	-	(990,484)	-	-
Energy Project	20,756	16,908	-	37,664	-	(46,921)	(9,257)	-
Commercial property income	-	-	24,387	24,387	-	(24,387)	-	-
Clerk of works services	-	-	21,180	21,180	-	(30,621)	(9,441)	-
Other income	-	-	11,528	11,528	-	(11,529)	(1)	-
	<u>236,134</u>	<u>16,908</u>	<u>1,054,075</u>	<u>1,307,117</u>	<u>-</u>	<u>(1,386,169)</u>	<u>(79,052)</u>	<u>(30,684)</u>
Total for previous year	<u>(173,465)</u>	<u>-</u>	<u>37,139</u>	<u>210,604</u>	<u>-</u>	<u>(241,288)</u>	<u>(30,684)</u>	

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

### 5 AUDITOR'S REMUNERATION

	2011 £	2010 £
Remuneration of auditors for audit services	11,026	10,165
Remuneration of auditors for services other than those as external auditors	<u>14,379</u>	<u>-</u>
	<u>25,405</u>	<u>10,165</u>

### 6 EMPLOYEE INFORMATION

	2011 £	2010 £
Staff Costs during year		
Wages and salaries	473,309	408,412
Social security costs	33,488	30,498
Other pension costs	<u>51,082</u>	<u>46,764</u>
	<u>557,879</u>	<u>485,674</u>

The average number of persons employed by the association during the year were as follows:

Full time equivalent	<u>18</u>	<u>16</u>
----------------------	-----------	-----------

### 7 DIRECTORS' REMUNERATION

The Directors are defined as the members of the Management Committee, the Chief Executive and any other person reporting directly to the Chief Executive or the Management Committee whose total emoluments exceed £60,000 per year.

	2011 £	2010 £
Aggregate emoluments payable to directors (excluding pension contributions and benefits in kind)	<u>52,951</u>	<u>51,785</u>
Emoluments paid to highest paid director (excluding pension contributions)	<u>52,951</u>	<u>51,785</u>
Director's pension contributions	<u>8,154</u>	<u>7,975</u>
Emoluments paid to directors including pensions can be analysed as: £60,001 to £70,000	No. 1	No. -
Expenses paid to Chief Executive and committee members	<u>1,486</u>	<u>1,686</u>

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

---

### 8 INTEREST PAYABLE

	2011	2010
	£	£
Loan interest payable	556,066	496,011
less: Development loan interest capitalised	<u>(4,150)</u>	<u>(8,256)</u>
	<u>551,916</u>	<u>487,755</u>

### 9 TAXATION

The association has charitable status and is not liable for Corporation Tax on its exempt activities.



## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

#### 10 TANGIBLE FIXED ASSETS HOUSING PROPERTY

	Letting properties			Total £
	Complete £	Under construction £	Shared ownership £	
<b>Cost</b>				
As at 1 April 2010	56,720,191	14,386,196	1,177,178	72,283,565
Additions during the year	351,482	4,839,652	-	5,191,134
Transfer	11,542,899	(11,542,899)	-	-
Disposals during the year	-	-	-	-
As at 31 March 2011	<u>68,614,572</u>	<u>7,682,949</u>	<u>1,177,178</u>	<u>77,474,699</u>
<b>Depreciation</b>				
As at 1 April 2010	816,348	-	15,511	831,859
Provided for year	183,508	-	1,625	185,133
Eliminated on disposals	-	-	-	-
As at 31 March 2011	<u>999,856</u>	<u>-</u>	<u>17,136</u>	<u>1,016,992</u>
<b>Cost less depreciation</b>				
As at 31 March 2011	<u>67,614,716</u>	<u>7,682,949</u>	<u>1,160,042</u>	<u>76,457,707</u>
As at 1 April 2010	<u>55,903,843</u>	<u>14,386,196</u>	<u>1,161,667</u>	<u>71,451,706</u>
<b>Social Housing Grant</b>				
As at 1 April 2010	43,888,206	12,745,017	1,032,985	57,666,208
Additions during year	237,995	2,885,857	-	3,123,852
Transfers	8,197,184	(8,197,184)	-	-
Repaid and abated in year	-	-	-	-
As at 31 March 2011	<u>52,323,385</u>	<u>7,433,690</u>	<u>1,032,985</u>	<u>60,790,060</u>
<b>Net Book Value</b>				
As at 31 March 2011	<u>15,291,331</u>	<u>249,259</u>	<u>127,057</u>	<u>15,667,647</u>
As at 1 April 2010	<u>12,015,637</u>	<u>1,641,179</u>	<u>128,682</u>	<u>13,785,498</u>

The net book amount at 31 March 2011 includes land cost of £7,168,968 (2010 : £5,541,021) which has not been depreciated.

