

# Westcountry Housing Association Limited

**Annual Report and Financial Statements**

**31 March 2011**

<b>CONTENTS</b>	<b>Page</b>
Board Members, Executive Directors, Advisors and Bankers	1-2
Report of the Board	3-7
Operating and Financial Review	8-12
Independent Auditor's Report	13-14
Income and Expenditure Account	15
Statement of Total Recognised Surpluses and Deficits	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Financial Statements	18-48

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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## BOARD MEMBERS, EXECUTIVE DIRECTORS, ADVISORS AND BANKERS

### The Board

Chair

Mr I McDougall (Appointed 21 Sept 10)  
Mr M Winwood (Resigned 21 Sept 10)

Other Members

Ms J Ballantyne (Resigned 17 May 11)  
Mr M Fine  
Mr G Buck  
Ms K Ayling  
Mr R Sigsworth  
Ms G Cleave  
Mr C Eccles  
Mrs R Day (co-opted)  
Mr R Evans  
Mr M Scott-Tucker (co-opted)  
Ms J Felix-Mitchell

### Executive Directors

Company Secretary

Ms J Hughes

Managing Director

Ms K Ayling

Investment & Procurement

Director

Ms J Gregg

Supported Housing Director

Mr P Smith

Registered  
Office

Hatfield House  
Hatfield Road  
Torquay  
Devon  
TQ1 3HF

Auditors

KMPG LLP  
Plym House  
3 Longbridge Road  
Marsh Mills  
Plymouth  
PL6 8LT

Principal  
Solicitors

Trowers & Hamlin  
Portland House  
Longbrook Street  
Exeter  
EX4 6AB

# **WESTCOUNTRY HOUSING ASSOCIATION LIMITED**

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## **BOARD MEMBERS, EXECUTIVE DIRECTORS, ADVISORS AND BANKERS (CONTINUED)**

Principal Bankers	RBS 2 <sup>nd</sup> Floor, Vantage Point Woodwater Park Pynes Hill Exeter Devon EX2 5FD
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Registered under the Industrial and Provident Societies Acts No. 19141R

Registered with the Tenants Services Authority No LH0945

## **REPORT OF THE BOARD**

The Board presents its report and audited financial statements for the year ended 31 March 2011.

### **Westward Housing Group**

Westcountry Housing Association Limited (the Association) is a wholly owned subsidiary of Westward Housing Group Limited (Westward) together with Tarka Housing Limited. Westward is a registered provider and acts as a charitable group parent organisation. The ownership of the assets and liabilities of Westcountry Housing Association Limited is not affected by this group membership and with the exception of the group executive directors all staff are employed by the subsidiaries. Membership of the group Board comprises nominees from the subsidiaries together with independent board members. Central services are provided to all group members by staff teams employed by Westcountry Housing Association Limited on behalf of the group.

### **The Association**

The Association is a not-for-profit organisation registered with the Financial Services Authority as an Industrial and Provident Society with exempt charitable status. The Association is formed for the benefit of the community and its business is directed by the Board. It operates throughout the counties of Devon and Cornwall with a small amount of stock in Wiltshire and Dorset. Head office is in Torquay and additional offices are in Plymouth.

### **Principal activities**

Westcountry Housing Association aims to provide, manage and maintain a wide range of good quality, affordable accommodation and housing related services for people in the greatest need.

### **Business review**

Details of the Association's performance for the year and future plans are set out in the Operating and Financial Review following this report.

### **Board members and executive officers**

Board members are shown on page 1. All the Board members and executive officers served throughout the financial year unless otherwise stated. The Board may from time to time appoint executive officers of the Association to serve on the Board. The Managing Director currently serves on the Board in accordance with the Association's rules.

### **Employees**

The Association acknowledges the importance of the quality of its employees in meeting its aims and objectives. This is recognised in the Westward accreditation as an Investor in People. The Association's ability to meet its commitments to residents and others in an efficient and effective manner depends on the contribution of its employees.

The directors recognise the importance of human resources. Practices to provide good communications and relations with employees include providing them with information on matters of concern to them as employees. Employees or their representatives are consulted on a regular basis so that their views can be taken into account in making decisions which are likely to affect their interests.

# **WESTCOUNTRY HOUSING ASSOCIATION LIMITED**

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## **REPORT OF THE BOARD (continued)**

### **Employees (cont'd)**

It is Group policy to give fair consideration to the employment needs of disabled people and to comply with current legislation with regard to their employment. Wherever practicable, we continue to employ and promote the careers of existing employees who become disabled and to consider disabled persons for employment, subsequent training, career development and promotion on the basis of their aptitudes and abilities. The Association is committed to equal opportunities for all its employees. The equality and diversity strategy approved by the Board is made available to all staff.

### **Health and safety**

The Board is aware of its responsibilities on matters relating to health and safety. The Association continues to review and update its detailed health and safety policies, including arrangements for appropriate staff training. The Westward Housing Group corporate services structure includes dedicated health and safety and learning and development functions which have delegated Board authority for operational matters.

### **Officers' insurance**

The Association purchases insurance each year against the liabilities of all Board members and executive officers in relation to the Association.

### **Statement of Board's responsibilities in respect of the Board's report and the financial statements**

The Board is responsible for preparing the Board's 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. Under those regulations the Board have elected to prepare the financial statements in accordance with UK Accounting Standards.

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

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

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

The Board is responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Industrial and Provident Societies Acts 1965 to 2003, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006. The Board has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

# **WESTCOUNTRY HOUSING ASSOCIATION LIMITED**

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## **REPORT OF THE BOARD (CONTINUED)**

### **Statement of Board's responsibilities in respect of the Board's report and the financial statements (continued)**

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

### **National Housing Federation Code of Governance**

The Board are pleased to report that the Association has adopted the NHF Code of Governance (2010) and that it complies with all the principles of this code. The Association has also adopted the NHF Code of Standards (2011) and complies with the principles of this code.

### **The Board**

The number of non-executive Board members is eleven. Three Board member places are exclusively for the Association's residents. The Managing Director is currently also a member of the Board. The Board members are drawn from a wide background bringing together professional, commercial and local experience. The Board meets, formally, at least nine times a year for regular business and annually to discuss strategy and, as necessary, for members' training.

Board members are appointed in the first instance by the Board, and those appointed during the year to fill casual vacancies must retire at the next Annual General Meeting and are eligible for re-election by the share holding members. At each Annual General Meeting one third of the existing Board also retire and are eligible under the rules for re-election.

The Board is responsible for the Association's strategy and policy framework. It delegates the day-to-day management and implementation of that framework to the Group Chief Executive, the Managing Director and other group executive directors. The group senior management team comprises the Chief Executive, Finance Director, Investment & Procurement Director, Supported Housing Director the Managing Directors of Westcountry and Tarka Housing. The senior management team normally meets fortnightly and attends board meetings.

### **Committees**

Under the group structure all committees are group committees, therefore the Association has no formal committees of its own. The group committees deal with the Associations' requirements through (1) Audit & Treasury, (2) Planning & Urgency, and (3) Remuneration & Membership committees. The Association is represented on these committees through nominee Board members.

The Board and the group committees obtain external specialist advice from time to time as necessary.

### **Internal Controls Assurance**

Westcountry Housing Association Limited is a subsidiary of the Westward Housing Group Limited and the Group Board's statement on internal controls assurance is reproduced below:

The Westward Group Board has overall responsibility for establishing and maintaining the Group's system of internal control and for reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance against financial misstatement or loss, fraud or eliminate all risk. The system of internal control is designed to manage risk and to provide reasonable assurance that key business objectives and expected outcomes will be achieved.

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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## REPORT OF THE BOARD (CONTINUED)

### Internal Controls Assurance (cont'd)

It also exists to give reasonable assurance about the preparation and reliability of financial statements and operational information and for the safeguarding of the Group's assets and interests.

The process for identifying, evaluating and managing the significant risks faced by the Group is ongoing, has been in place throughout the period commencing 1 April 2010 up to the date of approval of the report and financial statements.

