

# Rent Setting Policy

## 2016/2017

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## Scottish Social Housing Charter Relevant Standards and Outcomes

STANDARD	OUTCOME
<p><b>Section: Getting good value from rents and service charges</b></p> <p><b>13.</b> Value for money</p> <p>Social landlords manage all aspects of their businesses so that:</p> <ul style="list-style-type: none"> <li>• <i>tenants, owners and other customers receive services that provide continually improving value for the rent and other charges they pay.</i></li> </ul> <p><b>14</b> Rents and service charges</p> <p><b>and</b> Social landlords set rents and</p> <p><b>15</b> service charges in consultation with their tenants and other customers so that:-</p> <ul style="list-style-type: none"> <li>• <i>a balance is struck between the level of services provided, the cost of the services and how far current and prospective tenants and other customers can afford them.</i></li> <li>• <i>tenants get clear information on how rent and other money is spent, including any details of individual items of expenditure above thresholds agreed between landlords and tenants.</i></li> </ul>	<p>This <b>standard</b> covers the efficient and effective management of services. It includes minimising the time houses are empty; managing arrears and all resources effectively; controlling costs; getting value out of contracts; and giving better value for money by increasing the quality of service with minimum extra cost to tenants, owners and other customers.</p> <p>These <b>outcomes</b> reflect a landlord's legal duty to consult tenants about rent setting; the importance of taking account of what current and prospective tenants and other customers are likely to be able to afford; and the importance that many tenants place on being able to find out how their money is spent. Each landlord must decide, in discussion with tenants and other customers, whether to publish information about expenditure above a particular level, and in what form and detail. What matters is that discussions made reflect the views of tenants and other customers.</p>

# **RENT SETTING POLICY**

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## **RENT SETTING POLICY**

### **1. INTRODUCTION**

- 1.1 The Association is responsible for setting rents and charges for a range of properties let on a variety of Tenancy and Lease Agreements. It is also responsible for applying rents on properties managed by the Association on behalf of other landlords. This policy sets out the arrangements for rent and service charge setting that apply to the various categories of property.

### **2. POLICY OBJECTIVES**

- 2.1 The principle aims of this policy are as follows:-

- 2.1.1 To ensure that rents charged will raise sufficient revenue to meet the Association's current costs and future costs as identified in our thirty-year Financial Plan. The particular costs to be met are:-

- Management of the property and the tenancy
- Reactive (Day-to-Day) Repairs
- Cyclical Maintenance – electrical testing, ground maintenance, etc
- Planned Maintenance – kitchens, windows, doors, bathrooms, etc
- Major Repairs – any significant planned or unplanned repairs
- Loan Charges and Repayments – we currently have £12 million plus loans on our properties
- Insurances
- Provision for Voids and Bad Debts arising from non-payment of rent
- Contingencies and Risk Management items

- 2.1.2 To set rents which are comparable across the range of the Association's property assets for similar properties in terms of size, quality and type.

- 2.1.3 To set rents which are comparable with the average rents of other social housing providers and, in particular, with the average rents of other Registered Social Landlords within the Association's Peer Group as defined by the Scottish Housing Regulator.

- 2.1.4 To set rents which, as far as possible, are affordable within the current definition of affordability issued by the Scottish Federation of Housing Associations which is that no working household is required to pay more than 25% of net income (including any Housing Benefit receivable) on rent.

- 2.1.5 To operate a rent setting methodology which is consistent, easily understood and which can be justified to tenants, sharing owners, funders and The Scottish Housing Regulator.

### 3. **PROPERTY TYPES**

- 3.1 As at 30 September 2015, the Association's own affordable social rented housing stock amounted to 621 properties which have largely been constructed since 1985 but also includes some properties purchased "off the shelf". All of the properties are in a good state of repair and meet the Scottish Housing Quality Standard with the exception of three properties which are exempt. The Association has no "difficult-to-let" properties. Consequently, the Rent Setting Policy is **not** required to differentiate between housing stock of varying quality and "Standard Rents" are able to be applied.
- 3.2 The properties are able to be grouped into 5 "types" and are further defined by one of 15 "size" categories ranging from a 1 bedroom, 2 apartment flat to an 8 person, 8 apartment house.
- 3.3 With the exception of upper floor flats, the Association's properties are largely capable of being used by general needs, elderly needs and most special needs client groups. The Association has a policy of adapting its existing properties to meet specialist needs when required. The Rent Setting Policy does **not** differentiate by client groups.
- 3.4 The Association has 5 housing properties which provide a total of 12 non-self-contained bedspaces for clients with special needs. The rents for these properties were established at the date of Practical Completion and they are not included within our Standard Rents. However, rent levels are adjusted annually in accordance with the percentage adjustment to Standard Rents.
- 3.5 The Association has some shared ownership properties. The rents for these properties were established at the date of Practical Completion in accordance with the Shared Ownership Procedures Guide and they are not included within our Standard Rents. However, rent levels are adjusted annually in accordance with the percentage adjustment to Standard Rents.
- 3.6 The Association also has mid-market rent housing stock which it leases to its subsidiary company, North West Highland Community Enterprises Limited. The subsidiary company in turn lets the properties on Short Assured Tenancy Agreements to tenants. The rents to be charged for mid-market rent properties are pre-determined at the date of Grant Approval by Guidance issued by the Scottish Government and, in practice, the rents are calculated as a percentage of the level of Local Housing Allowances which are published from time to time by The Highland Council. Rent levels are adjusted annually thereafter by the rate of the Consumer Price Index plus one per cent.

### 4. **LEASED PROPERTIES**

- 4.1 The Association has leased HAG-funded properties to The Highland Council for temporary accommodation in accordance with the Homelessness arrangements which have been agreed by both organisations. The lease rental charged is broadly in line with the Association's Standard Rents.

4.2 The Association has 3 non HAG-funded leased properties as follows:-

<b>Address</b>	<b>Tenant</b>
5 Station Road, Kyle	Lochalsh Christian Fellowship
Hamilton House, Kyle	The Highland Council
Tigh an Oisein, Portree	Donald Rankin
Technical Services Store Yard, Portree	Shiel Buses

The lease rental charged for these properties is established on a Valuation and Agreement basis.

## **5. MANAGED PROPERTIES**

5.1 The Association manages properties on behalf of The Highlands Small Communities Housing Trust, Highlands & Islands Enterprise, Link Housing Association and the National Trust for Scotland. Individual Management Agreements are in place with each organisation which specify the rents to be charged and the rent review arrangements.

## **6. CLIENT GROUPS**

6.1 The Association provides housing for a wide range of client groups including single people, couples and families.

6.2 In addition to providing housing for general needs tenants and sharing owners, the Association also provides accommodation for a range of tenants with special needs including individuals with learning difficulties, mental health issues and wheelchair users. Where care is provided to these client groups, some elements may be subject to care charges levied by care providers. The Association does not directly provide care to any of the special needs client groups.

