Annual Report & Accounts

For the Year Ended 31 March 2008

CONTENTS

Review by the Board of Management

The Board of Management presents its business review and the audited accounts for the year ended 31 March 2008.

Overview of Business

Hebridean Housing Partnership Ltd is a charitable Registered Social Landlord (RSL) set up in September 2006 as a result of a housing stock transfer from Comhairle Nan Eilean Siar.

The principal activities of HHP are the provision of affordable social rented housing and the promotion of community ownership throughout the Western Isles. HHP's broad objectives are:

- Placing tenants at the centre of everything we do, and engaging with the wider community
- Investing in a sustainable way in tenants' homes
- Delivering continuous improvement over time
- Providing efficient, effective housing management services of the highest quality whilst keeping rents affordable
- Being a good employer that attracts and retains high quality staff
- Delivering value for money
- Managing the operational aspects of a first class homelessness service on behalf of Comhairle Nan Eilean Siar
- Contributing to economic development and social inclusion in the Western Isles

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Regulation

HHP is regulated by the Scottish Housing Regulator. The first inspection is due in August 2008.

Transfer of Engagements

On 1st April 2007 HHP merged with 5 small locally based housing associations

a. Muirneag Housing Association No 2465R(S)
b. Taighean Ceann A'Tuath Na'Hearadh Limited No 2419R(S)
c. Berneray Housing Association Limited No 2434R(S)
d. Buidheann Taigheahais Na Meadhanan Limited No 2406R(S)
e. Barra and Vatersay Housing Association Limited No 2424R(S)

The result of the Transfer was to add just over 300 units to the stock of the Partnership.

Strategy and Objectives

HHP's strategy and objectives are detailed in its 30 Year Business Plan which was prepared at the point of Transfer. The Business Plan highlights 6 core business activities which will shape the future of HHP and the way housing services are delivered to our tenants:

1. Investment Programme
2. Environmental Improvements
3. New Build Programme
4. Repairs and Maintenance
5. Housing Management
6. Management of the Homeless Service

Each year the Business Plan is updated to take account of performance and major changes in the operating environment. During 2007/08 there has been significant change in the financial and political environment which has negatively impacted the 30 year business plan. Discussions with the Scottish Government are taking place to identify potential solutions.

Key Plans for 2008/09 and beyond

Each year the Board approves an Internal Management Plan which includes a review of HHP's Business Plan. The Business Plan approved by The Scottish Government (previously the Scottish Executive) and Comhairle Nan Eilean Siar prior to the tenant ballot is the key strategic document providing a 30 year planning framework.

However the delivery of the Business Plan needs shorter term planning. The Internal Management Plan contains a 2 – 3 year action plan linking the shorter term to HHP's Business Plan strategic objective.

The Internal Management Plan therefore includes 2 year development plan, investment plan and cyclical maintenance programme.

Performance in the Year

The Key outputs of the Business Plan for 2007/08 were 60.89 % of the stock meeting the Scottish Housing Quality Standard, adding 30 new units to the housing stock through new build, rent of the shelf and Mortgage to Rent Scheme.

A total of £46,665 Wider Role Grants were received from Communities Scotland and were issued to the following organizations

Clan MacQuarrie	£30,000
Benbecula Community Association	£ 3,607
Cearns Community Development	£ 3,058
Bayble Boat Owners	£10,000

Dynamics of the Social Landlord

The Partnership is focused on providing housing within the Western Isles and recent figures show that despite a declining population, an increase in the demand for socially rented properties. HHP is the key partner for the Comhairle in the delivery of the Homeless service.

Investment for the Future

HHP plans to invest £14million over the next 5 years in bringing its houses up to the Scottish Housing Quality Standard. £5.3 million private finance has been earmarked for new build projects over the same period, the number of units delivered will be dependent on the HAG funding available from the Scottish Government.

Key Risks impacting on Future Performance

HHP's 30 year business plan is extremely sensitive to changes in the operating environment and in an effort to minimize the risk, a risk strategy and risk register has been prepared. The strategy will be updated annually and the register will be reviewed quarterly and updated as necessary.

Any risk which materially jeopardizes the Partnership's ability to achieve its Mission and Objectives or conduct its business will not be accepted.

Operational Review

Investment Programme

After a slow start our Investment Programme for refurbishing tenants' houses began to operate effectively and by March 2008 we had completed

- 88 Kitchens
- 45 Bathrooms & Heating Systems
- 37 Windows and Doors

Development Programme

2007/08 saw our first ever new build programme with the following completions

- 6 units at Muirneag Court, Keith Street, Stornoway
- 5 units at Eitseal Way, Marybank, Stornoway
- 4 Units at Bennadrove, Stornoway
- 4 Units at Milestone Cottages, Newmarket, Stornoway
- 2 Units at Gerraidh Ghuirm, Back
- 6 Units at Calabhaigh, Lochboisdale
- 3 Rent of the Shelf properties, 1 in Lewis, 1 in Uist and 1 in Barra

Housing Services

During the year much effort was focused on trying to stabilise rent arrears but notable achievements were:

- Introduction of HHP's first Tenant's Handbook
- Production of a Repairs Handbook for tenants
- Successful transfer of over 300 houses from the 5 Local Community Based Housing Associations to HHP
- The development of our Customer Services Team and support systems

Financial Review

Financial results

The turnover for the year to 31 March 2008 was £6.255million against operating costs of £6.183million. Operating costs for the year included £1.933 of capital investment written off against expenditure. Investment expenditure, which is greater than valuation in any one year, will be written off against income and expenditure. The main source of income was from rental income of £5.549 million with £0.524million received in grant from The Scottish Government. £0.325million of the grant received was to support our Business Plan activities.

The operating surplus on Letting Activities was £0.043million, 0.7% of Net Rental Income (2007: £0.253million 10% of Net Rental Income). The main reason for the decrease in the Operating surplus from 2006/07 is the level of spend on reactive maintenance.

There was a significant increase in the surplus on sale of properties which was largely due to implementing a clause in the Stock Transfer agreement enabling HHP to retain in full all the Right to Buy receipts received up to 31 March 2007. The funds are being used to create designated reserves for

a) Future Repairs and Renewals on new build properties
b) Funding costs for removing asbestos from transferred properties which may be incurred as a result of the investment programme.