In reaching this conclusion the Board has reviewed the key elements of the control environment, including:

- The Board and Committee structure, constitution, standing orders and financial regulations.
- Assurances received from management evidenced through comprehensive operational reports.
- Board approval of all short/medium terms plans and the risk assessments of those plans, reviewed quarterly by the Board.
- Risk management activities supported by the use of dedicated policy groups and working parties, which look at particular aspects of the Group's work.
- The Group's audit arrangements both for internal and external audit.
- The use and award of, quality management systems.
- Performance indicators across all major activities.
- Reports from and submitted to the Tenant Services Authority on the Group's compliance with all aspects of its regulatory code.
- Board approved whistle-blowing and anti-theft and corruption policies.
- Board approved anti-fraud & corruption policies, covering prevention, detection, and reporting of fraud, and the recovery of assets.

A fraud register is maintained and is reviewed by the Group Audit & Treasury Committee. During the year there were two reported cases of attempted fraud by third parties in relation to credit card and direct debit transactions. Neither attempt resulted in financial loss.

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Group Audit & Treasury Committee to regularly review the effectiveness of the system of internal control. The Board receives minutes of the Audit & Treasury Committee meetings and can ask for specific reports to be referred to it.

The Board has received the Chief Executive's annual review of the effectiveness of the system of internal control, as it applies across the Group, and the annual report of the internal auditor. Within the review the Board noted that the overspend in the Westcountry Housing major repairs budgets did not have a material impact on the ongoing business of the Group. Controls are now subject to further review and procurement, processing and monitoring procedures will be enhanced during 2011.

The Board particularly reviews the service provided by its internal auditors and external auditors. These provide independent, trusted and objective reports which are reviewed initially by the Group's Audit & Treasury Committee and then by the Board. The auditors have direct access to the Board and have review meetings with the Group Audit & Treasury Committee. The internal audit service is outsourced and follows an audit needs assessment plan agreed with the Board.

# **WESTCOUNTRY HOUSING ASSOCIATION LIMITED**

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## **REPORT OF THE BOARD (CONTINUED)**

### **Internal Controls Assurance (cont'd)**

The Board is of the view that this internal audit service should remain as one of the cornerstones of our internal control system.

The Board confirms that there have been no regulatory concerns, which have led the Tenant Services Authority to intervene in the affairs of the Association. The Board further confirms that there have been no significant problems in relation to failures in internal controls which require disclosure in the financial statements.

### **Disclosure of information to auditors**

At the date of making this report each of the Association's directors, as set out on page 1, confirm the following:

- so far as each director is aware, there is no relevant information needed by the Association's auditors in connection with preparing their report of which the association's auditors are unaware
- each director has taken all the steps that ought to have been taken as a director in order to be made aware of any relevant information needed by the Association's auditors in connection with preparing their report and to establish that the Association's auditors are aware of that information.

### **Going Concern**

After making enquiries the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

### **Auditors**

Grant Thornton resigned as auditors during the year and KPMG LLP were appointed. A resolution to reappoint KPMG LLP as auditors will be proposed at the forthcoming Annual General Meeting.

### **Approval**

The Report of the Board was approved by the Board on 26 July 2011 and signed on its behalf by:

**Karen Ayling**  
**Managing Director**

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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## OPERATING AND FINANCIAL REVIEW

### Background

Westcountry Housing Association Limited operates three key business streams:

- 'general needs' housing for rent, primarily by families who are unable to rent or buy at open market rates;
- low cost home ownership, primarily shared ownership where residents purchase a share in the equity of their homes and pay rent to the Association on the remainder; and
- supported and sheltered housing for people who need additional housing-related support.

As well as managing over 4,500 properties, the Association is a developer of new affordable housing as a member of a development consortium, Partnership South West (PSW). PSW has been selected as a development partner by the Home & Communities Agency.

During the year the Association transferred social enterprise activities offering training and employment opportunities in Torridge and North Devon.

### External Influences

Government policies are aimed at increasing housing supply by widening the availability of social housing grant to the private sector, extending opportunities for people to buy their own homes and consulting on changes to the planning and taxation systems to help finance the new developments.

In addition, the quality of affordable housing remains a key focus for government that required all social housing be at decent homes standard by 2010 and will require that new homes be developed in the future using environmentally sustainable methods of construction. Social housing providers are also expected to contribute more of their financial resources to developing new social housing and are therefore faced with the challenging objectives of improving efficiency whilst maintaining high quality services.

### Mission and Vision

Westcountry Housing Association Limited has adopted the Westward Group Mission and Vision: delivering excellence to provide better homes, healthier environments and stronger neighbourhoods where people want to live.

Our Vision is:

Westward Group members

...will deliver excellence through meeting our promises

- involving, empowering and engaging with residents & service users
- promoting positive local identity
- working with a wide range of partners
- bringing other partners into the Group with complementary strengths
- developing more affordable homes
- being employers of choice
- promoting open and transparent communications and feedback

...will deliver better homes by

- improving our existing housing stock
- building high quality new homes
- working to high environmental and energy efficiency standards
- incorporating the benefits of sustainable communities
- involving residents in designing homes where people want to live

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### Mission and Vision (cont'd)

...will provide healthier environments by

- raising the quality and extending the range of services to residents & service users
- supporting people who are vulnerable
- getting services right first time
- aspiring to top inspection and accreditation results
- encouraging user-driven and user focussed innovation

...will provide stronger, happy neighbourhoods by

- putting communities and their needs at the forefront
- encouraging employment and training opportunities particularly for Westward residents
- ensuring equality and diversity are fully reflected in all activities

Key indicators are used by the senior management team to monitor achievement of the Association's objectives. Targets are set each year by the Board to manage development and deliver continuous service improvement.

### General operating environment

These financial statements show the results of the Association's activities for the year ended 31 March 2011. Highlights for the year include:

- General needs rents increased in accordance with the Associations rent plan. The rent plan was introduced following government legislation requiring equalisation of local authority and housing association rents by 2012.
- The continuing provision of the Homebuy zone agency service known as South West Homes providing marketing services for shared equity products to local authorities and RSLs in the South West.
- Major repair expenditure on approximately 700 of our properties.
- Cyclical maintenance expenditure on 250 of our properties.
- Completion of 13,031 responsive repairs (2010: 12,170).
- The total number of full time equivalent staff employed in the year was 258.
- Staircasing activity has decreased, with 10 staircasings compared to 15 last year.

### Performance for the year

The Association generated a surplus for the year of £2.4m, compared with last year's surplus of £1.6m. An amount of £0.1m was transferred from the designated reserves (2010: £0.5m) to fund the major repair programme this year.

The Association remains committed to generating sufficient reserves to pursue its core objectives and to meeting the following funding requirements:

- Maintaining the Association's housing properties in a sound state of repair.
- Financing long term loan repayments.
- Providing a contingency against risk and future uncertainties.
- Development of new schemes and property purchase.

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### Performance for the year (continued)

- Maintaining the affordability of rents.

Results of key performance indicators for Westcountry in the year were as follows:

Performance Indicator	2010-2011	Target
Average re-let time in calendar days	17.8%	18
Percentage of GN tenants very or fairly satisfied with the overall service provided by the association	85.6%	Regional Upper Quartile benchmark 88%
Emergency repairs completed within target	99%	100%
% properties with completed annual gas servicing certificates	99.1%	100%
% satisfied with Aids & Adaptations carried out	95%	98%
Overall satisfaction with responsive repairs service	95%	97%

Results of key performance indicators for Westcountry support services in the year were as follows:

Performance Indicator	2010-2011	Target
Overall Occupancy	94%	96%
% of Lettings to BME (Black and Minority Ethnic Communities)	6%	3%
Average re let time (in calendar days)	13 days	18 days
Voids - % of stock which is vacant and available for letting	6%	4%
Current arrears as % of debit	4.8%	2.7%
Floating support Utilisation - units provided as a % of funded units	86%	100%

Supporting People contract income generated a surplus of £8k (2010: 137k) this being £96k surplus from block subsidy contracts and £88k deficit on block gross contracts. Supported Housing generated a surplus of £134k before major repairs expenditure of £277k (2010: £152k).