Government and similar grants of £400,000 (cumulative to 31 March 2011: £1,052,281) were received during the year and are included in Social Housing Grant.

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

### 11 OTHER TANGIBLE FIXED ASSETS

	Office property £	Office equipment £	Motor vehicles £	Total £
Cost or valuation				
As at 1 April 2010	675,334	159,626	4,150	839,110
Additions	-	25,394	-	25,394
Disposals	-	-	-	-
As at 31 March 2011	<u>675,334</u>	<u>185,020</u>	<u>4,150</u>	<u>864,504</u>
Depreciation				
As at 1 April 2010	83,081	129,652	1,038	213,771
Charge for year	11,588	11,074	778	23,440
Eliminated on disposals	-	-	-	-
As at 31 March 2011	<u>94,669</u>	<u>140,726</u>	<u>1,816</u>	<u>237,211</u>
<b>Net book value</b>				
As at 31 March 2011	<u>580,665</u>	<u>44,294</u>	<u>2,334</u>	<u>627,293</u>
As at 1 April 2010	<u>592,253</u>	<u>29,974</u>	<u>3,112</u>	<u>625,339</u>

### 12 INVESTMENTS

	2011 £	2010 £
Shares in West Highland Rural Solutions Limited	<u>100</u>	<u>100</u>

West Highland Rural Solutions Limited is a wholly owned subsidiary of the association. Related party information is given at note 23.

During the year West Highland Rural Solutions Limited made a loss of £(182) (2010: profit £182), which was carried forward to reserves, bringing total reserves to £209.

In the opinion of the management committee 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 balance sheet.

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

### 13 STOCK AND WORK IN PROGRESS

Stock and Work in Progress as at the year end include the development costs and related overhead for the LIFT properties, net of Social Housing Grant received.

	2011 £	2010 £
Stock is analysed as follows:		
Development cost on completed properties held for sale	779,437	-
Housing Association Grant on completed properties held for sale	<u>(398,437)</u>	<u>-</u>
	<u>381,000</u>	<u>-</u>
Work in progress is made up as follows:		
Development costs	-	1,369,153
Housing Association Grant received	<u>-</u>	<u>(683,431)</u>
	<u>-</u>	<u>685,722</u>

### 14 DEBTORS

	2011 £	2010 £
Gross rent arrears	69,522	79,924
Bad debt provision	<u>(52,009)</u>	<u>(42,417)</u>
Net rent arrears	17,513	37,507
Other debtors	1,878,182	1,057,112
Amounts due from group undertakings	1,833	-
Prepayments and accrued income	<u>85,104</u>	<u>80,128</u>
	<u>1,982,632</u>	<u>1,174,747</u>

### 15 CREDITORS DUE WITHIN ONE YEAR

	2011 £	2010 £
Loans (note16)	784,975	593,025
Trade creditors	1,235,815	121,845
Social security and other taxes	13,731	9,650
Other creditors	1,511,505	1,358,115
Amounts due to group undertakings	-	13,200
Accruals and deferred income	<u>107,185</u>	<u>477,162</u>
	<u>3,653,211</u>	<u>2,572,997</u>

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

### 16 CREDITORS DUE AFTER ONE YEAR

	2011 £	2010 £
Bank loans	<u>14,111,113</u>	<u>13,060,628</u>
In respect of loans above:		
Amounts payable by instalments		
within one year	784,975	593,025
within one to two years	321,208	321,208
within two to five years	1,035,161	1,035,161
in five years or more	<u>12,754,744</u>	<u>11,704,259</u>
	14,896,088	13,653,653
Less amounts due within one year (note15)	<u>(784,975)</u>	<u>(593,025)</u>
	<u>14,111,113</u>	<u>13,060,628</u>

The above loans are secured by specific charges on the association's properties. Loans are repayable at varying rates of interest from 0.75% to 13% (2010: 0.75% to 13%).

### 17 SHARE CAPITAL

	2011 £	2010 £
Shares of £1 fully paid and issued		
As at 1 April 2010	193	195
Issued in year	6	4
Cancelled in year	<u>(3)</u>	<u>(6)</u>
As at 31 March 2011	<u>196</u>	<u>193</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.

