

WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
(A Charitable Company Limited by Guarantee)

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2011

WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
(A Charitable Company Limited by Guarantee)

REPORT and FINANCIAL STATEMENTS

For the year ended 31 March 2011

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WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
(A Charitable Company Limited by Guarantee)

DIRECTORS AND ADVISERS

DIRECTORS

Councillor Lawrence Fitzpatrick
Councillor Martyn Day
Councillor Frank Anderson (resigned 22 September 2010)
Councillor Ellen Glass
Councillor Jim Dixon
Margaret Dunlop (Chair)
David Cleghorn (Vice Chair)
Stewart Melrose
Daniel Mullen
Audrey Gordon
Frank Cassidy *
Eleanor McAdam *
Tracy Taylor (resigned 14 April 2010) *

* tenant of Partnership

REGISTERED OFFICE

3 Michaelson Square
Kirkton Campus
Livingston
EH54 7DP

CHIEF EXECUTIVE AND SECRETARY

Dorothy Robertson
West Lothian Housing Partnership Limited

BANKERS

The Royal Bank of Scotland
4 Almondvale South
Livingston
EH54 6NB

AUDITORS

Scott-Moncrieff
Chartered Accountants and Statutory Auditors
25 Bothwell Street
Glasgow
G2 6NL

OTHER LENDERS

Dunfermline Building Society
Caledonia House
Carnegie Avenue
Dunfermline
KY11 8PJ

SOLICITORS

Harper Macleod
45 Gordon Street
Glasgow
G1 3PE

OTHER LEGAL ADVISORS

Alex Adamson
7 Park Street
Falkirk
FK1 7AF

Peterkin & Kidd
8 High Street
Linlithgow
EH49 7AF

FINANCE AGENTS

Chiene + Tait
61 Dublin Street
Edinburgh
EH3 6NL

THE SCOTTISH HOUSING REGULATOR
REGISTRATION NUMBER: 318

SCOTTISH CHARITY NUMBER: SC031668

DIRECTORS' REPORT

The directors submit their report and financial statements for the year ended 31 March 2011.

Constitution

The company is a Registered Social Landlord and also a registered Scottish Charity No. SC031668.

Principal activity and review of business

The company's principal activity is to provide housing accommodation. West Lothian Housing Partnership aims to ensure this housing and the services provided are of good and improving quality in return for an affordable rent.

It was a year of change to the staff structure and procurement of key services. In making these changes, the Board sought to address the challenges of business growth with those of the wider operating environment. Funding cuts and lenders' requirements have already restricted the scope for further new build development by the Partnership so the emphasis in the year to 31 March 2011 was on improving the service to new and existing tenants and maintaining the additional 102 properties resulting from the recent development programme.

Meanwhile a number of significant external challenges emerged: welfare reform, major cuts in public finance, changes to financial reporting standards, tighter private funding conditions. The Board considered the possible responses to these challenges during the year and will review its position again in 2011.

In April 2010, the Board agreed the appointment of Harper McLeod to provide corporate legal advice to the Partnership.

At the Annual General Meeting in September 2010, and following a process of re-tender, the members agreed the appointment of Scott-Moncrieff as external auditor to the Partnership.

In December 2010, the Board agreed the addition of a fixed-term Housing Officer post to the staff structure in recognition of the growth achieved in the previous year.

The long-standing agreement with West Lothian Council for the provision of a full financial service expires in June 2011. In anticipation of this and following a process of competitive tender, Chiene + Tait were appointed to provide a strategic financial management service to the Partnership. The new arrangement commenced in March 2011 and was complemented by the appointment of a part-time Finance Officer in January 2011. The Council has been working closely with the Partnership and the new appointees to ensure a smooth, staged handover in the period leading up to June 2011.

Directors

The directors are set out on page 2 of the financial statements. The company is managed by a board of up to 15 directors all of whom are subject to retirement and re-election by the general membership of the company. A quorum of at least 7 directors is required for meetings of the board.

Procedures for the appointment of directors are laid down in the new Articles of Association and the relevant Standing Orders. Directors are normally elected at the Annual General Meeting and serve for a term of three years, with one third of the board retiring every year. A full programme of induction and training is provided for new directors. Vacancies are advertised in local press and public places across West Lothian.

Reserves policy

Designated reserves are maintained in accordance with the accounting policies stated in the notes to the financial statements on pages 11 and 12. The directors are satisfied that the levels of reserves held as detailed on page 17 in the notes to the financial statements are sufficient to meet the planned requirements of the Partnership.