### Main Factors and influences

The operating environment for registered providers is in a state of great change. Influences for Westcountry Housing Association include the cost and availability of future private finance, the housing market and potential changes to the benefit system.

The Association has made an offer to the Homes and Communities Agency to develop approximately 400 new properties in the next 4 years at reduced grant rates and charging 80% market rents. This development model is new to the sector as it relies on high rent levels over a longer period rather than capital subsidy received during the development process.

# **WESTCOUNTRY HOUSING ASSOCIATION LIMITED**

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## **OPERATING AND FINANCIAL REVIEW (CONTINUED)**

### **Future developments**

We constantly review our development objectives in the light of the significant changes in government funding. The Board continues to consider ways of best utilising the skills and capacity of its managers and staff.

The operational structure for Westcountry Housing Association has two directorates, Housing (covering the housing services, asset management and home ownership functions) and Supported Housing (including housing support services and social enterprise). Functions consisting of Investment and Procurement, Finance, HR, IT, Governance and Communications are delivered across the Group by Westward Housing and charged back to the subsidiaries at cost.

This structure has been implemented in order to support the challenges of meeting the ambitious targets set within the five year plan which aims to expand the Association's overall activities.

The Homebuy zone agency service operates across Devon, Cornwall South Somerset, Dorset and Wiltshire. From April 2009 the agency has been run in partnership with Sovereign Housing Group from offices in Torquay and Bristol.

In May 2011 a wholly owned non-charitable subsidiary to Westcountry Housing Association was incorporated to investigate the possibility of developing properties for outright sale. The company is called New Horizon Homes Limited.

### **Rent arrears and void losses**

The level of rent and service charge arrears increased in money and percentage terms during the year. At the financial year end the total current and former arrears, including tenant and other debts such as court costs, stood at £581,000 compared to £429,000 at the end of the previous year. Arrears now represent 3.34% of income due; compared to 2.67% last year.

### **Surplus on disposal of properties**

The Association's surplus on sale of properties fell from £705,000 in the previous year to £379,000 in this year. The social housing grant on the disposed units is retained to provide additional social homes.

### **Properties in management**

At the end of the financial year the number of properties in management has increased for all letting types apart from Private Sector Leasing (PSL). The PSL scheme was managed on behalf of Torbay Council and the management agreement ended on 31<sup>st</sup> March 2011.

### **Reserves**

At the end of the year the Association had total reserves of £36.9m (2010: £34.6m). Designated reserves of £8.9m represent an increase of £0.1m from the previous year.

### **Treasury management**

Treasury management is operated within a policy approved by the Board. The overall financing requirement is approved by the Board – individual loans are scrutinised and recommended by the Westward Group Audit and Treasury Committee. Investments are made only with counterparties specified within the Treasury Management Policy. A conservative approach is adopted, no derivatives are used and quarterly reports are received by the Audit and Treasury Committee on investment performance.

## OPERATING AND FINANCIAL REVIEW (CONTINUED)

### Development of new properties

The Association has been a member of Partnership South West (PSW) throughout the year as part of the Home & Communities Agency Investment Partnering Initiative. This has assisted the efficient delivery of the investment programme for the South West where both cash programme targets and unit completion targets were exceeded.

Our membership of PSW should help us to become more competitive through volume procurement and competitive bidding for grant.

### Cashflow and liquidity

The cash inflow from operating activities during the year was £6.3m (2010: inflow £4.1m).

The Association's financial instruments comprise borrowings, cash and various items such as trade debtors and creditors that arise directly from its operations. The main purpose of these instruments is to raise finance for operations. The main risks from the Association's financial instruments are interest rate risk and liquidity risk.

New developments are financed through a mixture of retained reserves, social housing grant and debt. A key plank of the Association's treasury policy is to have agreed loan facilities in place to cover our cash flow requirements over a rolling twelve-month period, plus a margin for comfort. The total level of secure facilities stands at £111m.

We have good relationships with our existing lenders, but are acutely aware that the funding market remains competitive and innovative, and we devote considerable energy to exploring and developing new relationships.

When negotiating new loan facilities, we adhere to a number of principles, particularly the consistency of financial covenants. This means that all our lenders enjoy a common set of measures, which streamlines the Association's internal monitoring processes.

### Statement of Compliance

In preparing the Operating and Financial Review the Board has followed the principles set out in the SORP 2008.

**Karen Ayling**  
**Managing Director**  
**26 July 2011**

# **WESTCOUNTRY HOUSING ASSOCIATION LIMITED**

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## **INDEPENDENT AUDITOR'S REPORT THE MEMBERS OF WESTCOUNTRY HOUSING ASSOCIATION LIMITED**

We have audited the financial statements of Westcountry Housing Association Limited for the year ended 31 March 2011. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the association's members, as a body, in accordance with section 128 of the Housing and Regeneration Act 2008 and section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the Board and auditor**

As more fully explained in the Statement of Board's Responsibilities set out on pages 4 and 5, the association's Board is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

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

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### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the association as at 31 March 2011 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 2003, the Housing and Regeneration Act 2008 and the Accounting Requirements for Registered Social Landlords General Determination 2006-

**INDEPENDENT AUDITOR'S REPORT THE MEMBERS OF WESTCOUNTRY HOUSING ASSOCIATION LIMITED (CONTINUED)**

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

We have nothing to report in respect of the following matters where the Industrial and Provident Societies Acts 1965 to 2003 require us to report to you if, in our opinion:

- a satisfactory system of control over transactions has not been maintained; or
- the association has not kept proper accounting records; or
- the financial statements are not in agreement with the books of account; or
- we have not received all the information and explanations we need for our audit.

**Harry Mears (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
Plym House  
Plymouth  
PL6 8LT

26 July 2011

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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

	Note	2011 £000	2010 £000
Turnover	2	23,471	21,818
Operating costs	2	(17,900)	(17,453)
Operating surplus	4	<u>5,571</u>	<u>4,365</u>
Surplus on sale of properties	27	379	705
Interest receivable and other income	5	134	97
Interest payable and similar charges	6	(3,712)	(3,530)
Surplus for the year	20	<u><u>2,372</u></u>	<u><u>1,637</u></u>

All results are on a historical cost basis.

All of the Association's turnover and results relate to continuing activities.

## STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS FOR THE YEAR ENDED 31 MARCH 2011

	2011 £000	2010 £000
Surplus for the year	2,372	1,637
Unrealised surplus on investments	-	125
Total recognised surpluses and deficits for the year	<u><u>2,372</u></u>	<u><u>1,762</u></u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## BALANCE SHEET as at 31 March 2011

	Note	2011 £000	2010 £000
Housing properties	9	270,820	247,468
Social housing grant	9	(149,060)	(143,348)
		<u>121,760</u>	<u>104,120</u>
Other fixed assets	10	1,436	1,501
		<u>123,196</u>	<u>105,621</u>
Investments	11	1,496	1,496
		<u>124,692</u>	<u>107,117</u>
<b>Current assets</b>			
Properties for sale	13	2,837	1,516
Debtors due within one year	14	8,721	5,831
Investments	15	655	2,655
Cash at bank and in hand		3,527	5,746
		<u>15,740</u>	<u>15,748</u>
<b>Creditors: amounts falling due within one year</b>	16	(7,874)	(4,956)
		<u>5,388</u>	<u>8,933</u>
<b>Net current assets</b>		2,478	1,859
<b>Debtors due in over one year</b>			
		<u>132,558</u>	<u>117,909</u>
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due after more than one year</b>	17	95,322	83,348
		<u>37,236</u>	<u>34,561</u>
<b>Capital and reserves</b>			
Share capital	19	-	-
Revaluation reserve	20	250	456
Designated reserves	20	8,944	8,788
Revenue reserve	20	27,739	25,317
Negative goodwill	20	303	-
Association's funds		<u>37,236</u>	<u>34,561</u>
		<u>132,558</u>	<u>117,909</u>

The financial statements were approved by the Board on 26 July 2011 and signed on its behalf by:

**I McDougall**  
Chairman

**K Ayling**  
Board Member

**Board Member**

## WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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

	Note	2011 £000	2010 £000
Net cash inflow from operating activities	22	6,258	4,082
Returns on investments and servicing of finance	23	(3,433)	(3,426)
Capital expenditure and financial investment	23	(19,174)	(5,145)
Net cash outflow before management of liquid resources and financing		<u>(16,349)</u>	<u>(4,489)</u>
Net cash received from transfer of trade and assets		147	-
Management of liquid resources	23	2,000	(2,000)
Financing	23	11,983	9,000
(Decrease)/Increase in cash	24	<u>(2,219)</u>	<u>2,511</u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### I ACCOUNTING POLICIES

#### Legal status

The Association is registered under the Industrial and Provident Societies Act 1965 and is registered with the TSA as a housing provider.