Balance Sheet

HHP's Balance Sheet is shown on Page 20. The key factors affecting the balance sheet are

a) the development contract entered into with Comhairle Nan Eilean Siar for investment in the properties transferred to HHP amounting to £21.48 million. This is shown under Long Term debtors and Long Term creditors
b) the impact of the Transfer of Engagement of the five locally based housing associations
    a. Increase of £4.570 million in Fixed assets, the majority of which relates to the stock received as a result of the transfer of engagements of the five locally based RSL's.
    b. Increase of £3.750 million in Long Term Debt which was required to fund the Transfer of Engagements.

c. Creation of a Capital Reserve of £0.522 million which will be amortized to the Income and Expenditure account over the lifetime of the transferred properties. Acquisition Accounting was used for the Transfer of Engagements.

Cash Flow

The Cash Flow is shown on page 21. Our net cash flow from operating activities was £1.016 million which included a Business Plan support grant of £0.325m from The Scottish Government. The principal cash outflows were operating costs and investment in assets.

Current Liquidity

At 31 March 2008 HHP had cash and short-term deposits of £2.272m. This was £2.739m more than budget. This was due to the under spend on the investment programme and the level of repairs invoices accrued at the year end. Our future investment and development programme will see this cash balance reduce significantly over the forthcoming year. We expect to draw down against our loan facilities during the forthcoming year.

Capital Structure and Treasury Management Policy

HHP's activities are funded on the basis of a business plan, which is updated annually. The main elements of HHP's long term funding are a 30 year loan facility arranged with the Royal Bank of Scotland, deficit funding and loan facilities provided by The Scottish Government. The loan facility allows HHP to borrow up to £10 million. In broad terms, our current business plan assumes that we will increase our borrowing each year until we reach a maximum of £10million in 2021 reflecting the significant investment programme in the first ten years of the plan. Debt is progressively paid off in subsequent years and is projected to be fully paid off by 2032.

The Business Plan assumes deficit funding grants, capital grants for new build and loans of just over £20million. The loan is repayable by year 30.

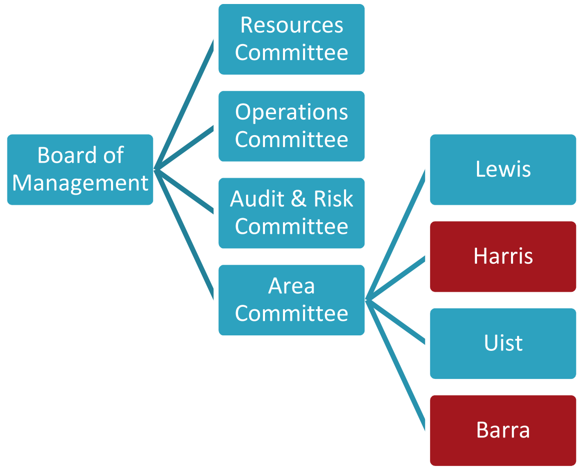
The Board receives updates each quarter which detail the debt, cash and interest received. All proposed changes to banking arrangements and bank signatories are approved by the Board.

The Treasury Management Policy was approved in April 2006. The Treasury Management Policy sets down the framework for investing and managing cash, raising loans, interest rate management and the use of financial derivatives by the Group. A key objective of the Policy is to ensure that the Partnership's loan portfolio represents the optimum balance of risk in interest rate, loan maturity and fixed rate exposure.

Governance & Management

The Partnership is governed by a voluntary Board of Management. A full list of Board Members is at page 40. The composition of the Board includes five tenant representatives. The Board's skill mix is regularly reviewed, and where gaps are identified, Board Members seek to identify individuals from within the Partnership's existing membership and wider environment to strengthen the range of expertise on the Board. The Governance structure is shown in Figure 1

Figure 1 Board of Management



New Board Members undergo induction training which includes a "buddy" system where an experienced Board Member will make themselves available to assist a new Board member.

The Partnership's Standing Orders allow for three standing committees and four area committee. Currently only the Lewis and Uist Area Committees are operational

The Board comprises up to 15 members - 5 tenant members, 5 Comhairle Nan Eilean Siar nominees, 5 community representatives and up to 3 co-optees. There are currently 12 members of the Board.

HHP's Rules require that two community and two tenant members step down each year. There will be elections for the vacant positions at the Annual General Meeting in September 2008.

Tenant and Community members of the Board hold one fully paid £1 share.

During 2007/08 9 shares were issued to new members and 146 shares were issued to members of the 5 locally based housing associations as a result of the Transfer of Engagements.

The Board is responsible for the overall strategic direction and objectives of HHP. Key responsibilities include overseeing:

- Approval of Business Plan
- Delivery of Business Plan
- Ensuring compliance with our values and key objectives
- Establishing strategic plans to achieve objectives
- Appraising annual financial statement
- Establishing a framework of delegation and system of internal control
- Achieving the highest standards of governance

In order that it can deliver its role effectively, HHP's Board has delegated responsibility to the following Committees:

Audit and Risk

The Audit and Risk Committee is responsible for ensuring that the activities of the Board are within the law and regulations which govern the Board, and that an effective internal control system is maintained. Specifically this committee:

- Reviews HHP's systems of internal control and risk management
- Provides an overview of the internal and external audit functions
- Scrutinizes the financial statements
- Monitors the implementation of internal audit recommendations, external audit reports and management letters
- Reviews the internal audit plan and scope of work
- Reviews the effectiveness of the overall risk strategy

Operations

The Operations Committee is responsible for ensuring that suitable arrangements are in place for the provision of as high a quality of affordable houses and housing services as is possible having regard to policy, legal, financial and other constraints, and for the regular review of such arrangements. Specifically this committee:

- Manages the investment for the housing stock
- Manages the development of new homes
- Establishes targets and performance indicators for housing management
- Establishes and arranges tenant consultation and participation

Resources

The Resources Committee is responsible for ensuring that suitable arrangements are in place for the planning, setting and monitoring of all budgets and establishing value for money. The Committee ensures that there are suitable personnel arrangements in place to enable the Partnership fulfil its responsibility as a good employer.

Area Committees

HHP is committed to setting up four Area Committees in Lewis, Harris the Uists and Barra but has had a mixed response from these communities. The Committee will enable local decision making where possible and provide feedback to the Board on performance at local level.

At a public meeting held in Barra in September 2007 it was agreed to have twice yearly informal meetings because there was insufficient interest in a formal Area Committee.

In Harris the inaugural meeting was not well enough attended to form a Committee. Attempts are being made, however, to increase HHP membership and the profile of HHP and try again in October 2008.

The Lewis and Uist Area Committees have been constituted.