6.3 The Association operates open housing and transfer lists through the Highland Housing Register Allocations Policy which is designed to ensure equal opportunities for all those seeking housing within the area. Properties are allocated in a manner that is sensitive to the individual needs of the applicants and on the basis of housing need

## **7. RENT SETTING METHODOLOGY**

7.1 With one exception (see paragraph 8.1), the Association's own affordable social rented housing properties are let on Scottish Secure Tenancies. Consequently, it is the Association's responsibility to set rents as set out in Part II of the Housing (Scotland) Act 1988 as superseded by the Housing (Scotland) Act 2001.

7.2 The Association has adopted a formula for rent setting which takes a base rent and varies it according to the characteristics of property size and type to produce “Standard Rents” for all house types. In adopting this approach, the Association has agreed a base rent for a one-person, two apartment common entrance flat as a starting point and varied the rent for different properties by application of the following percentages which are “weighted” to reflect their size and type, as follows:-

1 person/2 apartment	Base rent
2 person/2 apartment	+ 13%
3 person/3 apartment	+ 18%
4 person/3 apartment	+ 22%
4 person/4 apartment	+ 28%
5 person/4 apartment	+ 34%
5 person/5 apartment	+ 35%
6 person/4 apartment	+ 36%
6 person/5 apartment	+ 37%
7 person/5 apartment	+ 38%
7 person/6 apartment	+ 39%
8 person/5 apartment	+ 40%
8 person/6 apartment	+ 41%
8 person/7 apartment	+ 42%
8 person/8 apartment	+ 43%
Plus	
Common Entrance Flat as base rent	
Cottage Flat	+ 4%
Terraced House	+ 5%
Semi-Detached House	+ 6%
Detached House	+ 10%

### 7.3 Rent Calculation

Base rent	:	£-----
Size Multiplier	:	x 35%
Type Multiplier	:	x 10%
£-----	x 1.45 =	£-----
<b><u>TOTAL RENT</u></b>	=	<b><u>£-----</u></b>

The Standard Rent Table for 2016/2017 produced by this methodology is attached as **Appendix 1**.

## 8. FAIR RENTS

8.1 The Rent Registration (Fair Rents) Scheme applies to Housing (Scotland) Act 1987 Secure Tenancies. The Association has one tenancy governed by this

legislation and the rental for this property is established by reference to the Scottish Government's Rent Registration Service.

## 9. SERVICE AND OTHER CHARGES

9.1 In addition to rental charges, some tenants and sharing owners are liable for other charges in relation to their occupancy of Association properties, as follows:-

- Service Charges - charges are applied in respect of communal electricity for lighting/satellite systems/door entry systems/and for communal cleaning of flatted properties
- Management Charges - applicable only to sharing owners

9.2 The Association separately identifies the costs of these services and sets charges which meet these costs on an annual basis. On average, these charges generally amount to less than 2.5% of the gross rent receivable and consequently they are discounted from consideration within the rent setting process.

## 10. RENT COMPARISONS

10.1 The Association measures the comparability of its rents with those of other similar social housing providers by using the information published by The Scottish Housing Regulator in "Scottish Registered Social Landlord Statistics". The most recent year for which information has been published is 2014/2015.

10.2 **Appendix 2** is an analysis of the average weekly Secure rents for Registered Social Landlords within our Peer Group. The Table is sorted in ascending order on the basis of the "All Apartments" column.

10.3 The Table indicates that the Association's rents are generally set at levels which are towards the lower levels of rent being set by the Peer Group.

## 11. FINANCIAL VIABILITY

11.1 A summary of the Association's Financial Plan 2016/2046 is attached as **Appendix 3**. The projected Income and Expenditure Account demonstrates that during the period of the Plan, the Association will generate sufficient surpluses to meet all of its liabilities including provisions for major repairs and planned maintenance through the delivery of our Asset Management Programme strategy.



## 12. ANNUAL REVIEW

- 12.1 With the exception of the Association's leased properties and the tenancy subject to the Fair Rent Scheme, all rents are reviewed annually and will be adjusted at a rate equivalent to the Consumer Price Index (from the "October" figure) plus **one** per cent. The new rates will apply from 1 April 2016. The minimum increase to be applied in any one year will be 1%.
- 12.2 Existing Shared Ownership rents are adjusted on 1 April each year in accordance with the rate of adjustment for rented properties. In addition to rent, sharing owners will be charged a Management Fee of £120 per annum.
- 12.3 Following the annual review of service charges, these will be increased in line with the increase in rents from 1 April.

## 13. CONSULTATION

- 13.1 The Association is committed to consulting with tenants, sharing owners and other stakeholders on its Rent Setting Policy and will undertake a consultation exercise annually.

## 14. POLICY REVIEW

- 14.1 This document will be reviewed by the Management Committee or Sub-Committee set up for that purpose in accordance with the requirements of the Association's Register of Policies and Procedures.
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**BUIDHEANN TIGHEADAS LOCH AILLSE AGUS AN EILEIN SGITHEANAICH LTD**  
**LOCHALSH AND SKYE HOUSING ASSOCIATION LTD**

Increase from 1 April 2016

1.0%

STANDARD RENTS 2016/2017										
	Common Entrance Flat		Cottage Flat		Terraced House		Semi-detached House		Detached House	
	P.A,	P.M.	P.A,	P.M.	P.A,	P.M.	P.A,	P.M.	P.A,	P.M.
1 person/ 2 apt	£3,021.59	£251.80	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2 person/ 2 apt	£3,414.53	£284.51	£3,535.59	£294.64	£3,565.39	£297.12	£3,595.21	£ 299.63	£3,716.04	£ 309.68
3 person/ 3 apt	£3,565.39	£297.12	£3,686.43	£307.19	£3,716.04	£309.68	£3,745.86	£ 312.14	£ 3,866.88	£ 322.22
4 person/ 3 apt	£3,686.43	£307.19	£3,807.25	£317.25	£3,837.08	£319.75	£3,866.88	£ 322.22	£3,987.93	£ 332.33
4 person/ 4 apt	£3,866.88	£322.22	£3,987.93	£332.33	£4,017.53	£334.80	£4,049.57	£ 337.44	£4,168.40	£ 347.36
5 person/ 4 apt	N/A	N/A	£4,169.95	£347.50	£4,200.19	£350.03	£4,230.02	£ 352.51	£4,351.05	£ 362.58
5 person/ 5 apt	N/A	N/A	N/A	N/A	£4,230.22	£352.54	£4,260.42	£ 355.05	£4,381.30	£ 365.11
6 person/ 4 apt	N/A	N/A	N/A	N/A	£4,260.44	£355.05	£4,289.43	£ 357.46	£4,410.48	£ 367.53
6 person/ 5 apt	N/A	N/A	N/A	N/A	£4,290.65	£357.55	£4,320.87	£ 360.10	£4,441.73	£ 370.14
7 person/ 5 apt	N/A	N/A	N/A	N/A	£4,320.87	£360.10	£4,351.10	£ 362.58	£4,471.97	£ 372.67
7 person/ 6 apt	N/A	N/A	N/A	N/A	£4,351.09	£362.58	£4,381.30	£ 365.11	£4,502.17	£ 375.18
8 person/ 5 apt	N/A	N/A	N/A	N/A	£4,381.30	£365.11	£ 4,411.52	£ 367.63	£4,532.38	£ 377.71
8 person/ 6 apt	N/A	N/A	N/A	N/A	£4,411.52	£367.63	£4,441.73	£ 370.14	£4,562.60	£ 380.21
8 person/ 7 apt	N/A	N/A	N/A	N/A	£4,441.73	£370.14	£4,471.95	£ 372.67	£4,592.81	£ 382.74
8 person/ 8 apt	N/A	N/A	N/A	N/A	£4,471.95	£372.67	£4,502.17	£ 375.18	£4,623.03	£ 385.25