#### Basis of accounting

The financial statements of the Association are prepared in accordance with UK Generally Accepted Accounting Principles (UK GAAP) and the Statement of Recommended Practice: Accounting for registered social landlords, issued in January 2008 (SORP 2008) and comply with the Accounting Requirements for registered social landlords General Determination 2006.

The financial statements are prepared on a going concern basis and under the historical cost convention and have been consistently applied from one financial year to the next.

#### Going Concern

Westcountry Housing Association have sufficient financial resources based on forecasts and current expectations of future sector conditions. As a consequence, the directors believe that Westcountry are well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have therefore a reasonable expectation that Westcountry have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

#### Turnover

Turnover comprises;

- a) rental income receivable in the year from tenants and leaseholders;
- b) other services included at the invoiced value (excluding VAT) of goods and services supplied in the year
- c) revenue grants; and
- d) first tranche sales income on shared ownership properties. Income from first tranche sales is recognised at the point of legal completion of the sale.

#### Revenue recognition

Rental income is recognised from the point when properties under development reach practical completion or otherwise become available from letting. Income from first tranche sales is recognised at the point of legal completion of the sale. Revenue grants are receivable when the conditions for receipt of agreed grant funding have been met.

#### Pensions

The Association participates in an industry-wide defined benefit final salary multi-employer pension scheme. The assets of the scheme are invested and managed independently of the finances of the Association. Contributions are based on pension costs across the various participating employers taken as a whole.

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### I ACCOUNTING POLICIES (CONTINUED)

#### Pensions (cont'd)

As a multi-employer scheme it is not possible to identify the share of assets and liabilities belonging to individual participating employers. Due to the nature of the scheme, therefore, the charge to the income and expenditure account under Financial Reporting Standard 17 "Retirement Benefits" will reflect the employer contributions payable to the scheme in respect of the accounting period.

#### Taxation

The Association has charitable status and is therefore exempt from U.K. Corporation Tax.

#### Housing properties

Housing properties are principally properties available for rent and are stated at cost less social housing grant and depreciation. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised. Land donated by local authorities and others is added to the cost at the market value of the land at the time of the donation.

Shared ownership properties are split proportionately between current and fixed assets based on the element relating to expected first tranche sales. The first tranche proportion is classed as a current asset and related sales proceeds included in turnover and the remaining element is classed as fixed asset and included in housing properties at cost, less any provisions needed for depreciation and impairment. Sales of subsequent tranches are treated as fixed asset disposals

#### Depreciation of housing properties

Freehold land is not depreciated. Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight-line basis, over their estimated useful economic lives in the business. The depreciable amount is arrived at on the basis of original cost, less a proportion of SHG and other grants less residual value (being the actual or estimated open market value of the land at the date of purchase). The housing properties are depreciated at the following rates:

Houses	- New Build	1% (100 years)	Flats	- New Build	1.1% (90 years)
	- Rehab	1.3% (80 years)		- Rehab	1.4% (70 years)

Properties held on leases are amortised over the life of the lease or their estimated useful economic lives in the business if shorter.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### I ACCOUNTING POLICIES (CONTINUED)

#### **Impairment**

Housing properties which are depreciated over a period in excess of 50 years are, in accordance with Financial Reporting Standard 11 "Impairment of fixed assets and goodwill" and the Statement of Recommended Practice (Update 2008), subject to impairment reviews annually. Other assets will be reviewed for impairment if there is an indication that impairment may have occurred.

Where there is evidence of impairment, fixed assets are written down to their recoverable amounts. Any such write down would be charged to operating surplus unless it was a reversal of a past revaluation surplus in which case it would be taken to the statement of total recognised surpluses and deficits.

#### **Social housing grant**

Social housing grant (SHG) is receivable from The Housing Corporation and is utilised to reduce the capital costs of housing properties, including land costs. The amount of SHG receivable is calculated on a fixed basis depending on the size, location and type of housing property.

SHG due from the Housing Corporation or received in advance is included as a current asset or liability.

SHG received in respect of revenue expenditure is credited to the income and expenditure account in the same period as the expenditure to which it relates.

Where, following the sale of a property, SHG becomes repayable or is recycled and used to partly finance additional properties, it is included as a current liability until it is repaid or recycled.

SHG is subordinated in respect of loans by agreement with The Homes & Communities Agency.

#### **Other grants**

Other grants are receivable from local authorities and other organisations. Capital grants are utilised to reduce the capital costs of housing properties, including land costs. Grant in respect of revenue expenditure are credited to the income and expenditure account in the same period as the expenditure to which they relate.

#### **Capitalisation of interest**

Interest is capitalised on borrowings to finance developments to the extent that it accrues in respect of the period of development if it represents either:

- a) interest on borrowings specifically financing the development programme after deduction of interest on Social Housing Grant (SHG) in advance; or
- b) interest on borrowings of the Group as a whole after deduction of interest on SHG in advance to the extent that they have been deemed to be financing the development programme.

Other interest payable is charged to the income and expenditure account in the year.

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### I ACCOUNTING POLICIES (CONTINUED)

#### Other tangible fixed assets and depreciation

Depreciation is provided evenly on the cost of other tangible fixed assets to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Freehold buildings	2%
Furniture, fixtures, fittings and equipment	20%
Computer hardware and software	20%
Motor vehicles	25%
Service assets	20%

#### Comparative numbers

An inter-company loan has been reclassified as a debtor due after one year to achieve consistency of presentation. There is no change in the surplus for the year.

#### Negative Goodwill

Negative goodwill arising on business combinations in respect of acquisitions since 1 January 1998 is included within reserves in accordance with SORP 2008 and released to the income and expenditure account in the periods in which the fair value of non monetary assets purchased on the same acquisition are recovered, whether through depreciation or sale.

#### Investment properties

The value of investment properties are reviewed internally every year and revalued by external valuers every 3 years. Surpluses or deficits on individual properties are transferred to the investment revaluation reserve, except that a deficit which is expected to be permanent and which is in excess of any previously recognised surplus over cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the income and expenditure account. Depreciation is not provided in respect of freehold investment properties. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as required under Statement of Standard Accounting Practice 19 "Accounting for investment properties".

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### I ACCOUNTING POLICIES (CONTINUED)

#### Investments

Investments are bonds held by National Westminster Bank plc for the past pension deficit of the Devon CC pension fund and the past pension deficit of the Social Housing Pension Scheme for staff transferring from Westcountry Housing into Westward Group Limited.

A further long term investment is the loan facility with Tarka Housing which is shown as amount(s) drawn plus rolled up daily interest charged in accordance with the loan agreement between Westcountry Housing and Tarka Housing. The facility is repayable by a bullet repayment on 10<sup>th</sup> December 2022.

#### Major repairs reserve

The Association has a continuing programme of major repairs and costs are charged to the income and expenditure account in the year they are incurred. Reserves have been established to recognise the future cost of major repairs to the structure of housing properties not eligible for social housing grant.

#### Value added tax

The Association is VAT registered but a large proportion of its income, rents, is exempt for VAT purposes and therefore gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT and the input VAT recovered is shown as part of turnover in the income and expenditure account. The balance of VAT payable or recoverable at the year end is included as a current liability or asset.