Tenant Participation

HHP is fully committed to Tenant Participation and to work with the Western Isles Residents Forum to develop and encourage involvement in the work of HHP. Tenants make up a third of the Board and will make up the majority of Area Committees. Through regular consultation exercises and the provision of clear written information tenants and residents will be encouraged to influence policy and practice leading to improvements in the quality of housing services provided by HHP.

HHP in conjunction with the Western Isles Residents Forum is setting up Tenant Panels (or Focus Groups) in a number of locations in the Western Isles to facilitate greater input from users of the service.

Health and Safety

The Board place the highest priority on the Health and Safety of tenants, staff and contractors. A full audit of Health and Safety procedures and practices has been undertaken.

Political and charitable donations

There were no political donations made by HHP during the financial year. No charitable donations were made during the financial year.

Disclosure of information to auditors

The Board members who held office at the date of approval of this Board report confirm that, so far as they are each aware, there is no relevant audit information of which the Partnership's auditors are unaware; and each Board member has taken all the steps that he/she ought to have taken as a Board Member to make himself/herself aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information.

Auditors

A resolution to re-appoint CIB Audit as auditors of HHP will be proposed at the Annual General Meeting in September 2008.

Employee Policies

The 30 year Business Plan recognized that the well-being of staff is critical to successful service delivery. A core objective is to be a good employer that attracts and retains high quality staff. HHP will ensure that there is sufficient and well trained staff to deliver high quality services.

Recruitment

HHP want staff to feel safe in their working environment and that they are treated fairly irrespective of colour, age, disability, religion or sexual orientation. We have developed a recruitment policy which aims to:

- Recruit and select the best candidate for every vacancy;
- Ensure that access to employment opportunity is based on fair, objective and consistent criteria

Early Retirement

HHP allowed one of its managers to take early retirement in the interests of the organisation. The resultant vacancy was of assistance in restructuring the Operations Department where two senior managers have left in the past year one of whom retired after 33 years service in Local Government and latterly HHP.

Training

HHP is committed to the training and development of all its employees and Board Members. There is also a commitment to lifelong learning and a recognition that, in time of change, the adaptability and flexibility of the workforce will to a significant extent help determine whether HHP thrives or fails.

HHP will strive to:

- Offer high quality learning opportunities
- Promote equality and the widening of access to training and development opportunities
- Seek out new methods and forms of learning
- Seek opportunities to work with local training providers and University of Highlands and Islands where appropriate

Internal Financial Control

The Board of HHP is responsible for establishing and maintaining systems of internal financial control within the organization. By their nature these systems can provide reasonable, but not absolute, assurance against material mis-statement or loss. The internal control framework is supported by organizational control measures including, financial and business planning, performance monitoring and reporting, project management and communication systems. The Internal Control Framework also relies on formal governance measures including a structure of corporate policies, authorities and responsibilities delegated from the Board to the Executive team.

Framework of Internal Control

The key methods by which the Board establishes the framework for providing effective internal financial control are dealt with in the next part of this report.

Management Structure

The organization for which the Board has overall responsibility is governed by a set of Standing Orders, which reserves specific powers to the Board and delegates functions and powers to its officers, committees and eventually area committees. The Executive Team, comprising of the Chief Executive and the Directors, has two main functions, Operations and Resources.

Audit and Risk Committee

The Audit and Risk Committee consists of eight members. Meetings are normally held quarterly to review and approve annual internal and external audit plans, reports and the action taken on issues raised by audit. In addition the Audit and Risk Committee reviews the corporate risk management arrangements including the risk register.

Systems of Internal Control

The key elements of the system of internal control are as follows:

- Regular meetings of the Board, which has a schedule of matters specifically reserved for its approval and which are the subject of regular standard reports as required
- The review of reports prepared by Internal Auditors by the Audit and Risk Committee on a regular basis
- Appointment of Internal Auditors who work to the standards of the Institute of Internal Auditors and produce an annual internal audit plan and regular internal audit reports
- A corporate financial plan with a detailed annual budget, regularly revised forecasts, a comparison of actual with budget and key performance indicators all of which are reviewed by the Board

Identification of business risk

The Board has reviewed the 'Managing Risks' section of the 30 year business plan. A risk analysis was carried out by Internal Audit to identify business significant risks. Key business risks and operational risks were taken into account when preparing the Internal Audit Strategic Plan.

The financial implication of major business risks are controlled through delegated authorities which reserve significant matters to the Board for decision.

Corporate Risk

The Risk Register has been updated for 2007/08. The Risk Register is organisation wide and shows each risk, the significance of the risk is and the probability of these risks occurring. The Register also details the impact of the risk should they occur and who will have prime responsibility for the design and operation of suitable controls and mitigating actions.

Management Information Systems

Management Information Systems are being established which will provide monthly information on key aspects of the business. Management accounts comparing actual results against budget are presented to the Board along with performance against key financial and non-financial indicators. Over the next two years management intends to further develop the management information produced to provide managers with reliable and up to date information which enables them to respond quickly to service delivery issues as they arise whilst continuing to achieve the strategic objectives and goals of the organisation.

Internal Audit

The Board has appointed The Internal Audit Association (TIAA) as their internal auditors who report directly to the Audit and Risk Committee.

The External Auditors have placed reliance on the work carried out by the Internal Auditors on the accounting systems.

Investment appraisal

The Financial Regulations provide the framework and procedures for investment appraisal. Expenditure beyond certain levels requires to be approved by the Resources Committee or the Board. A Fixed Asset Register is in place which details all the assets owned by the Partnership.

Post Balance Sheet Events

There are no significant Post Balance Sheet events.

Board Statement on Internal Financial Control

The Board, through the Audit and Risk Committee, has reviewed the effectiveness of HHP's internal control for the Year ended 31 March 2008. This review was informed by the work of Internal Audit and by the Executive Team, which has responsibility for the development and maintenance of the internal control framework. It was also informed by comments made by the External Auditors in their management reports. Such a system can only provide reasonable, and not absolute, assurance against material mis-statement or loss, as it is designed to manage rather than eliminate the risk of failure to achieve business objectives.

The Board and Executive Team continue to transform the business through organisational changes which impact upon structures and systems. These changes highlight the need for effective systems and efficient resource management. The Board has reviewed the effectiveness of the systems of internal financial controls which have been in operation during the year. No weaknesses have been found which resulted in material losses, contingencies or uncertainties that require disclosure.