**Appendix 2**

<b>Average Weekly Secure Rents for Registered Social Landlords within our Peer Group 2014/2015</b>				
<b>Landlord Name</b>	<b>2 Apt - Average weekly rent</b>	<b>3 Apt - Average weekly rent</b>	<b>4 Apt - Average weekly rent</b>	<b>5+ Apt - Average weekly rent</b>
Aberdeenshire Housing Partnership	£83.10	£88.08	£104.34	£115.37
Albyn Housing Society Ltd	£67.39	£76.44	£83.74	£94.19
Clydesdale Housing Association Ltd	£66.57	£70.43	£77.12	£89.83
Dunbritton Housing Association Ltd	£68.58	£71.85	£78.52	£85.39
East Lothian Housing Association Ltd	£72.23	£80.80	£89.10	£99.52
Eildon Housing Association Ltd	£67.71	£78.16	£84.16	£93.23
Forth Housing Association Ltd	£66.29	£72.47	£81.04	£87.23
Fyne Homes	£67.13	£77.43	£88.79	£100.72
Hjaltland Housing Association Ltd	£73.99	£81.27	£85.20	£97.76
Homes for Life Housing Partnership	£70.34	£79.80	£85.51	N/A
Lochaber Housing Association Ltd	£75.01	£76.11	£82.73	£94.80
Lochalsh & Skye Housing Association	£64.67	£70.29	£77.55	£82.32
Loreburn Housing Association Ltd	£67.97	£79.95	£88.92	£97.02
Moray Housing Partnership Ltd, The	£65.53	£79.55	£86.18	£96.90
Orkney Housing Association Ltd	£68.32	£75.06	£80.19	£83.42
Pentland Housing Association Ltd	£53.29	£61.87	£77.16	£87.82
Rural Stirling Housing Association Ltd	£65.78	£73.92	£80.05	£86.79
Scotland average	£68.54	£69.60	£75.69	£84.04
The Highland Council	£64.96	£70.85	£79.67	£88.87
West Highland Housing Association Ltd	£70.86	£82.78	£92.03	£109.52

BUIDHEANN TIGHEADAS LOCH AILLSE AGUS AN  
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LOCHALSH AND SKYE HOUSING ASSOCIATION

**SUMMARY  
FINANCIAL PLAN  
2016 - 2046**

BUIDHEANN TIGHEADAS LOCH AILLSE AGUS  
AN EILEIN SGITHEANAICH  
LOCHALSH AND SKYE HOUSING ASSOCIATION

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**FINANCIAL PLAN 2016-2046 - BASE ASSUMPTIONS**

**GENERAL ASSUMPTIONS**

- 1 This financial plan has been prepared in detail for a 5 year period commencing 1 April 2016. Year one represents the Association's approved budget for 2016/17.
- 2 A summarised version of the financial plan has been prepared for a 30 year period commencing 1 April 2016
- 3 Income is shown net of VAT. Expenditure includes VAT except those few instances where the VAT is recoverable
- 4 Inflation, price increases and interest rates are assumed as follows

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
General increase/CPI	1.0%	2.0%	2.0%	2.0%	2.0%	3.0%
Salaries increase	1.0%	2.0%	2.0%	2.0%	2.0%	3.0%
Bank Base Rate	0.5%	1.0%	1.5%	2.0%	2.5%	3.0%
Borrowing Rate - LIBOR	0.5250%	1.0250%	1.5250%	2.0250%	2.5250%	3.0%

**RENT INCOME**

**5 Rents**

The annual rental income is based on the rents chargeable from 1 April 2016 with new properties coming on stream in line with the Development Plan. Annual rent increases across the period of the plan are shown below.

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Annual increase = CPI + 1%	1.0%	3.0%	3.0%	3.0%	3.0%	4.0%
Rent income	£ 2,444,280	£ 2,627,997	£ 2,857,345	£ 2,984,350	£ 3,166,174	

**6 Service Charges**

Service charges are based on the full recovery of estimated costs. Annual increases have been applied in line with the increase in rents.

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Annual increase in service charges	1.0%	3.0%	3.0%	3.0%	3.0%	4.0%
	£ 35,233	£ 36,257	£ 37,341	£ 38,431	£ 39,560	

**7 Shared Ownership Management Charges**

Management charges for shared ownership properties are based on the full recovery of estimated costs. There are no proposals to increase the charges over the next 5 years. It is estimated that 1 of our shared ownership properties will be sold each year and that this income will gradually diminish over the next 21 years until all the properties have been sold

	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Annual increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	£ 2,460	£ 2,340	£ 2,220	£ 2,100	£ 1,980	

**GRANTS FROM THE SCOTTISH GOVERNMENT, HIGHLAND COUNCIL AND OTHER INCOME**

**8 Release of Deferred Grants**

Grants awarded for the construction and acquisition of housing are deferred and released as income in annual instalments over the life of the properties concerned.

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Social Housing Grant	£ 1,075,500	£ 1,142,500	£ 1,158,500	£ 1,195,500	£ 1,223,500	Based on future development
Other Housing Grants	£ 49,600	£ 59,600	£ 59,600	£ 59,600	£ 59,600	
	£ 1,125,100	£ 1,202,100	£ 1,218,100	£ 1,255,100	£ 1,283,100	

**9 Project Management Fees**

Years 1 to 5 for internal fees are taken from the Development Plan and are based on the amount required to operate the plan with an annual allowance for inflation. The estimate shown for years 6 to 30 has been projected with an annual allowance for inflation.

Years 1 to 5 for external fees are based on fees receivable for projects managed for external organisations with an annual allowance for inflation.

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Internal fee income	£ 74,375	£ 87,917	£ 31,520	£ 52,400	£ 45,015	£ 20,000
External fee income	£ -	£ -	£ -	£ -	£ -	£ -

**10 Care & Repair Revenue Grants**

Care and Repair is funded by Highland Council in line with the agreed Care & Repair Agency Agreement. Annual increases, including our assumptions from year 6 onwards, have been estimated using our general assumptions on inflation (see above).