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

### 18 RESERVES

#### 18.1 Major repairs reserve

	2011	2010
	£	£
As at 1 April 2010	2,707,480	2,507,480
Transfer from Revenue reserve	700,000	200,000
As at 31 March 2011	<u>3,407,480</u>	<u>2,707,480</u>

There are no restrictions on this reserve

#### 18.2 Revenue reserve

	2011	2010
	£	£
As at 1 April 2010	500,610	449,024
Surplus for the year	775,115	251,586
Transfer to major repairs reserve	<u>(700,000)</u>	<u>(200,000)</u>
As at 31 March 2011	<u>575,725</u>	<u>500,610</u>

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

### 19 NOTES TO THE CASH FLOW STATEMENT

#### 19.1 Reconciliation of surplus to net cash inflow from operating activities

	2011	2010
	£	£
Operating surplus excluding interest	1,318,885	631,002
Depreciation	208,573	168,820
Decrease/(increase) in stock and work in progress	304,722	(685,722)
(Increase)/decrease in debtors	(807,885)	3,326,917
Increase/(decrease) in creditors	888,264	(2,457,603)
	<u>1,912,559</u>	<u>983,414</u>

#### 19.2 Reconciliation of movement in net debt

Increase in cash	518,551	1,135,701
Loans received	(1,516,547)	(3,189,171)
Loan repayments	<u>274,112</u>	<u>278,436</u>
Change in net debt	(723,884)	(1,775,034)
Net debt at 1 April 2010	<u>(11,083,151)</u>	<u>(9,308,117)</u>
Net debt at 31 March 2011	<u>(11,807,035)</u>	<u>11,083,151</u>

#### 19.3 Analysis of change in net debt

	As at 01/04/10	Cash Flow	Other changes	As at 31/03/11
	£	£	£	£
Cash at bank and in hand	2,570,502	518,551	-	3,089,053
Overdraft	-	-	-	-
Debt due within one year	(593,025)	(191,950)	-	(784,975)
Debt due after one year	<u>(13,060,628)</u>	<u>(1,050,485)</u>	-	<u>(14,111,113)</u>
	<u>(11,083,151)</u>	<u>(723,884)</u>	<u>-</u>	<u>(11,807,035)</u>

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

---

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

---

### 20 PENSIONS

West Highland Housing Association participates in the Scottish Housing Association Pension Scheme ('the Scheme'). The Scheme is funded and is contracted-out of the State Pension scheme.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to an individual participating employer as the Scheme is a multi-employer arrangement where the assets are co-mingled for investment purposes, benefits are paid from the total Scheme assets, and the contribution rate for all employers is set by reference to the overall financial position of the Scheme rather than by reference to individual employer experience. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, so that the Scheme can meet its pension obligations as they fall due. The last formal valuation of the Scheme was performed as at 30 September 2009 by a professionally qualified Actuary using the Projected Unit Credit method. The market value of the Scheme's assets at the valuation date was £295 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £160 million, equivalent to a past service funding level of 64.8%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2010. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £335 million and indicated an increase in the shortfall of assets compared to liabilities to approximately £162 million, equivalent to a past service funding level of 67.4%.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed the assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any orphan liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

### 20 PENSIONS (continued)

The association has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Scottish Housing Association Pension Scheme based on the financial position of the Scheme as at 30 September 2010. As at this date the estimated employer debt for the association was £1,104,584.

### 21 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:

	2011 £	2010 £
Contracted but not provided for	<u>4,141,840</u>	<u>3,956,118</u>

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

### 22 HOUSING STOCK

The number of units in management at 31 March 2011 was as follows:-

	2011 No.	2010 No.
Property for rent	711	643
Shared ownership	27	27
Property for rent managed for others	-	-
	<u>738</u>	<u>670</u>



# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS as at 31 March 2011

### 23 RELATED PARTIES

#### Tenants

Various members of the Management Committee are tenants of the association. Their transactions with the association are all conducted on standard terms, as applicable to all tenants.

#### Councillors

Committee members Gordon Chalmers, Robin Currie and Elaine Robertson are councillors with Argyll and Bute Council. Any transactions with Argyll and Bute Council are carried out at arms 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 Committee declare their interests relating to relevant decisions taken by the Association

#### West Highland Rural Solutions Limited

West Highland Rural Solutions Limited is a wholly owned subsidiary of West Highland Housing Association. Two of the directors of West Highland Rural Solutions Limited are committee members of West Highland Housing Association.