On behalf of the Board

George Lonie

Chair

Statement of Board Responsibilities

The Board is responsible for preparing the Board report and the financial statements in accordance with applicable law and regulations.

Industrial and Provident Society law requires the Board to prepare financial statements for each financial year.

The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the surplus or deficit for that period.

In preparing these financial statements, the Board is required to:

- Select suitable accounting policies and then apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and the Statement of Recommended Practice have been followed, subject to 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 Partnership will continue in business

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable it to ensure that its financial statements comply with the Industrial & Provident Societies Acts 1965 to2002, the Housing (Scotland) Act 2001 and the Registered Social Landlord (Accounting Requirements) (Scotland) Order 2007.

The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Partnership to prevent and detect fraud and other irregularities.

The Board is responsible for the maintenance and integrity of the corporate and financial information included on the Partnership's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors' Report

We have audited the financial statements of Hebridean Housing Partnership Limited for the year ended 31 March 2008 which comprise the Income and Expenditure Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company'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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, and for the opinions we have formed.

Respective responsibilities of the Board of Management and Auditors

The Board of Management's responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Board Responsibilities.

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 and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001, the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007. We also report to you if, in our opinion, the Board of Management's Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if the information specified by law regarding directors' remuneration and other transactions with the company is not disclosed.

We read the other information contained in the Report of the Board of Management and 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 any other information.

Basis of 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 Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 accounts are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its surplus for the year then ended and have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing (Scotland) Act 2001, the Registered Social Landlords (Accounting Requirements) (Scotland) Order 2007.

CIB Audit

Registered Auditor

63 Kenneth Street

Stornoway

Isle of Lewis

Dated: 28 August 2008

Auditors Report on Corporate Governance

Corporate Governance

In addition to our audit of the financial statements, we have reviewed the Board of Management's statement on page 12 concerning the company'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 1999/5 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 controls on page 12 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.

CIB Audit

Registered Auditor

63 Kenneth Street

Stornoway

Isle of Lewis

Dated: 28 August 2008

Financial Statements

Income and Expenditure Account for the year ended 31 March 2008

	Notes	31 March 2008 £	31 March 2007 £
Turnover	3	6,255,058	2,891,190
Operating costs	4 & 5	(6,183,056)	(2,670,097)
Operating surplus		**72,002**	**221,093**
Surplus on sale of fixed assets			
-housing properties	9	341,217	68,100
Interest receivable and other income	10	81,269	31,011
Interest payable and similar charges	11	(199,131)	(92)
Surplus on ordinary activities, before transfers to Reserves		**295,357**	**320,112**

The results for the year relate wholly to continuing activities.

Statement of Total Recognised Surpluses and Deficits for the year ended 31 March 2008

	Notes	31 March 2008 £	31 March 2007 £
Surplus on ordinary activities, before transfer to Reserves		295,357	320,112
Transfer to Designated Reserves	21	(123,693)	-
Total recognised surpluses since the last financial statements		171,664	320,112

Total recognised surpluses relate wholly to continuing activites.

The notes on pages 22 to 38 form part of these financial statements.

Balance Sheet as at 31 March 2008

	Notes		31 March 2008	31 March 2007
			£	£
Tangible Fixed Assets				
Housing Properties at valuation	15		4,605,624	5,294
Other tangible fixed assets	15		161,250	191,076
			4,766,874	196,370
Debtors due after more than one year	16		21,526,288	22,941,574
Current Assets				
Debtors due within one year	16	495,333		514,078
Short-term deposits		1,496,432		757,837
Cash at bank and in hand		775,405		258,434
			2,767,170	1,530,349
Creditors: amounts falling due within one year	17		(2,311,373)	(1,224,337)
Net current assets			455,797	306,012
Total assets less current liabilities			26,748,959	23,443,956
Creditors: amounts falling due after more than one year	18		(4,165,234)	(184,701)
			22,583,725	23,259,255
Provisions for liabilites and charges	19		(21,448,125)	(22,941,574)
Net Assets			1,135,600	317,681
Capital and Reserves				
Share Capital	20		172	19
Designated Reserve	21		123,693	-
Capital Reserve	22		522,409	-
Revenue Reserve	21		489,326	317,662
			1,135,600	317,681

These financial statements were approved by the Board on 28th August 2008 and were signed on its behalf by:

George Lonie	**Dena Macleod**	**David Blaney**
Chair	Secretary	Vice Chair

The notes on pages 22 to 38 form part of these financial statements.

Cash Flow Statement for the Year ended 31 March 2008

	Notes	31 March 2008 £	31 March 2007 £
Net Cash (outflow)/inflow from operating activities	**26**	1,016,631	1,103,088
Returns on investment and servicing of finance			
Right to Buy Proceeds		341,217	68,100
Interest Received		81,269	31,011
Interest Paid		(199,131)	(92)
Net Cash inflow from returns on investment and servicing of finance		**223,355**	**99,019**
Taxation			
Corporation Tax paid		-	-
less grant received		-	-
Net Cash outflow from Taxation		-	-
Capital expenditure and financial investment			
Acquisition and construction of properties		(5,506,051)	(329,460)
Purchase of other fixed assets		(21,594)	(191,076)
Grants received		4,909,183	334,681
Sales of properties		-	-
Transfer of assets		(4,087,501)	-
Net Cash outflow from capital expenditure		(4,705,963)	(185,855)
Net Cash outflow before use of liquid resources and financing		(3,465,977)	1,016,252
Management of liquid resources			
Cash lodged on deposit account		(738,595)	(757,837)
Financing			
Loan advances received		3,778,548	
Loan principal repaid		-	
Cash transferred on TOE		942,995	
Shares issued			7
		4,721,543	7
(Reduction)/increase in cash	**26**	516,971	258,422

The notes on pages 22 to 38 form part of these financial statements

Notes to the financial statements for the Year ended 31 March 2008

NOTE 1 Legal Status

Hebridean Housing Partnership Limited ("HHP" or "The Partnership") is registered under the Industrial and Provident Societies Act 1965 and is a housing association registered with Scottish Housing Regulator (previously Communities Scotland) under the Housing (Scotland) Act 2001. HHP has charitable status and is registered with OSCR.

NOTE 2 Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except where noted below.

Basis of accounting

The financial statements of the Partnership are prepared in accordance with applicable accounting standards and in accordance with the accounting requirements included with the Registered Housing Associations (Accounting Requirements) (Scotland) Order 1999, and under historical cost accounting rules, modified to include revaluation of properties held for letting and commercial properties. The financial statements have also been prepared in accordance with the Statement of Recommended Practice, Accounting by Registered Social Landlords Update 2005, issued by National Housing Federation.