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
	£ 66,108	£ 67,430	£ 68,779	£ 70,155	£ 71,558	Annual inflation

**11 Shared Equity Admin Allowance**

The anticipated number each year and the level of allowance is assumed to be as follows:-

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Target	3	3	3	3	3	3
Grant	£ 500	£ 510	£ 520	£ 530	£ 541	Annual inflation
Total	£ 1,500	£ 1,530	£ 1,560	£ 1,590	£ 1,590	

**12 Rent off the Shelf - Admin Grant**

The target for each of the years covered and the revenue generated is shown below. These units are included in the number of units shown in the development plan. Annual increases for years 6 to 30 have been estimated using our general assumptions on inflation (see above).

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Target	-	-	-	-	-	-
Grant	£ -	£ -	£ -	£ -	£ -	Annual inflation
Total	£ -	£ -	£ -	£ -	£ -	

**13 Disabled Adaptation - Admin Grant**

The target for each of the years covered and the revenue generated is shown below. Annual increases for years 6 to 30 have been estimated using our general assumptions on inflation (see above).

	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Gross expenditure	£ 45,000	£ 45,900	£ 46,818	£ 47,754	£ 48,709	Annual inflation
Admin grant included above	10%	10%	10%	10%	10%	10%
Total admin grant	£ 4,091	£ 4,173	£ 4,256	£ 4,341	£ 4,428	

<b>14 CDM Coordinator Fees</b>						
Years 1 to 5 are taken from the Development Plan. The estimate for years 6 to 30 has been projected with an annual allowance for inflation.						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Internal fee income	£ 37,972	£ 14,973	£ 17,030	£ 17,030	£ 1,430	£ 10,000
External fee income	£ -	£ -	£ -	£ -	£ -	£ -
	£ 37,972	£ 14,973	£ 17,030	£ 17,030	£ 1,430	Plus inflation

  

<b>15 Clerk of Works Fees</b>						
Years 1 to 5 are taken from the Development Plan. The estimate for years 6 to 30 has been projected with an annual allowance for inflation.						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Internal fee income	£ 55,781	£ 65,938	£ 23,640	£ 39,300	£ 33,762	£ 20,000
External fee income	£ 2,239	£ -	£ -	£ -	£ -	£ -
	£ 58,020	£ 65,938	£ 23,640	£ 39,300	£ 33,762	Plus inflation

  

<b>16 Factoring Fees</b>						
The fees are set annually by the Association and assumed based on CPI plus 1%.						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
For details see the factoring database	108	108	108	108	108	Annual inflation
	£ 8,400	£ 8,652	£ 8,912	£ 9,179	£ 9,454	

  

<b>17 Handyperson Income</b>						
The Handyperson Service secures its income on a year by year basis. Annual increases have been estimated using our general assumptions on inflation (see above).						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Grant income	£ 221,447	£ 226,268	£ 230,594	£ 235,005	£ 239,506	Annual inflation

  

<b>18 Community Business Development Officer</b>						
Partially Funded 2 Year Post						
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
HIE	17,875	24,252	-	-	-	-
HHA Charitable Trust	5,000	-	-	-	-	-
	£ 22,875	£ 24,252	-	-	-	-

  

<b>19 Grants towards Planned Maintenance</b>						
Taken from the Association's Asset Management Strategy						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
	£ -	£ -	£ -	£ -	£ -	£ -

  

<b>20 Energy Advice Income</b>						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
SSE	£ 20,000	£ -	£ -	£ -	£ -	-
Energy Action Scotland	£ 10,000	£ -	£ -	£ -	£ -	-
EPCs	£ 1,000	£ 1,020	£ 1,040	£ 1,061	£ 1,082	Annual inflation
Energy Care Project	£ 35,000	£ 35,700	£ 36,414	£ 37,142	£ 37,885	
Total	£ 66,000	£ 36,720	£ 37,454	£ 38,203	£ 38,968	

  

<b>21 People and Communities Fund Grant</b>						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	
Grant Received	£ -	£ -	£ -	£ -	£ -	
Expenditure	£ -	£ -	£ -	£ -	£ -	
	£ -	£ -	£ -	£ -	£ -	

  

<b>22 Commercial and Other Rents</b>						
Offices Bridge Road, Portree - annual rent £17,000 per annum (next review 1 February 2017) Hamilton House, Kyle - annual rent £8,938 5 Station Road, Kyle - annual rent £10,000 (next rent review December 2016) Tech Services Store - rent income - £5,000						
	2016/17	2017/18	2018/19	2019/20	2020/21	Years 6 to 30
	£ 41,038	£ 41,100	£ 42,100	£ 42,100	£ 42,100	2021 to 2046
						Annual inflation

  

<b>23 Lease Income</b>						
The Association leases properties to NWHCE for use as housing at mid-market rents.						
	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Number of properties leased	5	5	5	5	5	Annual inflation
Lease Income	£ 19,035	£ 19,608	£ 20,196	£ 20,796	£ 21,420	

**24 Property Management Fees**

Income is received for managing properties on behalf of NWHCE and also other organisations as follows:

NTS - 9 properties @ £10,506p.a.

HIE - 2 properties @ £2,340 p.a.

HSCHT-1 property @ £1,272 p.a.

WHC/UHI - £5,280 p.a.

LINK - £5,700p.a.

NWHCE - 5 properties at Dornie  
Other organisations  
Total

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
£	7,821	8,052	8,292	8,544	8,796
£	25,098	25,600	26,112	26,634	27,167
£	32,919	33,652	34,404	35,178	35,963

Years 6 to 30 2021 to 2046
Annual inflation

**25 Renewable Heat Incentives**

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
£	6,500	6,500	6,500	6,500	6,500

Years 6 to 7 2021 to 2046
£ 6,400

**26 Feed-in Tariffs**

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
£	-	-	-	-	-

Years 6 to 30 2021 to 2046
£ -

**27 Heat Sales**

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
£	-	-	-	-	-

Years 6 to 30 2021 to 2046
Annual inflation

**28 Gain on sale of assets**

This is based on an assumption of gains arising on 1 outright shared ownership sale each year.

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
£	50,000	50,000	50,000	50,000	50,000

Years 6 to 11 2021 to 2046
£ 50,000

**29 Bank Interest Receivable**

This is an amalgamation of all interest earned by the association and assumes an average interest rate equivalent to the prevailing bank base rate plus 0.5%.