DIRECTORS' REPORT

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- as far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- each director has taken all the steps he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' statement on internal financial controls

The directors acknowledge their responsibility for ensuring that the company has in place systems of control that are appropriate to its business environment. The systems of internal financial control, which are under regular review, are designed to manage rather than eliminate risk. They can only provide reasonable and not absolute assurance against material misstatement or loss.

The key procedures which have been established are as follows:

- Detailed standing orders covering Board structure, election, membership and meetings
- Financial regulations and procedures with clear authorisation limits
- Monthly Board meetings, focusing on areas of concern, reviewing management reports
- Audit and Compliance Committee meetings focussing on areas of concern and reviewing management reports
- Quarterly review of cash flow and loan portfolio performance
- Regular review of tendering process, rent accounting, arrears control and treasury management
- Segregation of duties of those involved in finance
- Identification and monitoring of key risks by the management committee
- Monitoring the operation of the internal financial control system by considering regular reports from management and the external and internal auditors and ensuring appropriate corrective action is taken to address any reported weaknesses.

WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
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DIRECTORS' REPORT

The directors confirm that they have reviewed the effectiveness of the systems of internal financial control. No weaknesses have been found which have resulted in material losses, contingencies or uncertainties which require to be disclosed in the financial statements.

Small company exemptions

This report has been prepared in accordance with the special provisions for small companies under part 15 of the Companies Act 2006.

Auditors

A resolution to re-appoint Scott-Moncrieff as the company's auditors will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD


Dorothy Robertson
Secretary

10 August 2011

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
(A Charitable Company Limited by Guarantee)**

We have audited the financial statements of West Lothian Housing Partnership Limited for the year ended 31 March 2011 set out on pages 8 to 21. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the Partnership's Directors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the Partnership's Directors 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 charity, its members as a body and its Directors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' (who are also the trustees of the Partnership for the purposes of charity law) responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Directors' Responsibilities.

We have been appointed auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with those Acts.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and The Registered Social Landlords Accounting Requirements (Scotland) Order 2007. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

We also report to you if, in our opinion, the Partnership has not kept adequate and proper accounting records, if the Partnership's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read other information contained in the Directors' Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
(A Charitable Company Limited by Guarantee) (continued)**

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the Partnership's affairs as at 31 March 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 and The Registered Social Landlords Accounting Requirements (Scotland) Order 2007; and
- the information given in the Directors' Report is consistent with the financial statements.

Corporate Governance Matters

In addition to our audit of the financial statements, we have reviewed the Board's statement concerning internal financial control made under "The Code of Audit Practice" contained within the publication "Raising Standards in Housing" which is the guidance issued by the Scottish Federation of Housing Associations. The object of our review is to draw attention to non-compliance with the guidance.

Basis of Opinion

We carried out our review in accordance with guidance issued by the Auditing Practices Board. That guidance does not require us to perform the additional work necessary to, and we do not, express any opinion on the effectiveness of either the Association's system of internal financial control or its corporate governance procedures.

Opinion

With respect to the Directors' statements on internal financial control, in our opinion the Directors have provided the disclosures required by the guidance and such statements are not inconsistent with the information of which we are aware from our audit work on the financial statements.



Iain D. Lee, Senior Statutory Auditor,
For and behalf of Scott-Moncrieff, Statutory Auditor
Chartered Accountants
25 Bothwell Street
Glasgow, G2 6NL

10 August 2011

WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
(A Charitable Company Limited by Guarantee)

INCOME and EXPENDITURE ACCOUNT

For the year ended 31 March 2011

	Notes	2011 £	2010 £
Turnover	2	1,512,591	1,327,894
Operating costs	2	663,049	663,495
Operating surplus	2	849,542	664,399
Interest receivable	6	4,538	1,114
Interest payable	6	(353,780)	(325,650)
Surplus for the year	13	500,300	339,863
		=====	=====

A statement of recognised gains and losses is not shown as all gains and losses are recognised in the Income and Expenditure Account.

All results related to continuing activities.