Turnover

Turnover, which is stated net of value added tax, represents income receivable from lettings and service charges, fee receivable, revenue grants and other income.

Grant Income

Grant Income received is matched with the expenditure to which it relates. Where grant is paid as a contribution towards the capital cost of housing schemes, it is deducted from the cost of housing properties. Where grant is paid as a contribution towards revenue expenditure, it is included in turnover.

Deposit and liquid resources

Cash, for the purpose of the cash flow statement comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand. Liquid resources are current asset investments that are disposable without curtailing or disrupting the business and are readily convertible into know amounts of cash at, or close to, their carrying value.

Pension costs

The Partnership participates in the Highland Superannuation Scheme and contributions to the pension scheme are calculated as a percentage of pensionable salaries of the employees, determined in accordance with actuarial advice. The actual pension cost is charged to the income and expenditure account based on contributions to the fund.

Housing Properties

Housing properties in the course of construction are stated at cost and are not depreciated. Housing properties are transferred to completed properties when they are ready for letting and are stated at valuation. Where it is considered that there has been any impairment in value this is provided for accordingly. The cost of properties is their purchase price together with capitalised repairs. Expenditure on schemes that are subsequently aborted is written off in the year in which it is recognised that the schemes will not be developed to completion.

Improvements to Housing Properties

The Partnership capitalizes repairs and improvement expenditure on housing properties that results in an enhancement of the economic benefit of the asset.

Impairment

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 recognized in the income and expenditure account.

Commercial Properties

Commercial properties and valued at existing use value.

Provisions

The Partnership only provides for contractual liabilities that exist at the balance sheet date.

Taxation

Income and capital gains are generally exempt from tax if applied for charitable purposes.

Depreciation

Depreciation is charged on a straight-line basis over the expected useful lives of fixed assets to write off the cost less estimated residual values at the following annual rates. Assets are depreciated in the year of acquisition.

Commercial properties	2%
Offices	2%
Furniture, Fittings Office Equipment	20%
Computer Hardware and Software	25%

Sale of housing accommodation

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. Any grants received that cannot be repaid from the proceeds of sale are abated and the grant removed from the financial statements.

Captialisation of development overheads

Staff costs that are directly attributable to brining housing properties into working condition for their intended use are captialised.

Capital Grants

Where capitalized repairs have been financed wholly or partly by grant, the cost of these repairs has been reduced by the amount of the grant received.

Value Added Tax

The Partnership is registered for VAT. A large proportion of its income, including rental receipts, is exempt for VAT purposes, giving rise to a partial exemption calculation. Expenditure with recoverable VAT is shown net of VAT and expenditure with irrecoverable VAT is shown inclusive of VAT. VAT on refurbishment works expenditure included in the development works agreement with Comhairle Nan Eilean Siar is fully recoverable. Expenditure on these works is shown net of VAT.

Development Agreement

The Partnership has entered into agreements with Comhairle Nan Eilean Siar whereby the under-taking of catch up repairs and improvement works remains with the Comhairle, with the obligation sub-contracted to HHP. This has been shown on the Partnership's Balance Sheet as a debtor offset by a provision of an equal amount. As work progresses both sums will be adjusted downwards by the appropriate amount.

Bad and doubtful debts

Provision is made against rent arrears or current and former tenants as well as other miscellaneous debts to the extent that they are considered potentially irrecoverable.

NOTE 3 Turnover, operating costs and operating surplus

	2008			2007
	Operating Turnover	**Operating Costs**	**Operating Surplus**	**Operating Deficit**
	£	**£**	**£**	**£**
Social housing lettings	6,073,607	6,030,302	43,305	252,963
Other activities	134,786	106,089	28,697	(31,870)
Grant Income	46,665	46,665	-	-
TOTAL	**6,255,058**	**6,183,056**	**72,002**	221,093

NOTE 4 Particulars of income and expenditure from social housing lettings

	General Needs Housing	**Shared Ownership**	**Total**	**2007**
	£	**£**	**£**	£
Income from lettings				
Rent receivable net of service Charges	5,640,730	4,400	5,645,130	2,555,992
Service Charges receivable	15,776	876	16,652	8,406
Gross income from rents and service charges	5,656,506	5,276	5,661,782	2,564,398
Less voids	(112,283)		(112,283)	(42,142)
Net Income from rents and service charges	5,544,223	5,276	5,549,499	2,522,256
Grants from Scottish Ministers	325,000		325,000	175,000
Other Revenue Grants	199,108		199,108	3,000
Total Turnover from social letting activities	6,068,331	5,276	6,073,607	2,700,256
Expenditure on letting activitives				
Management and Maintenance Administration costs	1,662,840	2,605	1,665,445	872,672
Planned and Cyclical Maintenance including major repairs	2,525,598	-	2,525,598	644,405
Reactive Maintenance	1,683,297	216	1,683,513	862,587
Bad Debts -rents and service charges	83,222		83,222	67,629
Depreciation of social housing	72,040	484	72,524	-
Operating costs of social letting activities	6,026,997	3,305	6,030,302	2,447,293
Operating surplus on letting activities	41,334	1,971	43,305	252,963

NOTE 5 Particular of income and expenditure on other activites

Other Activities	Grants from Scottish Ministers £	Other Income £	Total Turnover £	Other Operating Costs £	Operating Surplus/ Deficit £	2007 £
Wider Action	46,665		46,665	46,665	-	-
Development			-	48,383	(48,383)	-
Management Services		66,933	66,933	57,706	9,227	(31,870)
Amortization negative goodwill		67,853	67,853		67,853	-
Total from other activites	**46,665**	**134,786**	**181,451**	**152,754**	**28,697**	(31,870)

NOTE 6 Board members emoluments

Board members received £10,842 (2007 £12,975) by way of reimbursement of expenses. Board members did not receive anything by way of emoluments.

NOTE 7 Executive Directors' emoluments

DIRECTORS' AND EMPLOYEES EMOLUMENTS		
	2008	**2007**
	£	**£**
The Directors are defined as the Chief Executive and any other person reporting directly to the Chief Executive whole total emoluments exceed £60,000 per annum.		
Aggregate emoluments payable to Directors' exceeding £60,000 (including pension contributions and benefits in kind)	82,000	82,000
Emoluments payable to the highest paid officer (excluding pension contributions)	71,050	71,060

DIRECTORS' EMOLUMENTS		
	2008	**2007**
	£	**£**
During the period the Directors emoluments (excluding pension contributions) fell within the following band distributions:		
More than £60,000 but not more than £70,000	**-**	**-**
More than £70,000 but not more than £80,000	**1**	**1**
Emoluments include relocation expenses where appropriate		
The directors are members of the Highland Superannuation Fund and employer's contributions are paid on the same basis as other members of staff.		