Base rate  
Deposit rate

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
0.50%		1.00%	1.50%	2.00%	2.50%
0.75%		1.25%	1.75%	2.25%	2.75%
£	12,843	18,148	24,484	25,850	24,828

Years 6 to 30 2021 to 2046
3.00%
3.25%

**EXPENDITURE**

**30 Salaries & Associated Costs**

Basic Assumptions

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
Overtime	0%	0%	0%	0%	0%
Employers NI (average rate)	10.0%	12.0%	12.0%	12.0%	12.0%
Pensions	9.6%	10.4%	10.4%	10.4%	10.4%
Pensions care 1/80th	8.5%	9.3%	9.3%	9.3%	9.3%
Pensions - other	5.0%	5.0%	5.0%	5.0%	5.0%

Years 6 to 30 2021 to 2046
0%
12.0%
10.4%
9.3%
5.0%

Salaries	£ 1,068,040	£ 1,124,064	£ 1,144,276	£ 1,168,207	£ 1,189,530
Employer's NI Costs	£ 106,717	£ 134,783	£ 137,206	£ 140,076	£ 142,632
Pensions (includes auto-enrolment from 2016)	£ 88,759	£ 100,403	£ 101,349	£ 103,405	£ 104,658
Pension Deficit Contribution (to year 2027)	£ 81,766	£ 84,140	£ 86,585	£ 89,103	£ 91,697
Accrued holiday pay	£ -	£ -	£ -	£ -	£ -
Total salary costs	£ 1,345,282	£ 1,443,390	£ 1,469,416	£ 1,500,791	£ 1,528,517

Years 6 to 12 2021 to 2046
Increasing annually by 3.0%

The totals above include the following amounts which have been allocated to other account areas:

Allocated to Direct Labour	£ 320,795	£ 335,453	£ 343,557	£ 351,714	£ 356,062
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**31 Recruitment Costs**

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
£	1,500	1,530	1,561	1,592	1,624

Years 6 to 30 2021 to 2046
Annual inflation

**32 Other Staff Costs**

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
£	1,200	1,224	1,248	1,273	1,298

Years 6 to 30 2021 to 2046
Annual inflation

**33 Staff Travel & Subsistence**

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
£	16,000	16,320	16,646	16,979	17,319

Years 6 to 30 2021 to 2046
Annual inflation

**34 Motor Vehicles**

	Year 1 2016/17	Year 2 2017/18	Year 3 2018/19	Year 4 2019/20	Year 5 2020/21
£	116,127	119,091	116,620	118,952	121,331

Years 6 to 30 2021 to 2046
Annual inflation

The totals above include the following amounts which have been allocated to other account areas:

Allocated to Direct Labour	£ 42,960	£ 43,819	£ 44,696	£ 45,589	£ 46,502
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35 Office Related Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Office Rates/Water Charges	£ 2,300	£ 2,350	£ 2,400	£ 2,450	£ 2,500	Annual inflation
Rents payable	£ 21,000	£ 21,420	£ 21,850	£ 22,290	£ 22,740	
Office Repairs	£ 2,000	£ 2,000	£ 2,040	£ 2,080	£ 2,120	
Office Property Insurance	£ 600	£ 610	£ 620	£ 630	£ 640	
General Insurances	£ 15,560	£ 15,870	£ 16,190	£ 16,510	£ 16,840	
Telephone	£ 10,000	£ 10,450	£ 10,660	£ 10,870	£ 11,090	
Heat & Light	£ 6,500	£ 6,630	£ 6,760	£ 6,900	£ 7,040	
Postage	£ 7,000	£ 7,140	£ 7,280	£ 7,430	£ 7,580	
Stationery	£ 8,500	£ 8,670	£ 8,840	£ 9,020	£ 9,200	
Printing	£ 2,500	£ 2,550	£ 2,601	£ 2,653	£ 2,706	
Publicity and Advertising	£ 2,500	£ 2,613	£ 2,660	£ 2,710	£ 2,760	
Equipment Repairs & Renewals	£ 2,500	£ 2,613	£ 2,660	£ 2,710	£ 2,760	
Energy Advice	£ -	£ -	£ -	£ -	£ -	
IT Consumables/Licences/Software	£ 10,664	£ 12,663	£ 11,876	£ 19,474	£ 12,420	
Courses, Seminars, & Training	£ 7,000	£ 7,315	£ 7,460	£ 7,610	£ 7,760	
Conferences	£ 2,000	£ 2,090	£ 2,130	£ 2,170	£ 2,210	
Subscriptions	£ 12,500	£ 12,750	£ 13,010	£ 13,270	£ 13,540	
Highland Housing Register - Admin	£ 3,000	£ 3,060	£ 3,120	£ 3,180	£ 3,240	
Highland Housing Register - Other	£ 2,534	£ 2,580	£ 2,630	£ 2,680	£ 2,730	
Committee Travel & Subsistence	£ 2,000	£ 2,090	£ 2,130	£ 2,170	£ 2,210	
IT Support Contracts	£ 12,196	£ 12,440	£ 12,688	£ 12,942	£ 13,201	
Sponsorships	£ 3,000	£ 3,060	£ 3,120	£ 3,180	£ 3,240	
Tenant Participation	£ 1,000	£ 1,020	£ 1,040	£ 1,060	£ 1,080	
Office Cleaning	£ 7,000	£ 7,140	£ 7,280	£ 7,430	£ 7,580	
Bank charges	£ 6,500	£ 6,630	£ 6,760	£ 6,900	£ 7,040	
Handyperson materials etc	£ 16,000	£ 16,320	£ 16,650	£ 16,980	£ 17,320	
Health and Safety	£ 3,000	£ 3,060	£ 3,120	£ 3,180	£ 3,240	
Room Hire	£ 500	£ 510	£ 520	£ 530	£ 540	
Hospitality	£ 500	£ 510	£ 520	£ 530	£ 540	
Compensation	£ 1,000	£ 1,020	£ 1,040	£ 1,060	£ 1,080	
Office Consumables	£ 4,000	£ 4,080	£ 4,160	£ 4,240	£ 4,320	
Vat recoverable	£ (500)	£ (510)	£ (520)	£ (530)	£ (540)	
The totals above include the following amounts which have been allocated to other account areas:						
Allocated to Direct Labour	£ 25,580	£ 25,767	£ 25,963	£ 26,162	£ 26,366	

36 Professional Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Consultancy	£ 23,000	£ 12,000	£ -	£ -	£ -	Annual inflation
Audit & Accountancy	£ 16,000	£ 16,320	£ 16,650	£ 16,980	£ 17,320	
Legal Fees	£ 10,000	£ 10,200	£ 10,400	£ 10,610	£ 10,820	