At the year end West Highland Housing Association was owed £1,833 by West Highland Rural Solutions Limited (2010: £13,200 owed to West Highland Rural Solutions Limited).

### 24 POST BALANCE SHEET EVENTS

Included within the loans detailed in note 16, as at 31 March 2011, was a development loan amounting to £3,704,521. This loan facility was due to terminate on 30 June 2011 and included an option to convert to a term loan on termination. The loan was converted to a 30 year term loan on 29 June 2011. The loan has been included within the balance sheet on the basis that it was repayable over 30 years and the relevant amounts included within note 16 are detailed below.

	2011 £
Amounts payable by instalments	
within one year	89,527
within one to two years	91,430
within two to five years	286,121
in five years or more	<u>3,237,443</u>
	<u>3,704,521</u>

# WEST HIGHLAND HOUSING ASSOCIATION LIMITED

## DETAILED ANALYSIS OF INCOME AND EXPENDITURE ACCOUNT (not part of the statutory financial statements) for the year ended 31 March 2011

Rental income	2011		2010	
	£	£	£	£
Rent	2,431,762		2,136,886	
Shared ownership rents	59,667		62,945	
Other rents	<u>57,701</u>		<u>52,885</u>	
		2,549,130		2,252,716
Voids		<u>(5,435)</u>		<u>(8,260)</u>
		<u>2,543,695</u>		<u>2,244,456</u>
<b>Other Income</b>				
Factoring administration fee	6,496		6,380	
Commercial property income	24,387		26,799	
Sale of LIFT properties	990,484		-	
Wider role grant income	215,378		173,465	
Other income	<u>70,372</u>		<u>3,960</u>	
		<u>1,307,117</u>		<u>210,604</u>
<b>Turnover</b>		<u><u>3,850,812</u></u>		<u><u>2,455,060</u></u>
<b>Direct property costs</b>				
Reactive repairs	143,747		120,263	
Cyclical repairs	22,433		116,271	
Major repairs	140,060		553,253	
Void repairs	13,318		20,972	
Service costs	47,767		81,909	
Bad debts	20,871		18,972	
Legal fees	7,588		12,271	
Insurance	29,846		17,789	
Property depreciation	<u>185,133</u>		<u>148,703</u>	
		<u><u>610,763</u></u>		<u><u>1,090,403</u></u>
<b>Other attributed costs</b>				
LIFT cost of sales		990,484		-
Wider role expenses		<u>275,731</u>		<u>204,149</u>
		<u><u>1,266,215</u></u>		<u><u>204,149</u></u>

## WEST HIGHLAND HOUSING ASSOCIATION LIMITED

### DETAILED ANALYSIS OF INCOME AND EXPENDITURE ACCOUNT (not part of the statutory financial statements) for the year ended 31 March 2011

Administration costs	2011		2010	
	£	£	£	£
Staff salaries	506,797		438,910	
Staff pension	51,082		46,764	
Recruitment and relocation	2,611		3,382	
Training and library	24,548		13,956	
Motor and travel expenses	10,350		13,843	
Committee and directors expenses	1,486		1,686	
Affiliation fees and subscriptions	10,986		10,698	
Postage and stationery	14,579		13,691	
Telephone	7,557		5,391	
Equipment rental	4,458		3,326	
Computer and IT costs	15,868		18,199	
Advertising and promotion	5,779		6,044	
Rent and rates	2,611		2,511	
Insurance	9,854		9,257	
Heat and light	9,200		10,478	
Repairs	15,228		10,721	
Cleaning	392		64	
Accountancy fees	8,860		7,890	
Payroll service	878		860	
Audit fee	11,026		10,165	
Internal audit fees	5,306		5,864	
Consultancy fees	32,018		14,201	
Legal fees	3,541		3,462	
Bank charges	6,516		18,102	
Sundry expenses	2,552		3,132	
Depreciation	23,440		20,117	
	<u>787,523</u>		<u>692,714</u>	
Development overhead	<u>(132,573)</u>		<u>(163,208)</u>	
		<u>654,950</u>		<u>529,506</u>
Total operating costs		<u>2,531,928</u>		<u>1,824,058</u>
Operating surplus for year		<u>1,318,884</u>		<u>631,002</u>