NOTE 8 Employees

In the year to 31 March 2008 the average number of employees of the Partnership, including executive directors, was 40 (2007-40).

EMPLOYEE INFORMATION		
	2008	**2007**
	£	**£**
Staff costs (for the above persons)		
Wages and Salaries	948,171	578,540
Social Security costs	70,210	44,371
Employers' pension costs	177,592	90,117
	1,195,973	713,028
Staff costs capitalised	(154,322)	(87,166)
	1,041,651	625,862

NOTE 9 Surplus on sale of fixed assets-housing properties

This represents net income from the sale of properties under tenant Right to Buy entitlement. Net income amounted to £341,217 (2007 - £68,100).

NOTE 10 Interest receivable and other income

Interest Receivable and Other Income		
	2008	**2007**
	£	**£**
Bank interest receivable on deposits in the year	81,269	**31,011**
	81,269	**31,011**

NOTE 11 Interest payable and similar charges

Interest Payable and Similar Charges	2008	2007
	£	£
Loan interest Payable	199,131	-
Bank interest payable	-	92
	199,131	92

NOTE 12 Tax on ordinary activities

The Partnership's charitable status means that no corporation tax is payable on its activities.

NOTE 13 Auditor's remuneration

Auditors' Remuneration	2008	2007
The remuneration of the auditors is as follows	£	£
Auditors' remuneration		
-in their capacity as auditors	7,215	7500
-in respect of other services	-	2600
	7,215	10100

NOTE14 Financial Commitments

Capital Commitments	2008	2007
	£	£
Expenditure contracted for, but not provided in the accounts	4,153,669	632,011
Expenditure authorised by the Board but not contracted	2,954,514	199,748
	7,108,183	831,759

Operating leases

The Partnership did not have any operating leases

NOTE 15 Tangible Fixed Assets

HOUSING PROPERTIES	Housing held for letting £	Transferred property £	Shared Ownership £	Properties under construction £	Transferred Property under constr £	Total £
Cost or valuation						
At 1 April 2007	-	-	-	339,975	-	339,975
Additions TOE	-	22,826,023	127,643	1,154,332	6,026,467	30,134,465
Standard	151,202	31,900	-	4,168,616	-	4,351,718
Disposals	-	-	-	(4,180)	(12,334)	(16,514)
Transferred	3,152,758	-	-	(664,522)	(2,488,236)	-
At 31 March 2008	3,303,960	22,857,923	127,643	4,994,221	3,525,897	34,809,644
Grants						
At 1 April 2007	-	-	-	(334,681)	-	(334,681)
TOE	-	(18,714,554)	(123,596)	-	(5,715,625)	(24,553,775)
Received during the Year	-	(164,704)	-	(4,744,480)	-	(4,909,184)
Transferred	(2,737,346)	-	-	470,340	2,267,006	-
Elimanated on disposal	-	-	-	-	5,000	5,000
At 31 March 2008	(2,737,346)	(18,879,258)	(123,596)	(4,608,821)	(3,443,619)	(29,792,640)
Depreciation						
At 1 April 2007	-	-	-	-	-	-
Transferred	-	(337,233)	(1,624)	-	-	(338,857)
Charge for year	(4,045)	(67,994)	(484)	-	-	(72,523)
At 31 March 2008	(4,045)	(405,227)	(2,108)	-	-	(411,380)
Net Book Value						
at 31 March 2008	562,569	3,573,438	1,939	385,400	82,278	4,605,624
Net Book Value						
at 31 March 2007	-	-	-	5,294	-	5,294

NOTE 15 Tangible Fixed Assets

OTHER TANGIBLE FIXED ASSETS

	Commerical property	Furniture Fittings & Equipment	Computer Equipment	Total
	£	£	£	£
Cost or valuation				
At 1 April 2007	-	105,675	111,385	217,060
Additions		11,996	9,598	21,594
Disposals				-
At 31 March 2008	-	117,671	120,983	238,654
Depreciation				
At 1 April 2007	-	(12,535)	(13,449)	(25,984)
Eliminated on disposal				-
Charge for year		(21,532)	(29,888)	(51,420)
At 31 March 2008	-	(34,067)	(43,337)	(77,404)
Net Book Value				
at 31 March 2008	-	83,604	77,646	161,250
Net Book Value				
at 31 March 2007	-	93,140	97,936	191,076

The number of units of accommodation owned and managed at 31 March 2008 by the Partnership was:

Housing Stock		
	2008	**2007**
Social Housing		
General Needs	2,005	1,771
Specially Adapted	18	
Sheltered Housing	67	67
Total Social Housing	2,090	1,838

NOTE 16 Debtors

Debtors: Due after more than one year		
	2008	**2007**
	£	**£**
Development Agreement (see Note 2)	21,448,125	22,941,574
Loan Arrangement Fee	78,163	-
	21,526,288	22,941,574

In accordance with the development agreement accounting policy, included in debtors is a balance of £21.4m in respect of the expected cost of the development work that Comhairle nan Eilean Siar has committed to undertake in order to refurbish the properties. The Comhairle has sub-contracted the Partnership to carry out the programme of catch-up repairs to the residential accommodation as part of a development agreement. This balance relates to the identical provision in the accounts for this expenditure and as work progresses both of these balances will be utilized when the work is actually undertaken.