#### Donated Land

Land donated by local authorities and others is added to cost at the market value of the land at the time of the donation. Where the land is not related to a specific development and is donated by a public body an amount equivalent to the increase in value between market value and cost is added to other grants. Where the donation is from a non-public source, the value of the donation is included in income.

#### Maintenance, repairs and improvements

The Association capitalises improvements to housing properties which add to their value by:

- extending their useful life; or
- reducing future maintenance costs.

Depreciation is calculated annually following completion on each individual contract, on a straight line basis over a period of 70 to 100 years.

Major repairs to related assets, such as communal areas or the external environment, are capitalised when they contribute to an increase in net rental income or a reduction in future maintenance costs.

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### I ACCOUNTING POLICIES (CONTINUED)

#### **Supporting People**

Charges for support services funded under Supporting People are recognised as they fall due under the contractual arrangements with Administering Authorities.

#### **Leased Assets**

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

#### **Properties for sale**

Shared ownership first tranche sales are valued at the lower of cost and net realisable value. Cost comprises materials, direct labour and direct development overheads. Net realisable value is based on estimated sales price after allowing for all further costs of completion and disposal.

Work in progress on shared ownership properties at the end of the financial year is disclosed as a current asset.

## WESTCOUNTRY HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

#### 2 TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

	2011			2010		
	Turnover £000	Operating Costs £000	Operating Surplus £000	Turnover £000	Operating Costs £000	Operating Surplus £000
<b>Social housing lettings (note 3)</b>	17,121	(12,223)	4,898	16,059	(11,804)	4,255
<b>Other social housing activities</b>						
Supporting people contract income	3,600	(3,688)	(88)	3,366	(3,206)	160
Homebuy Agency	1,242	(581)	661	909	(501)	408
Development department costs not capitalised	-	(72)	(72)	-	(354)	(354)
First tranche shared ownership sales	1,191	(790)	401	1,436	(1,309)	127
Management subsidy	-	(150)	(150)	-	(251)	(251)
Negative goodwill arising on transfer of CPND	133	-	133	-	-	-
Other	32	(244)	(212)	23	(28)	(5)
	<u>6,198</u>	<u>(5,525)</u>	<u>673</u>	<u>5,734</u>	<u>(5,649)</u>	<u>85</u>
<b>Non-social housing activities</b>						
Lettings	25	-	25	25	-	25
Other	127	(152)	(25)	-	-	-
<b>Total</b>	<u>23,471</u>	<u>(17,900)</u>	<u>5,571</u>	<u>21,818</u>	<u>(17,453)</u>	<u>4,365</u>

## WESTCOUNTRY HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

#### 3 TURNOVER, OPERATING COSTS AND OPERATING SURPLUS FROM SOCIAL HOUSING LETTINGS

	General housing	Housing for older people	Supported housing	Shared ownership	Managed housing	2011 Total	2010 Total
	£000	£000	£000	£000	£000	£000	£000
<b>Turnover from social housing lettings</b>							
Rent receivable, net of identifiable service charges	10,153	1,530	919	1,623	-	14,225	13,580
Charges for support services	-	279	199	34	30	542	331
Service charges receivable	734	437	755	316	112	2,354	2,148
<b>Turnover from social housing lettings</b>	<u>10,887</u>	<u>2,246</u>	<u>1,873</u>	<u>1,973</u>	<u>142</u>	<u>17,121</u>	<u>16,059</u>
<b>Expenditure on social housing lettings</b>							
Services	(688)	(462)	(642)	(254)	(103)	(2,149)	(2,008)
Management	(1,785)	(397)	(484)	(117)	-	(2,783)	(2,748)
Support	-	(206)	(187)	(29)	(24)	(446)	(354)
Routine maintenance	(2,148)	(313)	(221)	-	-	(2,682)	(1,879)
Planned maintenance	(160)	(84)	(42)	-	-	(286)	(813)
Major repair expenditure	(1,979)	(308)	(277)	-	-	(2,564)	(2,716)
Bad debts	(62)	(7)	(13)	-	-	(82)	(16)
Depreciation of housing properties	(877)	(61)	(62)	(145)	-	(1,145)	(1,029)
Impairment of housing properties	(86)	-	-	-	-	(86)	(241)
<b>Operating costs on social housing lettings</b>	<u>(7,785)</u>	<u>(1,838)</u>	<u>(1,928)</u>	<u>(545)</u>	<u>(127)</u>	<u>(12,223)</u>	<u>(11,804)</u>
<b>Operating surplus/(deficit) on social housing lettings</b>	<u>3,102</u>	<u>408</u>	<u>(55)</u>	<u>1,428</u>	<u>15</u>	<u>4,898</u>	<u>4,255</u>
<b>Voids</b>	<u>125</u>	<u>32</u>	<u>96</u>	<u>6</u>	<u>-</u>	<u>259</u>	<u>300</u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 4 OPERATING SURPLUS

This is arrived at after charging/(crediting)

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Depreciation of housing properties	1,145	1,028
Impairment of housing properties	86	241
Depreciation of other tangible fixed assets	158	150
(Surplus)/Deficit on disposal of other tangible fixed assets other than housing properties	(8)	20
External auditors' remuneration(including VAT)		
External audit services	16	11
Internal auditors' services	13	8
	<u>13</u>	<u>8</u>

### 5 INTEREST RECEIVABLE AND OTHER INCOME

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Income from cash deposits	15	7
Income from inter-group loan	119	90
	<u>134</u>	<u>97</u>

### 6 INTEREST PAYABLE AND SIMILAR CHARGES

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Interest on loans:		
Interest payable capitalised on housing under construction	3,990	3,883
	(278)	(353)
	<u>3,712</u>	<u>3,530</u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 7 EMPLOYEES

	2011 No.	2010 No.
<b>Average monthly number of employees</b>		
Office staff	74	85
Scheme managers, caretakers, cleaners, and project based staff	216	184
	<u>290</u>	<u>269</u>
<b>Average monthly number of full-time equivalent employees</b>		
Office staff	68	78
Scheme managers, caretakers, cleaners, and project based staff	190	161
	<u>258</u>	<u>239</u>
	2011 £000	2010 £000
<b>Staff costs</b>		
Wages & salaries	5,178	4,894
Social security costs	391	388
Other pension costs	297	330
	<u>5,866</u>	<u>5,612</u>

Westcountry Housing Association Ltd participates in the Social Housing Pension Scheme (SHPS). The scheme is funded and is contracted out of the State Pension scheme.

SHPS is a multi-employer defined benefit scheme. Employer participation in the scheme is subject to adherence with the employer responsibilities and obligations as set out in the 'SHPS House Policies and Rules Employer Guide'.

The scheme operated a single benefit structure, final salary with a 1/60<sup>th</sup> accrual rate until 31 March 2007. From April 2007 three defined benefit structures have been available, namely:

Final salary with a 1/60<sup>th</sup> accrual rate

Final salary with a 1/70<sup>th</sup> accrual rate

Career average revalued earnings (CARE) with a 1/60<sup>th</sup> accrual rate.

From April 2010 a further two defined benefit structures have been available, namely:

Final salary with a 1/80<sup>th</sup> accrual rate

Career average revalued earnings (CARE) with a 1/80<sup>th</sup> accrual rate.

A defined contribution benefit structure was made available from 1 October 2010.

An employer can elect to operate different benefit structures for their active members 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.

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 7 EMPLOYEES (CONT'D)

Westcountry Housing Association Ltd has operated the final salary with a 1/60<sup>th</sup> accrual rate benefit structure for active members as at 1<sup>st</sup> April 2007 and the career average revalued earnings with a 1/60<sup>th</sup> accrual rate benefit structure for new entrants from 1<sup>st</sup> April 2007. This does not reflect any benefit structure changes made from April 2010.