37 Housing Property Costs	Expenditure is shown net of income received from insurance recoveries.					Years 6 to 30
	Year 1	Year 2	Year 3	Year 4	Year 5	2021 to 2046
<b>Reactive Repairs</b>						Per Asset Management Strategy
Reactive Repairs	£ 280,670	£ 286,284	£ 292,010	£ 297,850	£ 303,806	
SPS Management Fee	£ 4,365	£ 4,452	£ 4,541	£ 4,632	£ 4,725	
Direct Labour	£ 188,620	£ 197,391	£ 189,794	£ 187,628	£ 182,951	
<b>Total</b>	<b>£ 473,655</b>	<b>£ 488,127</b>	<b>£ 486,345</b>	<b>£ 490,110</b>	<b>£ 491,482</b>	
<b>Cyclical Maintenance</b>						
Cyclical maintenance	£ 78,000	£ 89,597	£ 83,523	£ 83,424	£ 83,975	
Direct Labour	£ 107,475	£ 119,597	£ 117,448	£ 118,938	£ 118,322	
<b>Total</b>	<b>£ 185,475</b>	<b>£ 209,194</b>	<b>£ 200,971</b>	<b>£ 202,362</b>	<b>£ 202,297</b>	
<b>Planned Maintenance</b>						
Planned Maintenance - Capital Components	£ 96,300	£ 111,554	£ 279,854	£ 211,796	£ 246,730	
Direct Labour	£ 77,455	£ 71,746	£ 90,362	£ 99,975	£ 110,398	
<b>Total charged to capital</b>	<b>£ 173,755</b>	<b>£ 183,300</b>	<b>£ 370,216</b>	<b>£ 311,771</b>	<b>£ 357,128</b>	
Planned Maintenance - Other	£ 38,250	£ 1,928	£ 3,513	£ 7,482	£ -	
Direct Labour	£ -	£ -	£ -	£ -	£ -	
<b>Total charged to Income as Expenditure A/c</b>	<b>£ 38,250</b>	<b>£ 1,928</b>	<b>£ 3,513</b>	<b>£ 7,482</b>	<b>£ -</b>	
<b>Property Service Charges</b>						
Service charges - expenditure	£ 6,000	£ 6,120	£ 6,242	£ 6,367	£ 6,495	
Direct Labour	£ 15,786	£ 16,305	£ 16,611	£ 16,924	£ 17,259	
<b>Property Service Charges</b>	<b>£ 21,786</b>	<b>£ 22,425</b>	<b>£ 22,853</b>	<b>£ 23,291</b>	<b>£ 23,754</b>	
Property Insurance	£ 45,000	£ 50,000	£ 55,000	£ 60,000	£ 65,000	

38 Biomass System	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Fuel	£ -	£ -	£ -	£ -	£ -	Annual inflation
Other costs	£ 9,000	£ 9,180	£ 9,360	£ 9,550	£ 9,740	
<b>Total</b>	<b>£ 9,000</b>	<b>£ 9,180</b>	<b>£ 9,360</b>	<b>£ 9,550</b>	<b>£ 9,740</b>	

39 Other Housing Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Bad Debts to be Written Off - Rents	£ 10,000	£ 10,200	£ 10,404	£ 10,612	£ 10,824	Annual Inflation
Bad Debts to be Written Off - Others	£ 5,000	£ 5,100	£ 5,202	£ 5,306	£ 5,412	
<b>Voids</b>	<b>£ 5,500</b>	<b>£ 5,610</b>	<b>£ 5,722</b>	<b>£ 5,836</b>	<b>£ 5,953</b>	

40 Depreciation	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Depreciation based on existing policy						
Housing Properties - % based on components	£ 1,444,951	£ 1,591,461	£ 1,648,532	£ 1,729,484	£ 1,803,637	Based on future development and other fixed assets programme
Office and other premises - % based on components	£ 11,418	£ 11,076	£ 10,743	£ 10,421	£ 10,108	
Office Equipment - 15% reducing balance	£ 5,531	£ 4,472	£ 3,730	£ 3,211	£ 2,848	
IT Equipment - 33.3% straight line	£ 5,714	£ 6,518	£ 6,451	£ 7,863	£ 6,696	
Housing Furniture - 20% straight line	£ -	£ -	£ -	£ -	£ -	
Motor Vehicles - 25% reducing balance	£ 5,811	£ 14,358	£ 10,769	£ 8,077	£ 17,307	

41 Finance Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
The cost of finance is taken from the loans budget using detailed repayment schedules. Actual interest rates are used to forecast the cost of existing loans. The following assumptions are used to forecast the cost of future borrowing.						
Borrowing rate	0.5250%	1.0250%	1.5250%	2.0250%	2.5250%	3.00%
Margin	2.5000%	2.5000%	2.5000%	2.5000%	2.5000%	2.5%
Total interest rate	3.0250%	3.5250%	4.0250%	4.5250%	5.0250%	5.50%
Annual interest - housing properties	£ 341,738	£ 442,554	£ 548,704	£ 643,338	£ 727,822	
Office Loan - Morrison House - Fixed Interest	6.98%	-	-	-	-	N/A
Annual interest - office property	£ 358	£ -	£ -	£ -	£ -	
Ordinary Bank Interest and Bank Charges are simply estimated on present levels with an uplift for greater activity						
Bank interest payable	£ 500	£ 510	£ 520	£ 530	£ 540	Inflation

42 Capital Expenditure	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Housing Property - driven by Development Plan						
Office and Other Premises	£ 4,097,713	£ 6,148,608	£ 1,798,110	£ 2,949,000	£ 2,570,000	Based on future development
Office Equipment	£ -	£ -	£ -	£ -	£ -	
IT Equipment	£ 2,000	£ 2,000	£ 2,000	£ 2,000	£ 2,000	
Motor Vehicles - net replacement costs	£ 8,870	£ 8,126	£ 6,317	£ 10,688	£ 4,361	
	£ -	£ 40,000	£ -	£ -	£ 45,000	
<b>Total capital expenditure</b>	<b>£ 4,108,583</b>	<b>£ 6,198,734</b>	<b>£ 1,806,427</b>	<b>£ 2,961,688</b>	<b>£ 2,621,361</b>	

43 Finance Utilised	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Grant - driven by the Development Plan						
Private Finance - driven by the Development Plan	£ 2,578,717	£ 3,025,844	£ 699,000	£ 1,672,000	£ 1,272,000	Based on future development and other fixed assets programme
Bridging Finance	£ 1,144,517	£ 2,017,457	£ 1,099,110	£ 1,277,000	£ 1,298,000	
Other funding	£ 374,479	£ 365,414	£ -	£ -	£ -	
Shared Equity sales income	£ -	£ 427,893	£ -	£ -	£ -	
	£ -	£ 312,000	£ -	£ -	£ -	
<b>Total finance utilised</b>	<b>£ 4,097,713</b>	<b>£ 6,148,608</b>	<b>£ 1,798,110</b>	<b>£ 2,949,000</b>	<b>£ 2,570,000</b>	
Shares issued	£ 10	£ 10	£ 10	£ 10	£ 10	

44 Loans repaid	Year 1	Year 2	Year 3	Year 4	Year 5	Years 6 to 30
	2016/17	2017/18	2018/19	2019/20	2020/21	2021 to 2046
Private Finance - Housing properties						
Private Finance - Office properties	£ 368,933	£ 493,188	£ 514,241	£ 530,342	£ 556,520	Based on future development
Early repayments/Maturities	£ 17,486	£ -	£ -	£ -	£ -	
	£ -	£ -	£ -	£ -	£ -	
<b>Total loans repaid</b>	<b>£ 386,419</b>	<b>£ 493,188</b>	<b>£ 514,241</b>	<b>£ 530,342</b>	<b>£ 556,520</b>	