Debtors: Due within one year

	2008	2007
	£	£
Arrears of rent and service charges	374,000	286,199
Less:provision for bad and doubtful debts	(253,704)	(185,883)
	120,296	100,316
other debtors	375,037	413,762
Total	495,333	514,078

NOTE 17 Creditors amounts falling due within one year

Creditors: Amounts falling due within one year

	2008	2007
	£	£
Amounts falling due within one year:		
Trade creditors	84,289	328,722
Grants in Advance	92,694	-
Rent and service charges received in advance	50,473	28,754
Salaries,wages, other taxation and social security	53,383	46,931
Accruals	1,751,986	819,930
Loans (see Note 18)	278,548	-
Total	2,311,373	1,224,337

NOTE 18 Creditors amounts falling due after more than one year

Creditors: Amounts falling due after more than one year			
		2008	**2007**
		£	**£**
Right to Buy receipts due to the Scottish Executive		665,234	184,701
LOANS			
All loans are advanced by Banks, are repayable in 2027 (Fixed) and are secured by way of standard securities on the Partnership's housing land and buildings.			
a) Fixed Rate		3,500,000	-
b) Variable Rate		278,548	-
Analysis of duration of loans and interest rates:		**2008**	**2007**
	5.1% to 8.1%	£	£
Repayable in one year or more	278,548	278,548	-
Repayable in more than five years	3,500,000	3,500,000	-
		3,778,548	**-**
Being Loans falling due			
-within one year		278,548	-
-after more than one year		3,500,000	-
		3,778,548	**-**
Average interest rates at 31 March			
Fixed		5.34%	-
Variable		6.19%	-
Overall		5.76%	-

Bank lending facility

At the year end the Partnership had not drawn down on any lending facility. A committed facility of £10million was available from the Royal Bank of Scotland along with an uncommitted overdraft facility of £0.250 million. In setting up this facility the Partnership incurred total arrangement fees of £82,093 which are included in debtors and which will be amortised over the period of the loan drawdown. Security over the housing properties has been granted to the Royal Bank for the period of the lending facility. Section 66 consent has been granted.

NOTE 19 Provisions for liabilities and charges

Provisions for Liabilities and Charges		
	2008	2007
	£	£
At 1 April 2007	22,941,574	-
Created in Year	-	23,357,604
Utilised	(1,493,449)	(416,030)
At 31 March 2008	21,448,125	22,941,574

Development Agreement

The provision represents the best estimate of the costs of contracted works for the repair of managed properties. This agreement is part of the development agreement and as work progresses the provision will be utilized when the work is actually undertaken.

NOTE 20 Share Capital

Share Capital		
	2008	2007
	£	£
Shares of £1 each issued and fully paid		
At 1 April 2007	19	12
issued during period	9	7
Transferred	146	-
Surrendered during period	(2)	-
At end of period	172	19

Shares were held by the following Board members during the year:

Angela Quail, Hamish Fraser, Calum Mackay, Kevin Patterson, George Lonie, Michael Cross, Jane Mackinnon and George Banks.

NOTE 21 Reserves

Revenue Reserves	2008	2007
	£	£
Accumulated surplus/(deficit) at 1 April 2007	317,662	(2,450)
Surplus for the year	171,664	320,112
Accumulated surplus at 31 March 2008	489,326	317,662

Designated Reserves	Asbestos	Repairs & Renewals	2008	2007
	£	£	£	£
Balance at 1 April 2007				-
Transferred to/from) Reserve	97,261	26,432	123,693	-
Balance at 31 March 2008			123,693	-

NOTE 22 Capital Reserve

On 1 April 2007 Muirneag Housing Association, Taighean Ceann A'Tuath Na'Hearadh, Berneray Housing Association Limited, Buidheann Taigheahais Na Meadhanan Limited and Barra and Vatersay Housing Association Limited transferred engagements to Hebridean Housing Partnership. The Partnership has used acquisition accounting to account for the business combination. Negative goodwill arising on the acquisition has been transferred to the capital reserve.

Capital Reserve	2008	2007
	£	£
Fixed Assets at net book value	4,089,387	-
Current Assets	779,095	-
Cash	942,849	-
Liabilities	(1,459,564)	-
Loans	(3,761,505)	-
Net Assets	590,262	-
Amount amortised to Income and Expenditure in year	(67,853)	-
Reserve at 31 March 2008	522,409	-

NOTE 23 Pensions

The Partnership participates in the Highland Superannuation Fund (HSF) which, as part of the Local Government Pension Scheme is a defined benefit statutory scheme based on final pensionable pay. Contributions are charged to the Income and Expenditure Account so as to spread the cost of pension over employees' working lives. These contributions are determined by formal actuarial valuation, which last took place at 31 March 2005. A valuation is currently being carried out as at 31 March 2008. HHP were not in the scheme when the last full valuation was carried out.

FRS 17 states that, where in multi-employer pension scheme an employer may have no obligation other than to pay a contribution that reflects only the benefits earned in the current period, if this is the case, from the point of view of the employer, the scheme is a defined contribution scheme and is accounted for as such. Therefore, the Partnership has accounted for its participation within the HSF as if it were a defined contribution scheme, and as a result, the cost recognised within the surplus for the year in the Income and Expenditure account is equal to the contributions payable to the scheme for that year.

The fund is administered by Highland Council in accordance with the Local Government Pension Scheme (Scotland) Regulations 1998 as amended. Comhairle Nan Eilean Siar has granted an indemnity to the Partnership in relation to under-funding attributable to the period prior to 12 September 2006. This indemnity lasts until 2016 and no provision is considered necessary at this point but will be subject to review annually.

Major Assumptions

	31-Mar 2008 % per annum	31-Mar 2007 % per annum
Price increases	3.70%	3.20%
Salary increases	5.20%	4.70%
Pension increases	3.70%	3.20%
Discount rate	6.60%	5.40%

Assets (Employer)				
	Long Term Return at 31-Mar-08 %	Assets at 31-Mar-08 £000's	Long Term Return at 31-Mar-07 %	Assets at 31-Mar-07 £000's
Equities	7.70%	2,052	7.80%	2,142
Gilts (1)	4.30%	264	4.90%	464
Other Bonds	6.60%	243	4.90%	-
Property	5.70%	340	5.80%	349
Cash	5.00%	53	4.90%	58
TOTAL	**7.00%**	**2,952**	**7.10%**	**3,013**

(1) Gilts included in other Bonds at 2007

Net Pension Asset		
	31-Mar 2008 £000's	31-Mar 2007 £000's
Estimated Employer Assets (A)	2,952	3,013
Present Value of Scheme Liabilities	3,423	3,540
Present Value of unfunded Liabilities	20	-
Total value of liabilities(B)	**3,443**	**3,540**
Net Pension Assets (A)-(B)	(491)	(527)

NOTE 24 Scottish Government Grants

The Scottish Government has made available a non repayable grant of £2.5 million payable over 10 years. The annual drawdown of the grant is subject to a number of specified conditions. The grant instalment of £175,000 received during the year has been applied as follows:

Scottish Government Non-Specific Grants		
	2008 £	2007 £
Opening balance	2,325,000	2,500,000
Grant Funding received	325,000	175,000
Applied to investment expenditure		
Deferred for application against future expenditure	2,000,000	2,325,000

In addition The Scottish Government has made available a loan to the Partnership of £665,234 being the Comhairle's share of the Right to Buy receipts received this year.