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, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate. From 1 April 2010 the requirement for employers to pay at least 50% of the total contribution rate no longer applies.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Westcountry Housing Association Ltd paid contributions at the rate of 7.5% and 5.8% / 4% for the final salary and 1/60<sup>th</sup> / 1/80<sup>th</sup> career average schemes respectively. Member contributions vary between 6.3% and 10.7%. As at the balance sheet date there were 115 active members of the Scheme employed by Westcountry Housing Association Ltd. The annual pensionable payroll of these members was £2,687,412. Westcountry Housing Association Ltd continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The scheme is a multi employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from total scheme assets. Accordingly, due to the nature of the scheme, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2008 by a professionally qualified actuary using the projected unit method. The market value of the Scheme's assets at the valuation date was £1,527 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £663 million, equivalent to a past service funding level of 69.7%.

The financial assumptions underlying the valuation as at 30 September 2008 were as follows:-

Valuation discount rates	%pa
– Pre-retirement	7.8
– Non-pensioner post-retirement	6.2
– Pensioner post-retirement	5.6
– Pensionable earnings growth	4.7
– Price inflation	3.2

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 7 EMPLOYEES (CONT'D)

Pension increases

– Pre 88 GMP	0.0
– Post 88 GMP	2.8
– Excess over GMP	3.0

Expenses for death in service insurance, administration and Pension Protection Fund (PPF) levy are included in the contribution rate.

The valuation was carried out using the following demographic assumptions

Mortality pre-retirement – PA92 Year of Birth, long cohort projection, minimum improvement 1% pa

Mortality post retirement – 90% SIPA Year of Birth, long cohort projection, minimum improvement 1% pa

The long term joint contribution rates required from April 2010 from employers and members to meet the cost of future benefit accrual were assessed at:

Benefit structure	Long term joint contribution rate (% of pensionable salaries)
Final salary with a 1/60 <sup>th</sup> accrual rate	17.8
Final salary with a 1/70 <sup>th</sup> accrual rate	15.4
Career average revalued earnings (CARE) with a 1/60 <sup>th</sup> accrual rate	14.9
Final salary with a 1/80 <sup>th</sup> accrual rate	13.5
Career average revalued earnings (CARE) with a 1/80 <sup>th</sup> accrual rate	11.9

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

Following consideration of the results of the actuarial valuation it has been agreed that the shortfall of £663 million would be dealt with by the payment of deficit contributions of 7.5% of pensionable salaries, increasing each year in line with salary growth assumptions, from 1 April 2010 to 30 September 2020, dropping to 3.1% from October 2020 to 30 September 2023. Pensionable earnings at 30 September 2008 are used as the reference point for calculating these deficit contributions. These deficit contributions are in addition to the long term joint contribution rates set out in the table above.

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate).

Employers that have closed the defined benefit section of the scheme to new entrants are required to pay an additional employer contribution loading of 3% to reflect the higher costs of a closed arrangement.

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 7 EMPLOYEES (CONT'D)

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into the SHPS scheme.

Employers joining the scheme after 1 October 2002 that do not transfer any past service liabilities to the scheme, pay contributions at the ongoing future service contribution rate. This rate is reviewed at each valuation and applies until the second valuation after the date of joining the scheme, at which point the standard employer contribution rate is payable. Contribution rates are changed on 1 April that falls 18 months after the valuation date.

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). The Regulator is currently in the process of reviewing the recovery plan for SHPS in respect of the September 2008 actuarial valuation. A response from the Regulator is expected in due course.

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 £1,985 million and indicated a reduction in the shortfall of assets compared to liabilities to approximately £497 million, equivalent to a past service funding level of 80.0%.

As a result of pension scheme legislation 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 the buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the scheme. If the liabilities exceed assets there is a buy-out debt.

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

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 8 BOARD MEMBERS AND EXECUTIVE DIRECTORS

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Emoluments of the Association's executive directors excluding pension contributions but including benefits in kind	153	226
Pension costs of the Association's executive directors	10	21
<hr/>		
Emoluments of the Managing Director, who was also the highest paid director, excluding pension contributions but including benefits in kind	82	82
Pension costs of the Managing Director	6	11
<hr/>		

	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No.</b>
The emoluments of the board members, also exclusive of pension contributions and Social Security costs, were in the following ranges:		
£0	-	-
£1- £5,000	13	11
£5,001 - £10,000	-	1

	<b>2011</b>	<b>2010</b>
	<b>No.</b>	<b>No.</b>
The emoluments of the executive officers, also exclusive of pension contributions and Social Security costs, were in the following ranges:		
£70,001 - £75,000	1	2
£80,001 - £85,000	1	1

Expenses paid during the year to board members and executive directors of the Association amounted to £7,343 (2010: £19,582).

The executive directors are members of the defined benefit pension scheme. They participate in the scheme on the same terms as all other eligible staff and no enhanced or special terms apply.

No payments or benefits, other than those permitted, were made to any board members or executive directors.

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 8 BOARD MEMBERS AND EXECUTIVE DIRECTORS (CONT'D)

Board members were paid the following remuneration during the year:

Name	£
M Winwood	3,684
I McDougall	5,634
J Cleave	3,000
J Ballantyne	4,000
T Warn	914
C Eccles	3,000
M Fine	3,000
G Buck	3,000
R Sigsworth	3,000
R Day	3,000
M Scott-Tucker	3,000
R Evans	3,000
J Felix-Mitchell	3,000

The membership of the corporate executive team of Westward Housing Group is noted on page 5. The costs of the team members are allocated to Westward, Tarka or Westcountry Housing Associations as follows:

Chief Executive	Westward Housing Group Ltd
Finance Director	Westward Housing Group Ltd
Managing Director (Tarka)	Tarka Housing Limited
Managing Director (Westcountry)	Westcountry Housing Association Ltd
Supported Housing Director	Westcountry Housing Association Ltd
Investment & Procurement Director	Westward Housing Group Ltd

## WESTCOUNTRY HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

#### 9 TANGIBLE FIXED ASSETS – HOUSING PROPERTIES

	Housing properties held for letting	Housing properties under construction	Completed shared ownership properties	Shared ownership properties under construction	Short life properties completed	Total
	£000	£000	£000	£000	£000	£000
<b>Cost</b>						
At 1 April 2010	205,837	13,350	33,409	991	1,092	254,679
Schemes completed in year	21,739	(21,739)	1,303	(1,303)	-	-
Additions	210	21,773	390	2,230	-	24,603
Disposals	-	-	(306)	-	-	(306)
Interest capitalised	203	7	51	17	-	278
At 31 March 2011	<u>227,989</u>	<u>13,391</u>	<u>34,847</u>	<u>1,935</u>	<u>1,092</u>	<u>279,254</u>
<b>Depreciation &amp; Impairment</b>						
At 1 April 2010	6,088	-	867	-	256	7,211
Charge for year	1,000	-	145	-	-	1,145
Impairment	86	-	-	-	-	86
Disposals	-	-	(8)	-	-	(8)
At 31 March 2011	<u>7,174</u>	<u>-</u>	<u>1,004</u>	<u>-</u>	<u>256</u>	<u>8,434</u>
<b>Cost less depreciation</b>						
At 31 March 2011	<u>220,815</u>	<u>13,391</u>	<u>33,843</u>	<u>1,935</u>	<u>836</u>	<u>270,820</u>
At 31 March 2010	<u>199,749</u>	<u>13,350</u>	<u>32,542</u>	<u>991</u>	<u>836</u>	<u>247,468</u>

## WESTCOUNTRY HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

#### 9 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES (CONTINUED)

	Housing properties held for letting	Housing properties under construction	Completed shared ownership properties	Shared ownership properties under construction	Short life properties completed	Total
	£000	£000	£000	£000	£000	£000
<b>SHG &amp; Other public subsidy</b>						
At 1 April 2010	116,526	8,571	16,853	562	836	143,348
Schemes completed in year	9,587	(9,587)	578	(578)	-	-
Additions	-	5,552	-	486	-	6,038
Repayments/abatements	(181)	-	(145)	-	-	(326)
At 31 March 2011	<u>125,932</u>	<u>4,536</u>	<u>17,286</u>	<u>470</u>	<u>836</u>	<u>149,060</u>
				<b>2011</b>	<b>2010</b>	
				<b>£000</b>	<b>£000</b>	
<b>Net book value of all properties</b>						
Freehold land and buildings				118,373	100,632	
Long leasehold land and buildings				3,387	3,488	
Short leasehold land and buildings				-	-	
				<u>121,760</u>	<u>104,120</u>	

Direct costs relating to development administration capitalised in the year amounted to £493,308 (2010: £457,622)

Interest has been capitalised at the rate of 4.27% (2010: 4.57%).