DEVELOPMENT									
<b>45 Units to be constructed</b>									
For years 1 to 5 the total number of new units has been assumed at:	<table border="1"> <thead> <tr> <th colspan="2">New Units</th> </tr> </thead> <tbody> <tr> <td>Affordable Rent</td> <td>121</td> </tr> <tr> <td>Shared Equity</td> <td>4</td> </tr> <tr> <td>Mid-Market Rent</td> <td>-</td> </tr> </tbody> </table>	New Units		Affordable Rent	121	Shared Equity	4	Mid-Market Rent	-
New Units									
Affordable Rent	121								
Shared Equity	4								
Mid-Market Rent	-								
From year 6 onwards the the number of new units each year has been assumed at:	<table border="1"> <thead> <tr> <th colspan="2">Year 6+ New Units</th> </tr> </thead> <tbody> <tr> <td>Affordable Rent</td> <td>25</td> </tr> <tr> <td>Shared Equity</td> <td>-</td> </tr> <tr> <td>Mid-Market Rent</td> <td>-</td> </tr> </tbody> </table>	Year 6+ New Units		Affordable Rent	25	Shared Equity	-	Mid-Market Rent	-
Year 6+ New Units									
Affordable Rent	25								
Shared Equity	-								
Mid-Market Rent	-								
<b>46 Cost of construction</b>									
Unit cost - The Highland Council benchmark figure	<table border="1"> <thead> <tr> <th colspan="2">Unit Cost</th> </tr> </thead> <tbody> <tr> <td>£</td> <td>127,500</td> </tr> </tbody> </table>	Unit Cost		£	127,500				
Unit Cost									
£	127,500								
<b>47 Development Funding</b>									
General needs housing	<table border="1"> <thead> <tr> <th colspan="2">Percentage</th> </tr> </thead> <tbody> <tr> <td>Grant</td> <td>60.0%</td> </tr> <tr> <td>Private Finance</td> <td>40.0%</td> </tr> <tr> <td>Other Funding</td> <td></td> </tr> </tbody> </table>	Percentage		Grant	60.0%	Private Finance	40.0%	Other Funding	
Percentage									
Grant	60.0%								
Private Finance	40.0%								
Other Funding									

OTHER FIXED ASSETS	
<b>48 Office Equipment</b>	Years 1 to 5 per Financial Plan then £1,000 per year plus inflation
<b>49 IT Equipment</b>	Years 1 to 5 per Financial Plan then £5,000 per year plus inflation
<b>50 Motor Vehicles</b>	Years 1 to 5 per Financial Plan then vehicles renewed on a 3 year cycle thereafter
<b>51 Housing furniture</b>	Funded 100% from the Furniture Replacement Reserve.

**INCOME AND EXPENDITURE ACCOUNT**

**PROJECTIONS FOR FIVE YEARS TO 31/03/21**

	Year to 31/03/2017	Year to 31/03/2018	Year to 31/03/2019	Year to 31/03/2020	Year to 31/03/2021
	£	£	£	£	£
<b>INCOME</b>					
<b>Rents Receivable</b>					
Rent	2,444,280	2,627,997	2,857,345	2,984,350	3,166,174
Service Charges	35,233	36,257	37,341	38,431	39,560
Management Charges	2,460	2,340	2,220	2,100	1,980
Voids	(5,500)	(5,610)	(5,722)	(5,836)	(5,953)
	<b>2,476,473</b>	<b>2,660,984</b>	<b>2,891,184</b>	<b>3,019,045</b>	<b>3,201,761</b>
<b>The Scottish Government/Highland Council Grants and Other Income</b>					
Social Housing Grant	1,075,500	1,142,500	1,158,500	1,195,500	1,223,500
Other Housing Grants	49,600	59,600	59,600	59,600	59,600
Project Management Fees - Internal	74,375	87,917	31,520	52,400	45,015
Project Management Fees - External	-	-	-	-	-
Care and Repair Revenue Grants	66,108	67,430	68,779	70,155	71,558
Shared Equity Admin Allowance	1,500	1,530	1,560	1,590	1,590
Rent off the Shelf	-	-	-	-	-
Admin Grant - Disabled Adaptation	4,091	4,173	4,256	4,341	4,428
CDM Coordinator Fees	37,972	14,973	17,030	17,030	1,430
Clerk of Works Fees	58,020	65,938	23,640	39,300	33,762
Factoring Fees	8,400	8,652	8,912	9,179	9,454
Handyperson Income	221,447	226,268	230,594	235,005	239,506
Community Business Development Grant	22,875	24,252	-	-	-
Planned maintenance grants receivable	-	-	-	-	-
Energy Advice Service -Income	66,000	36,720	37,454	38,203	38,968
Commercial Rental	41,038	41,100	42,100	42,100	42,100
Lease Income	19,035	19,608	20,196	20,796	21,420
Property Management Fees - NWHCE	7,821	8,052	8,292	8,544	8,796
Property Management Fees - Other	25,098	25,600	26,112	26,634	27,167
Renewable Heat Incentives	6,500	6,500	6,500	6,500	6,500
Feed-in Tariffs	-	-	-	-	-
Heat Sales	-	-	-	-	-
	<b>1,785,380</b>	<b>1,840,813</b>	<b>1,745,046</b>	<b>1,826,877</b>	<b>1,834,794</b>
<b>Total Income</b>	<b>4,261,853</b>	<b>4,501,797</b>	<b>4,636,230</b>	<b>4,845,922</b>	<b>5,036,555</b>

<b>TOTAL NET INCOME</b>	<b>4,261,853</b>	<b>4,501,797</b>	<b>4,636,230</b>	<b>4,845,922</b>	<b>5,036,555</b>
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**OPERATING COSTS**

<b>Staff Related Costs</b>					
Salaries	1,068,040	1,124,064	1,144,276	1,168,207	1,189,530
Employer's NI Costs	106,717	134,783	137,206	140,076	142,632
Pensions	88,759	100,403	101,349	103,405	104,658
Pension Deficit Contribution	81,766	84,140	86,585	89,103	91,697
Accrued holiday pay	-	-	-	-	-
Recruitment Costs	1,500	1,530	1,561	1,592	1,624
Other Staff Costs	1,200	1,224	1,248	1,273	1,298
Staff Travel & Subsistence	16,000	16,320	16,646	16,979	17,319
Motor Vehicle Expenses	116,127	119,091	116,620	118,952	121,331
<b>Sub total</b>	<b>1,480,109</b>	<b>1,581,555</b>	<b>1,605,491</b>	<b>1,639,587</b>	<b>1,670,089</b>
Allocated to other account areas	(363,755)	(379,272)	(388,253)	(397,303)	(402,564)
	<b>1,116,354</b>	<b>1,202,283</b>	<b>1,217,238</b>	<b>1,242,284</b>	<b>1,267,525</b>