The notes on pages 11 to 21 form part of these financial statements

WEST LoTHIAN HOUSING PARTNERSHIP LIMITED
(A Charitable Company Limited by Guarantee)


BALANCE SHEET

As at 31 March 2011

	Notes	2011 £	2010 £
Tangible fixed assets			
Housing properties	8	27,009,645	27,111,452
<u>Less: Grants</u>	8	15,752,288	(15,752,288)
		11,257,357	11,359,164
Homestake properties	9	-	-
Other fixed assets	8	6,810	4,179
		11,264,167	11,363,343
Current assets			
Stock	9	-	72,500
Debtors	10	104,358	133,340
Cash at bank and in hand		1,267,620	722,752
		1,371,978	928,592
Creditors: amounts falling due within one year	11	(941,409)	(853,750)
Net current assets		430,569	74,842
Total assets less current liabilities		11,694,736	11,438,185
Creditors: amounts falling due after more than 1 year	12	(9,703,683)	(9,947,432)
Net assets		1,991,053	1,490,753
Reserves			
Revenue reserves	13	1,191,493	898,673
Designated reserves	13	799,560	592,080
		1,991,053	1,490,753

Approved by the Board and authorised for issue on 10 August 2011.

 Margaret Dunlop (Chair)

 David Cleghorn (Vice Chair)

Company registration number: SC188968

The notes on pages 11 to 21 form part of these financial statements

WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
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CASH FLOW STATEMENT

For the year ended 31 March 2011

	Notes	2011 £	2010 £
Net cash inflow from operating activities	14	1,056,633	764,250
Returns on investments and servicing of finance			
Interest received		4,538	1,360
Interest paid		(353,780)	(324,121)
Net cash outflow from returns on investments and servicing of finance		(349,242)	(322,761)
Capital expenditure and financial investment			
Payments to acquire and develop housing properties		(36,689)	(4,245,427)
Purchase of fixed assets		(5,461)	(3,202)
Capital grants received		-	19,533
Sale of properties		72,500	472,200
Net cash inflow/(outflow) from capital expenditure and financial investments		30,350	(3,756,896)
Net cash inflow/(outflow) before use of liquid resources and financing		707,092	(3,315,407)
Financing			
Loans raised		200,063	3,992,033
Loan repayments		(392,936)	(349,286)
Net cash (outflow)/inflow from financing		(192,873)	3,642,747
Increase in cash	15	544,868	327,340

The notes on pages 11 to 21 form part of these financial statements

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2011

1. Accounting Policies

Basis of Accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards and statements of recommended practice.

The Company is incorporated under the Companies Act 2006. The financial statements have been prepared in compliance with The Registered Housing Associations (Accounting Requirements) (Scotland) Order 2007 and the Statement of Recommended Practice "Accounting by Registered Social Landlords" 2008.

Tangible fixed assets - housing properties

Housing properties are stated at cost. The development cost of housing properties includes the following:

- (i) cost of acquiring land and buildings;
- (ii) development expenditure;
- (iii) capitalised interest;

Interest on loans advanced to finance developments is capitalised until developments are complete, thereafter interest is charged to the Income and Expenditure Account.

Tangible fixed assets – computer equipment and furniture and fittings

Items costing less than £500 are not capitalised in the balance sheet.

Works to existing housing properties

Where work on existing housing properties is likely to enhance their value by increasing the net rental stream over the life of the properties it is accounted for as an improvement and capitalised in note 8.

Works on existing properties that are not regarded as enhancing their value are charged to the income and expenditure account and included under maintenance costs in note 3.

Homestake

Properties developed under the Scottish Government's shared equity Homestake initiative are funded by grant and ultimate sales proceeds.

The net investment in Homestake properties is shown on the face of the balance sheet and represents total costs incurred at the balance sheet date less grants receivable and proceeds of sales. Homestake allowances receivable to market the properties are taken to income as developments are completed and until that point are included within deferred income.

Properties which remain unsold at the year end are shown as stock on the balance sheet.

Depreciation

Depreciation is provided at rates calculated to write off the cost of each tangible fixed asset over its expected useful life, as follows:

- Housing properties - over 50 years straight line
- Computer equipment - over 3 years straight line
- Furniture & Fittings - over 5 years straight line

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2011

1. Accounting Policies (Contd.)

Housing Grants

Housing Grants are made by West Lothian Council and by The Scottish Government, and are utilised to reduce the capital costs of an approved scheme to an amount of required loan finance which it is estimated can be serviced by the net annual income of the scheme. The amount of HAG is calculated on qualifying costs of the scheme in accordance with instructions issued from time to time by the Scottish Government.

HAG is repayable under certain circumstances, primarily following sale of property, but will normally be restricted to net proceeds of sale.

Notional acquisition and development allowances are determined by the Scottish Government and are advanced as HAG. They are intended to finance certain internal administrative costs relating to the acquisition and development of housing properties for approved schemes. Notional development allowances become available in instalments according to the progress of work on the scheme. Actual development costs are added to housing properties. Income and costs are also shown in the Income and Expenditure Account.