Interest totalling £278,000 has been capitalised this year, compared with £353,000 in 2010.

## WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

#### 9 TANGIBLE FIXED ASSETS - HOUSING PROPERTIES (CONTINUED)

##### Impairment

An impairment provision totalling £85,585 was made in March 2011 to reduce the carrying value of land at Denners Way, Uffculme, to its value in use, being the estimated recoverable amount.

##### Works to existing properties

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Amounts capitalised	-	-
Amounts charged to income and expenditure account	2,564	2,716
	<u>2,564</u>	<u>2,716</u>

## WESTCOUNTRY HOUSING ASSOCIATION LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

#### 10 TANGIBLE FIXED ASSETS - OTHER

	Investment property	Freehold offices	Leasehold offices	Service assets	Furniture, fittings, fixtures & equipment	Computer hardware & software	Motor vehicles	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost</b>								
At 1 April 2010	400	935	27	600	205	1,051	45	3,263
Additions	-	-	-	53	9	11	27	100
Transfer	-	-	-	(1)	1	-	-	-
Disposals	-	-	-	-	-	-	(21)	(21)
Revaluation	-	-	-	-	-	-	-	-
At 31 March 2011	<u>400</u>	<u>935</u>	<u>27</u>	<u>652</u>	<u>215</u>	<u>1,062</u>	<u>51</u>	<u>3,342</u>
<b>Depreciation</b>								
At 1 April 2010	-	119	6	490	162	947	38	1,762
Charged in year	-	14	1	52	14	50	27	158
Disposals	-	-	-	-	-	-	(14)	(14)
At 31 March 2011	<u>-</u>	<u>133</u>	<u>7</u>	<u>542</u>	<u>176</u>	<u>997</u>	<u>51</u>	<u>1,906</u>
<b>Net Book Value</b>								
At 31 March 2011	<u>400</u>	<u>802</u>	<u>20</u>	<u>110</u>	<u>39</u>	<u>65</u>	<u>-</u>	<u>1,436</u>
At 31 March 2010	<u>400</u>	<u>816</u>	<u>21</u>	<u>110</u>	<u>43</u>	<u>104</u>	<u>7</u>	<u>1,501</u>

#### Investment property

The property at 13 Castle Road, Torquay has been included at a valuation of £400,000. This valuation has been undertaken by Mr. A. Herridge BA MRICS, Ridge Property Consulting Ltd as at 28 August 2009, on a freehold open market value basis subject to the existing lease in favour of West of England Language Services Limited. The property is revalued by an independent valuer every 3 years.

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 11 TANGIBLE FIXED ASSETS - INVESTMENTS

	<b>Fixed rate bonds £ 000</b>
At 1 April	1,496
Purchased/advanced in year	-
31 March 2011	<u>1,496</u>

The fixed bonds are held by National Westminster Bank Plc as security for the past pension deficits of the Devon County Council pension fund and the Staff Pension Scheme for members who have transferred from Westcountry Housing into the Westward group.

### 12 GOODWILL

On 2<sup>nd</sup> August 2010 the trade and assets of Community Project North Devon (CPND) were transferred for nil consideration to Westcountry Housing Association Limited. At that date CPND ceased trading. The net assets acquired and consideration paid is set out below.

	<b>Book Value</b>	<b>Fair value adjustment</b>	<b>Fair Value</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Fixed assets</b>			
Tangible	314	-	314
<b>Current assets</b>			
Stock	5	-	5
Debtors	17	-	17
Cash	147	-	147
	<u>483</u>	<u>-</u>	<u>483</u>
Total assets	483	-	483
	<u>(47)</u>	<u>-</u>	<u>(47)</u>
Other creditors	(47)	-	(47)
<b>Net assets</b>	<u>436</u>	<u>-</u>	<u>436</u>
Net assets acquired			436
Negative goodwill arising			(436)
			<u>-</u>
Purchase consideration			<u>-</u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 12 GOODWILL (CONTINUED)

The negative goodwill of the non monetary asset is being amortised over 20 years. Monetary assets of £122k have been recognised in the Income & Expenditure Account on transfer.

	<b>£000</b>
<b>Cost</b>	
Additions	436
Taken to revenue on transfer	(122)
	<u>314</u>
<b>Amortisation</b>	
Credit for year	(11)
	<u>(11)</u>
<b>Net book value</b>	
At 31 March 2011	<b>303</b>
	<u><u>-</u></u>
At 31 March 2010	-

### 13 PROPERTY FOR SALE

	<b>2011</b>	<b>2010</b>
	<b>£000</b>	<b>£000</b>
Properties under construction	992	622
Properties completed and held for sale	1,845	894
	<u>2,837</u>	<u>1,516</u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 14 DEBTORS

	2011 £000	2010 £000
<b>Due within one year</b>		
Arrears of rent and service charges	581	429
Tenants other debts	19	17
Less: provision for bad and doubtful debts	(143)	(95)
	<u>457</u>	<u>351</u>
SHG receivable	327	-
Loans to employees	74	55
Due from group undertakings	3,080	1,837
Other debtors	2,305	1,729
	<u>6,243</u>	<u>3,972</u>
<b>Debt due after one year</b>		
Amounts owed from group undertakings	2,478	1,859
	<u>8,721</u>	<u>5,831</u>

Loans to employees totalling £74,087 (2010: £54,758) have been made to 21 employees (2010:15) and are repayable over terms of up to five years, on variable rates of interest linked to bank base rate at the time of the loan.

### 15 CURRENT ASSET INVESTMENTS

	2011 £000	2010 £000
Balances held on deposit with banks and building societies	<u>655</u>	<u>2,655</u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 16 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £000	2010 £000
Housing loans (note 17)	88	79
Accrued interest payable	782	637
Rent and service charges received in advance	308	251
Retentions	801	555
Trade creditors	1,252	617
Other Taxation and Social Security	-	-
Other creditors	2,322	1,104
Due from group undertakings	1,791	1,095
Recycled capital grants-within one year (note 26)	530	618
	<u>7,874</u>	<u>4,956</u>

### 17 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £000	2010 £000
Housing loans (Note 17)	<u>95,322</u>	<u>83,348</u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 18 HOUSING LOANS ANALYSIS

	2011 £000	2010 £000
<b>Due within one year</b>		
Bank loans	88	79

All loans due within one year are repayable by instalments.

	2011 £000	2010 £000
<b>Due after more than one year</b>		
Bank loans	57,552	45,482
The Housing Finance Corporation Limited	37,770	37,866
	<u>95,322</u>	<u>83,348</u>

#### Housing loans repayable by instalments:-

	2011 £ 000	2010 £ 000
Between one and two years	288	90
Between two and five years	2,369	334
After five years	54,895	45,058
	<u>57,552</u>	<u>45,482</u>

#### Housing loans repayable otherwise than by instalments:-

	2011 £000	2010 £000
After five years		
The Housing Finance Corporation Limited	37,770	37,866
Bank loans	-	-
	<u>37,770</u>	<u>37,866</u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 18 HOUSING LOANS ANALYSIS (CONTINUED)

Loans originally from The Housing Corporation have been assigned to the National Westminster Bank PLC group of companies. Before assignment the Association consolidated all of its Housing Corporation loans to one loan with a consolidated fixed interest rate of 11.227% and a final repayment date during the year 2030. These loans together with loans from banks are secured by fixed charges on individual properties.