NOTE 25 Related Party Transaction

During the period the tenancies held by tenant Board members were held on normal commercial terms and they are not able to use their position to their advantage.

The Partnership retains a register of members' interest. There are no interests in related parties requiring to be declared.

NOTE 26 Cash flow notes

Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities

	2008	2007
	£	£
Operating surplus	72,002	221,093
Abortive development costs	11,514	-
Depreciation charges	123,943	25,984
Amortisation of Capital Reserve	(67,853)	-
Decrease/(Increase) in debtors	706,482	(514,078)
Increase in creditors and provisions (excluding loans)	170,543	1,370,089
Net Cash inflow from operating activities	1,016,631	1,103,088

Analysis of Net Debt

	2008	2007
	£	£
	£	
Debt due after 1 Year	(3,500,000)	-
Debt due within 1 Year	(278,548)	-
	(3,778,548)	-
Bank and short term deposits	2,271,837	1,016,271
	(1,506,711)	1,016,271

Analysis of Changes in Net Cash

	At 1 April 2007	Cash Inflow	31-Mar 2008
	£	£	£
Cash at bank and in hand	258,434	516,971	775,405
Overdraft			-
Reduction in cash	258,434	516,971	775,405
Deposits	757,837	738,595	1,496,432
Debt due after more than an year		-	-
	1,016,271	1,255,566	2,271,837

Detailed Income & Expenditure Account

	2008				2007			
	Lettings	Other	Grant	Total	Lettings	Other	Grant	Total
Income	£	£	£	£	£	£	£	£
Net Rental Income	5,549,499			5,549,499	2,522,256			2,522,256
Factoring Fee		11,504		11,504		64,308		64,308
Fee income for Services		55,430		55,430		31,635		31,635
Fees charged to Investment		154,322		154,322		39,862		39,862
RTB Administration				-		14,542		14,542
Grant from RBS			-	-			3,000	3,000
NHP Grant			-	-			258,449	258,449
Negative Goodwill amortised		67,853		67,853				
Other Grants			245,773	245,773				
Deficit Funding Grant			325,000	325,000			175,000	175,000
	5,549,499	289,109	570,773	6,409,380	2,522,256	150,347	436,449	3,109,052
Operating costs								
Employee costs	1,067,433	83,338	-	1,150,771	495,717	109,205	99,292	704,214
								-
Premises Costs	104,365	14,000	-	118,365	56,036	4,000	4,605	64,641
IT & Telecoms	134,667	1,933	-	136,600	104,806	18,495	1,744	125,045
Area Offices	41,243	-	-	41,243	19,565	3,453		23,018
Internal Audit	6,539	-	-	6,539	3,215			3,215
Payroll & Cashdesk	21,601	-	-	21,601	8,245	1,455		9,700
Finance Services	-	-	-	-				-
Supplies & Services	308,415	15,933	-	324,348	191,867	27,403	6,349	225,619
Postage, printing & stationery	33,052	474	-	33,526	14,317	2,527	1,064	17,908
Admin, Furniture & equipment	2,227	-	-	2,227	4,209	743	74	5,026
Training	19,471	-	-	19,471	9,364	1,653	2,080	13,097
Community Support	27,877	-	-	27,877	1,354	239	-	1,593
Misc Admin	5,223	-	-	5,223	780	138	-	918
Recruitment costs	421	-	-	421	2,535	447	-	2,982
Administration Costs	88,271	474	-	88,745	32,559	5,747	3,218	41,524
Consultants + Audit Fees	100,616	-	-	100,616	76,048		141,184	217,232
Insurance	143,629	-	-	143,629	67,869		-	67,869
Affliation Fees	16,474	-	-	16,474	7,687		940	8,627
Governance	23,270	-	-	23,270	9,042		7,465	16,507
Wider Role Grant	-	-	46,665	46,665				
Bank Charges & Fees	8,644	-	-	8,644	3,580		-	3,580
Public Relations/Marketing	6,426	-	-	6,426	2,181			2,181
Corporate Expenses	299,059	-	46,665	345,724	166,407	-	149,589	315,996
Supervision & Management	1,763,178	99,745	46,665	1,909,588	886,550	142,355	258,448	1,287,353
								-
Bad Debt provision movement	83,222			83,222	67,630			67,630
Response Repairs	1,584,389		99,124	1,683,513	862,587			862,587
Planned/Cyclical Maintenance	592,420			592,420	169,930			169,930
Investment Programme	1,508,194		424,984	1,933,178	299,475		175,000	474,475
Total investment in properties	3,685,003	-	524,108	4,209,111	1,331,992	-	175,000	1,506,992
Abortive Developments		11,514		11,514				
Depreciation	123,944			123,944	25,984			25,984
Total Operating Costs	5,655,347	111,259	570,773	6,337,379	2,312,156	142,355	433,448	2,887,959
Operating surplus/deficit	**(105,848)**	**177,850**	**-**	**72,002**	210,100	7,992	3,001	221,093

This page does not form part of the audited financial statements

Board of Management

Name	Category	Changes during the year	
		Appointed	Resigned
George Lonie	Councillor Community	 20 Sept 2007	3 May 2007
Iain W Reid	Tenant	7 May 2002	31 Jan 2008
Christopher Morrison	Community	7 May 2002	20 Sept 2007
David Blaney	Community Councillor	 20 June 2007	3 May 2007
Alasdair Mackenzie	Tenant	19 June 2006	20 Sept 2007
Angela Quail	Tenant	20 Sept 2005	
Michael Cross	Tenant	20 Sept 2007	
Kevin Paterson	Tenant	20 Sept 2007	
Calum Mackay	Community	7 May 2002	
Jane Mackinnon	Community	7 May 2002	
Hamish Fraser	Community	7 May 2002	
George Banks	Community	20 Sept 2007	
Neil Campbell	Councillor	28 June 2007	
Archie Campbell	Councillor	28 June 2007	
Donald Manford	Councillor	29 June 2006	3 May 2007
Donald Nicolson	Councillor	1 February 2007	3 May 2007
Charles Nicolson	Co-optee Councillor	 20 June 2007	3 May 2007
Gerry Macleod	Councillor	20 June 2007	

Supplementary Information

Secretary and Registered Office
Dena Macleod BA CA
Creed Court
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Director of Resources: Dena Macleod BA CA