Pension costs

The company participates in the centralised SFHA defined benefits pension scheme. Retirement benefits to employees of the company are funded by contributions from all participating employers and employees. Contributions are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable across all participants taken as a whole. The expected cost of pension provision is charged to the Income and Expenditure Account so as to spread the cost over the period of service of employees.

Designated Reserves

Major repairs reserve

This is an unrestricted reserve which represents amounts earmarked to fund future commitments as recommended by The Scottish Housing Regulator for future repair expenditure based on the Partnership's planned programme of work, and to enable the Partnership to maintain its housing properties in a state of repair which at least maintains the residual value in prices prevailing at the time of acquisition and construction.

Turnover

Turnover represents rents receivable.

VAT

The company is not registered for VAT purposes and consequently all transactions are shown inclusive of VAT.

2. Particulars of turnover, operating costs and operating surplus

	Turnover	Operating Costs	Operating Surplus	
	£	£	2011	2010
			£	£
Housing Accommodation - General Needs (note 3)	1,512,591	663,049	849,542	664,399
	=====	=====	=====	=====

WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2011

3. Particulars of turnover, operating costs and operating surplus from social letting activities

	2011 General Needs £	2010 General Needs £
Rent receivable net of identifiable service charges	1,493,133	1,305,531
Service charges	20,583	17,776
	-----	-----
Gross Income from rents and service charges	1,513,716	1,323,307
Less: voids	(4,824)	(2,439)
	-----	-----
Net income from rents and service charges	1,508,892	1,320,868
Grants from Scottish Ministers	3,699	7,026
	-----	-----
Total turnover from social letting activities	1,512,591	1,327,894
Management and maintenance administration	(349,921)	(315,285)
Service costs	(11,015)	(19,407)
Planned and cyclical including major repairs costs	(45,127)	(35,549)
Reactive maintenance costs	(100,955)	(75,653)
Bad debts – rents and service charges	(17,535)	(14,235)
Housing property depreciation	(138,496)	(203,366)
	-----	-----
Operating costs for social lettings	(663,049)	(663,495)
	-----	-----
Operating surplus for social lettings for 2011 and 2010	849,542	664,399
	=====	=====
Operating surplus for social lettings for 2010 and 2009	664,399	458,067
	=====	=====

4. Board emoluments and interests

Board members received travelling expenses, in order to attend meetings, during the year amounting to £881 (2010: £671).

No payment by way of fees or other remuneration was made to members of the Board.

WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2011

5. Employee information (including non-board director)	2011 £	2010 £
Staff costs during the year were as follows:		
Wages and salaries	135,856	123,267
Social security costs	10,360	9,213
Pension costs (note 17)	20,008	17,380
	=====	=====
	166,224	149,860
	=====	=====

The average number of persons employed by the Association during the year (including part-time staff) was as follows:

	2011 No.	2010 No.
Office staff	5	5
	=====	=====
Full-time equivalent Office staff	4	4
	=====	=====

There were no employees paid in excess of £60,000 during the year (2010: Nil).

The Chief Executive received total emoluments of £55,667 (2010: £54,443) in the year.

6. Interest	2011 £	2010 £
<u>Interest receivable and similar income</u>		
Interest receivable	4,538	1,114
	=====	=====
<u>Interest payable and similar charges</u>		
On bank loans, overdrafts and other loans:		
On building society loans repayable wholly or partly in more than 5 years	353,780	325,650
	=====	=====

7. Taxation

The Association is a Scottish Charity and there is no liability for Corporation Tax for the year.

WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2011

	Properties held for letting £	Properties under construction £	Total £
8. Tangible fixed assets			
(i) Housing properties			
Cost			
At start of year	27,937,892	-	27,937,892
Additions during year	36,689	-	36,689
	-----	-----	-----
At end of year	27,974,581	-	27,974,581
	-----	-----	-----
Depreciation			
At start of year	826,440	-	826,440
Provided during year	138,496	-	138,496
	-----	-----	-----
At end of year	964,936	-	964,936
	-----	-----	-----
Grants			
At start of year	15,752,288	-	15,752,288
Additions during year	-	-	-
	-----	-----	-----
	15,752,288	-	15,752,288
	-----	-----	-----
Net book value			
At 31 March 2011	11,257,357	-	11,257,357
	=====	=====	=====
At 31 March 2010	11,359,164	-	11,359,164
	=====	=====	=====
(ii) Other fixed assets			
	Office Furniture £	Computer Equipment £	Total £
Cost			
At the start of the year	5,201	25,878	31,079
Additions during year	830	4,631	5,461
	-----	-----	-----
At end of year	6,031	30,509	36,540
	-----	-----	-----
Depreciation			
At start of the year	2,740	24,160	26,900
Provided during year	1,206	1,624	2,830
	-----	-----	-----
At end of year	3,946	25,784	29,730
	-----	-----	-----
Net book value			
Balance at 31 March 2011	2,085	4,725	6,810
	=====	=====	=====
Balance at 31 March 2010	2,461	1,717	4,179
	=====	=====	=====