Loans acquired through the acquisition of Uffculme Housing Trust and stock transferred from New Era Housing, are from National Westminster Bank PLC group of companies after assignment to them by the Housing Corporation. The loans are included in bank loans. They are secured by fixed charges on individual properties and are repaid in half yearly instalments at fixed rates of interest ranging from 10.375% to 15.00%. Final instalments fall in the period 2009 to 2046.

The Housing Finance Corporation (THFC) loan of £37m (nominal) was issued at a premium of £0.866m. The premium is included within loans and is charged to the income and expenditure account over the term of the loan. It is secured by fixed charges on individual properties and has an effective fixed interest rate of 4.97%. Interest repayments are made half yearly with a final repayment date of 2035.

Loans with Santander (formerly Abbey National) are included in bank loans at £30.898m. These loans are variable rate with options to fix all or part of each loan. They are secured by fixed charges on individual properties and interest is paid on maturity of each interest period. The final repayment is 2035.

Loans with Barclays Capital are included in bank loans at £11m. These loans are variable rate with options to fix all or part of each loan. They are secured by fixed charges on individual properties and interest is paid on maturity of each interest period. The final repayment is 2032.

### 19 SHARE CAPITAL

	2011	2010
	£	£
<b>Shares of £1 each issued and fully paid</b>		
At 1 April	13	12
Shares issued in year	-	5
Shares surrendered in year	(2)	(4)
At 31 March	<u>11</u>	<u>13</u>

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on winding up.

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 20 RESERVES

#### Designated reserves

	Designated major repairs reserve	Designated lift/boiler replacement reserve	Designated equipment replacement reserve	Total
	£000	£000	£000	£000
1 April 2010	8,385	178	225	8,788
Contributions in year	2,376	8	64	2,448
Expenditure	(2,229)	(8)	(55)	(2,292)
Net transfer	147	-	9	156
31 March 2011	8,532	178	234	8,944

#### Revenue and revaluation reserves

	Negative goodwill	Revenue	Revaluation
	£000	£000	£000
1 April 2010	-	25,317	456
Surplus for the year	-	2,372	-
Transfer from designated reserves	-	(156)	-
Transfer	-	206	(206)
Additions during the year	303	-	-
31 March 2011	303	27,739	250

It is the Association's policy to reinvest its reserves into the procurement of additional social homes and the majority of the revenue reserve of £27,739,000 has been, or will be, used in this way. The transfer from the revaluation reserve to the revenue reserve of £206,000 related to the historic balance held on long term investments that were paid out in 2007.

### 21 FINANCIAL COMMITMENTS

The Association's capital expenditure commitments are as follows:

	2011	2010
	£000	£000
<b>Capital commitments</b>		
Expenditure contracted for but not provided for in the accounts	10,144	21,659

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 22 RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2011 £000	2010 £000
Operating surplus	5,571	4,616
Depreciation of tangible fixed assets	1,303	1,178
Impairment of tangible fixed assets	86	241
Amortisation of negative goodwill	(133)	-
(Surplus)/loss on disposal of other tangible fixed assets	(8)	20
	<u>6,819</u>	<u>6,055</u>
<b>Working capital movements</b>		
Housing properties for sale	(1,316)	631
Debtors	(1,925)	(2,578)
Creditors	2,680	(26)
<b>Net cash inflow from operating activities</b>	<u>6,258</u>	<u>4,082</u>

### 23 GROSS CASH FLOWS

	2011 £000	2010 £000
<b>Returns on investments and servicing of financing</b>		
Interest received	134	97
Interest paid	(3,567)	(3,523)
	<u>(3,433)</u>	<u>(3,426)</u>
<b>Capital expenditure and financial investment</b>		
Tarka loan drawn	(619)	(90)
Acquisition and construction of housing properties	(24,567)	(19,568)
Purchase of other fixed assets	(100)	(80)
Purchase of Investments	-	-
Capital grants received	5,383	13,328
Sales of housing properties	713	1,261
Sales of other fixed assets	16	4
	<u>(19,174)</u>	<u>(5,145)</u>
<b>Management of liquid resources</b>		
Movement in deposits and fixed term deposits	2,000	(2,000)
<b>Financing</b>		
Loan advances received	12,132	9,000
Loan principal repayments	(149)	-
	<u>11,983</u>	<u>9,000</u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 24 ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2010 £000	Cashflows £000	Non-cash movements £000	At 31 March 2011 £000
Cash in hand and at bank	5,746	(2,219)	-	3,527
Debt due within 1 year	(79)	(9)	-	(88)
Debt due after 1 year	(83,348)	(11,974)	-	(95,322)
Current asset investments	2,655	(2,000)	-	655
Total	<u>(75,026)</u>	<u>(16,202)</u>	<u>-</u>	<u>(91,228)</u>

	2011 £000	2010 £000
<b>Reconciliation of net cash flow to movement in net debt</b>		
(Decrease)/Increase in cash in year	(2,219)	2,511
Cash flow from (increase)/decrease of liquid resources	(2,000)	2,000
Cash received from loan advances	(12,132)	(9,000)
Cash to repay loan principals	149	-
Non – cash movements	<u>-</u>	<u>(819)</u>
Change in net debt	(16,202)	(5,308)
Net debt at 1 April	(75,026)	(69,718)
Net debt at 31 March	<u>(91,228)</u>	<u>(75,026)</u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 25 HOUSING STOCK

The number of units of housing under development and in management, in which the Association retains some equity, at 31 March 2011 was:

	Units under development		Units in management	
	2011	2010	2011	2010
Housing for letting	140	216	3,174	3,061
Shared ownership	30	37	970	935
Leasehold schemes for the elderly	-	-	75	75
Supported housing bedspaces	-	-	537	542
	<u>170</u>	<u>253</u>	<u>4,756</u>	<u>4,613</u>

In addition the Association manages the following units

	2011	2010
Private Sector Leasing	30	74
Managed schemes	111	111
Right to buy units	148	148
	<u>289</u>	<u>333</u>

### 26 RECYCLED CAPITAL GRANT FUND

	2011 £000	2010 £000
At 1 April	618	609
Grants recycled	177	322
Interest accrued	3	3
Purchase/ development of properties	(268)	(316)
Balance at 31 March	<u>530</u>	<u>618</u>

### 27 SURPLUS ON SALE OF PROPERTIES

	2011 £000	2010 £000
Proceeds of sale	713	1,261
Cost of sales	(334)	(556)
Surplus	<u>379</u>	<u>705</u>

# WESTCOUNTRY HOUSING ASSOCIATION LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

31 March 2011

### 28 RELATED PARTIES

There are two current tenant Board members, Mr R Sigsworth and Ms G Cleave. Ms T Warn resigned in June 2010.

The Association followed its standard lettings procedure for the tenant board members and the properties were let at usual rent levels.

### 29 ACCOMMODATION MANAGED BY AGENTS

	Units at 31 March 2011	Units at 31st March 2010
Addaction	12	11
Carr Gomm	6	6
Churches Housing Action Trust	10	10
Colebrook	36	36
Community Care Trust	5	5
Young Devon	7	8
Home Farm Trust	39	41
Mencap	48	61
Community Projects North Devon	-	9
Brain Injuries Rehab Trust	2	2
South Devon Women's Aid	-	-
Wessex Autistic Society	7	7
Lifeways	13	-
Rethink	10	-
	<hr/>	<hr/>
	195	196

# **WESTCOUNTRY HOUSING ASSOCIATION LIMITED**

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## **NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2011**

### **30 CONTINGENT LIABILITIES**

There were no contingent liabilities for the year ended 31<sup>st</sup> March 2011.

### **31 POST BALANCE SHEET EVENTS**

In May 2011 a wholly owned subsidiary was formed as a limited company called New Horizon Homes Limited for the purposes of trading in properties for outright sale.

### **32 ULTIMATE PARENT UNDERTAKING**

The Association's ultimate parent company is Westward Housing Group Limited. Copies of the consolidated accounts of the Westward Housing Group may be obtained from the registered office noted on page 1.

The Association is controlled by Westward Housing Group Ltd. Details of all transactions with the group entity have not been disclosed in these financial statements on the grounds that consolidated financial statements are prepared for the group and are available to the public.