Capitalised interest to date amounts to £226,311. Included within Properties held for letting is land which was received for nil consideration.

WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2011

9. Homestake properties	Homestake Properties £	Homestake Properties for sale £
Cost		
At start of year	389,749	112,000
Additions during year	-	-
Disposals during year	(72,500)	-
Transfer unsold property from stock	112,000	(112,000)
	-----	-----
At end of year	429,249	-
	-----	-----
Grants		
At start of year	389,749	39,500
Grants received during year	-	-
Transfer unsold property from stock	39,500	(39,500)
Grant to be repaid	-	-
	-----	-----
At end of year	429,249	-
	-----	-----
Net book value		
At 31 March 2011	-	-
	=====	=====
At 31 March 2010	-	72,500
	=====	=====
 10. Debtors	 2011 £	 2010 £
Rent arrears	81,932	70,074
Bad debt provision	(37,699)	(34,012)
	-----	-----
	44,233	36,062
Sundry debtors and prepayments	60,125	93,360
HAG and other grants receivable	-	3,918
	-----	-----
	104,358	133,340
	=====	=====
 11. Creditors: amounts falling due within one year	 2011 £	 2010 £
Housing loans (note 12)	448,563	397,687
Contractors for retentions unpaid and certified work	302,993	270,221
Social security and other taxes	3,466	3,013
Prepayments of rent and service charges	18,777	20,319
Accruals	167,610	162,510
	-----	-----
	941,409	853,750
	=====	=====

WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
(A Charitable Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2011

12. Creditors: amounts falling due after more than one year	2011 £	2010 £
Housing loans	9,703,683 =====	9,947,432 =====

Housing Loans

Housing loans from Dunfermline Building Society are secured by specific charges on the Association's housing properties and are repayable at interest rates varying from 0.875% to 5.69% over a period up to 35 years in instalments due as follows:

	2011 £	2010 £
In one year or less	448,563	397,687
Between one and two years	465,993	442,711
Between two and five years	1,511,798	1,436,266
In five or more years	7,725,892	8,068,455
	----- 10,152,246 =====	----- 10,345,119 =====

13. Reserves	Major Repairs £	Revenue Reserves £	Total £
At 1 April 2010	592,080	898,673	1,490,753
Surplus for year	-	500,300	500,300
Transfer to/(from) reserve	207,480	(207,480)	-
	-----	-----	-----
At 31 March 2011	799,560 =====	1,191,493 =====	1,991,053 =====

There has been one transfer during the year between reserves.

The major repairs reserve has increased by £207,480 as a result of a transfer from the revenue reserve to ensure the Partnership has sufficient funds available to carry out a programme of planned repair works to properties in the future.

14. Reconciliation of operating surplus to net cash flow from operating activities

	2011 £	2010 £
Operating surplus	849,542	664,399
Depreciation	141,326	212,249
Increase in stock	-	(72,500)
Increase in creditors	36,783	(22,093)
Increase in debtors	28,982	(17,805)
	-----	-----
Net cash inflow from operating activities	1,056,633 =====	764,250 =====

WEST LoTHIAN HOUSING PARTNERSHIP LIMITED
(A Charitable Company Limited by Guarantee)

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2011

15. Reconciliation of net cash flow to movement in net debt	2011	2010
	£	£
Increase in cash in the year	544,868	327,340
Increase in housing loans	(200,063)	(3,992,033)
Cash outflow from loan repayments	392,936	349,286
	<hr/>	<hr/>
Change in net debt resulting from cash flows and movement in net debt	737,741	(3,315,407)
Net debt at beginning of year	(9,622,367)	(6,306,960)
	<hr/>	<hr/>
Net debt at end of year	(8,884,626)	(9,622,367)
	<hr/>	<hr/>

16. Analysis of net debt	At 1 April 2010 £	Cash flows £	At 31 March 2011 £
Cash at bank and in hand	722,752	544,868	1,267,620
Debt due within one year	(397,687)	(50,876)	(448,563)
Debt due after one year	(9,947,432)	243,749	(9,703,683)
	<hr/>	<hr/>	<hr/>
	(9,622,367)	737,741	(8,884,626)
	<hr/>	<hr/>	<hr/>

17. Pension obligations

West Lothian Housing Partnership Limited participates in the Scottish Housing Associations' Pension Scheme (formerly known as the SFHA Pension Scheme), ('the Scheme'). The Scheme is a multi-employer defined benefit 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%.

NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2011

17. Pension obligations (Contd.)

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 buy-out 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 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 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 Lothian Housing Partnership Limited has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Scheme based on the financial position of the Scheme as at 30 September 2010. As of this date the estimated employer debt for West Lothian Housing Partnership Limited was £191,678.

The Scheme offers five benefit structures to employers, namely:

- Final salary with a 1/60th accrual rate.
- Career average revalued earnings with a 1/60th accrual rate.
- Career average revalued earnings with a 1/70th accrual rate.
- Career average revalued earnings with a 1/80th accrual rate.
- Career average revalued earnings with a 1/120th accrual rate, contracted in,

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

West Lothian Housing Partnership Limited has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members as at 1 April 2011 and the final salary with a 1/60th accrual rate benefit structure for new entrants from 1 April 2011.

During the accounting period West Lothian Housing Partnership Limited paid contributions at the rate of 15.4% of pensionable salaries. Member contributions were 7.7%.

As at the balance sheet date there were six active members of the Scheme employed by West Lothian Housing Partnership Limited.

West Lothian Housing Partnership Limited continues to offer membership of the Scheme to its employees.

WEST LOTHIAN HOUSING PARTNERSHIP LIMITED
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2011

17. Pension obligations (Contd.)

The key valuation assumptions used to determine the assets and liabilities of the Scottish Housing Associations' Pension Scheme are:

2009 Valuation Assumptions	% p.a.
Investment return pre retirement	7.4
Investment return post retirement – Non-pensioners	4.6
Investment return post retirement – Pensioners	4.8
Rate of salary increases	4.5
Rate of pension increases	
- Pension accrued pre 6 April 2005 in excess of GMP	2.9
- Pension accrued post 6 April 2005 (for leavers before 1 October 1993 pension increases are 5.0%)	2.2
Rate of price inflation	3.0

Mortality Tables	
Non-pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement
Pensioners	SAPS (S1PA) All Pensioners Year of Birth Long Cohort with 1% p.a. minimum improvement

Contribution Rates for Future Service (payable from 1 April 2011)	%
Final salary 1/60ths	19.2
Career average revalued earnings 1/60ths	17.1
Career average revalued earnings 1/70ths	14.9
Career average revalued earnings 1/80ths	13.2
Career average revalued earnings 1/120ths	9.4
Additional rate for deficit contributions	10.4

18. Capital commitments

	2011	2010
	£	£
Amounts authorised and contracted for	-	-
	=====	=====

19. Auditors' remuneration

	2011	2010
	£	£
External Audit services	4,080	3,300
Other services	-	2,000
	=====	=====

WEST LoTHIAN HOUSING PARTNERSHIP LIMITED
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NOTES to the FINANCIAL STATEMENTS (Contd.)

For the year ended 31 March 2011

	At 31 March 2010 £	Additions £	At 31 March 2011 £
20. Accommodation in management			
Housing properties for letting - number	380 =====	- =====	380 =====

21. Leasing commitments

Operating leases

The company has commitments under operating leases for the next year for leases expiring as follows:

	2011 Other £	2010 Other £
Operating leases which expire:		
Within two to five years	13,500 =====	13,500 =====

22. Related Party Transactions

In general the company will give West Lothian Council full nomination rights for all initial house lets, reverting to 50% nominations for subsequent vacancies thereafter.

During the year, the Partnership paid £8,883 (2010: £35,667) to West Lothian Council for management services provided. All transactions are carried out on an arm's length basis.

A number of the members of the Board of Directors are tenants of the Partnership as disclosed in the Directors' report, and their tenancies are on normal commercial terms.

The Partnership is part of the 'West Lothian Strategic Alliance'. This is a group of 4 housing associations including West Lothian Housing Partnership for which Almond Housing Association is the lead development agent.

At the year end, the Partnership owed Almond Housing Association £302,993 (2010: £270,221).