<b>Office Related Costs</b>					
Office Rates	2,300	2,350	2,400	2,450	2,500
Rents payable	21,000	21,420	21,850	22,290	22,740
Office Repairs	2,000	2,000	2,040	2,080	2,120
Office Property Insurance	600	610	620	630	640
General Insurances	15,560	15,870	16,190	16,510	16,840
Telephone	10,000	10,450	10,660	10,870	11,090
Heat & Light	6,500	6,630	6,760	6,900	7,040
Postage	7,000	7,140	7,280	7,430	7,580
Stationery	8,500	8,670	8,840	9,020	9,200
Printing	2,500	2,550	2,601	2,653	2,706
Publicity and Advertising	2,500	2,613	2,660	2,710	2,760
Equipment Repairs & Renewals	2,500	2,613	2,660	2,710	2,760
Energy Advice	-	-	-	-	-
IT equipment/licences/software	10,664	12,663	11,876	19,474	12,420
Courses, Seminars & Training	7,000	7,315	7,460	7,610	7,760
Conferences	2,000	2,090	2,130	2,170	2,210
Subscriptions	12,500	12,750	13,010	13,270	13,540
Highland CHR - Admin	3,000	3,060	3,120	3,180	3,240
Highland CHR - Other	2,534	2,580	2,630	2,680	2,730
Committee Travel & Subsistence	2,000	2,090	2,130	2,170	2,210
Support Contracts	12,196	12,440	12,688	12,942	13,201
Sponsorships	3,000	3,060	3,120	3,180	3,240
Tenant Participation	1,000	1,020	1,040	1,060	1,080
Office Cleaning	7,000	7,140	7,280	7,430	7,580
Bank Charges	6,500	6,630	6,760	6,900	7,040
Handyperson materials etc	16,000	16,320	16,650	16,980	17,320
Health and Safety	3,000	3,060	3,120	3,180	3,240
Room Hire	500	510	520	530	540
Hospitality	500	510	520	530	540
Compensation	1,000	1,020	1,040	1,060	1,080
Office Consumables	4,000	4,080	4,160	4,240	4,320
VAT recoverable	(500)	(510)	(520)	(530)	(540)
Allocated to other account areas	(25,580)	(25,767)	(25,963)	(26,162)	(26,366)
	<b>149,274</b>	<b>154,976</b>	<b>157,332</b>	<b>168,147</b>	<b>164,361</b>

**INCOME AND EXPENDITURE ACCOUNT**

**PROJECTIONS FOR FIVE YEARS TO 31/03/21**

	Year to 31/03/2017	Year to 31/03/2018	Year to 31/03/2019	Year to 31/03/2020	Year to 31/03/2021
	£	£	£	£	£
<b>OPERATING COSTS (continued)</b>					
<b>Professional Costs</b>					
Consultancy	23,000	12,000	-	-	-
Audit & Accountancy	16,000	16,320	16,650	16,980	17,320
Legal Fees	10,000	10,200	10,400	10,610	10,820
	<b>49,000</b>	<b>38,520</b>	<b>27,050</b>	<b>27,590</b>	<b>28,140</b>
<b>Property Costs</b>					
Repairs and Maintenance	473,655	488,127	486,345	490,110	491,482
Cyclical Maintenance	185,475	209,194	200,971	202,362	202,297
Planned Maintenance (not capitalised)	38,250	1,928	3,513	7,482	-
Property Service Charges	21,786	22,425	22,853	23,291	23,754
Property Insurance	45,000	50,000	55,000	60,000	65,000
Bad Debts - rents and services charges	10,000	10,200	10,404	10,612	10,824
Bad Debts - other	5,000	5,100	5,202	5,306	5,412
	<b>779,166</b>	<b>786,974</b>	<b>784,288</b>	<b>799,163</b>	<b>798,769</b>
<b>Biomass System</b>					
Fuel	-	-	-	-	-
Other Costs	9,000	9,180	9,360	9,550	9,740
	<b>9,000</b>	<b>9,180</b>	<b>9,360</b>	<b>9,550</b>	<b>9,740</b>
<b>Depreciation:</b>					
Housing Property	1,444,951	1,591,461	1,648,532	1,729,484	1,803,637
Office Property	11,418	11,076	10,743	10,421	10,108
Office Equipment	5,531	4,472	3,730	3,211	2,848
IT Equipment	5,714	6,518	6,451	7,863	6,696
Housing Furniture	-	-	-	-	-
Motor Vehicles	5,811	14,358	10,769	8,077	17,307
	<b>1,473,425</b>	<b>1,627,885</b>	<b>1,680,225</b>	<b>1,759,056</b>	<b>1,840,596</b>
<b>Total Operating Costs</b>	<b>3,576,219</b>	<b>3,819,818</b>	<b>3,875,493</b>	<b>4,005,790</b>	<b>4,109,131</b>
<b>Operating Surplus/(Deficit)</b>	<b>685,634</b>	<b>681,978</b>	<b>760,736</b>	<b>840,133</b>	<b>927,424</b>
<b>Gain on Sale of Assets</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Bank Interest Receivable</b>	<b>12,843</b>	<b>18,148</b>	<b>24,484</b>	<b>25,850</b>	<b>24,828</b>
<b>Finance Costs:</b>					
Bank Interest	500	510	520	530	540
Private Finance Loan Interest	341,738	442,554	548,704	643,338	727,822
Office Loans	358	-	-	-	-
	<b>342,596</b>	<b>443,064</b>	<b>549,224</b>	<b>643,868</b>	<b>728,362</b>
<b>NET SURPLUS/(DEFICIT)</b>	<b>405,881</b>	<b>307,062</b>	<b>285,996</b>	<b>272,115</b>	<b>273,890</b>

**PROJECTED BALANCE SHEETS**

	31/03/2016 £	31/03/2017 £	31/03/2018 £	31/03/2019 £	31/03/2020 £	31/03/2021 £
<b>Tangible Fixed Assets :</b>						
Hosing Properties - Cost	66,759,578	71,031,028	77,050,936	79,219,261	82,480,033	85,407,161
Housing properties Depreciation	(13,543,414)	(14,988,365)	(16,579,827)	(18,228,359)	(19,957,843)	(21,761,480)
	53,216,164	56,042,663	60,471,109	60,990,902	62,522,190	63,645,681
Investment Properties	257,959	257,959	257,959	257,959	257,959	257,959
Office Premises	380,604	369,186	358,110	347,367	336,946	326,838
Office Equipment	16,437	12,906	10,434	8,704	7,493	6,645
IT Equipment	8,271	11,427	13,035	12,901	15,726	13,391
Motor Vehicles	23,244	17,433	43,075	32,306	24,229	51,922
Housing Furniture	-	-	-	-	-	-
	<b>53,902,679</b>	<b>56,711,574</b>	<b>61,153,722</b>	<b>61,650,139</b>	<b>63,164,543</b>	<b>64,302,436</b>
<b>Investments</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Current Assets :</b>						
Rent Arrears (net of bad debt provision)	60,000	60,000	60,000	60,000	60,000	60,000
Care & Repair debtor	10,000	30,000	30,000	30,000	30,000	30,000
Trade Debtors (net of bad debt provision)	20,000	30,000	30,000	30,000	30,000	30,000
Other debtors	50,000	10,000	10,000	10,000	10,000	10,000
Prepayments & Accrued Income	30,000	40,000	40,000	40,000	40,000	40,000
Funding Receivable	-	10,000	10,000	10,000	10,000	10,000
Due from group undertaking	1,200	1,500	1,500	1,500	1,500	1,500
Stock (Shared Equity Property)	-	-	-	-	-	-
Bank & Cash	2,230,719	2,206,842	2,126,946	1,895,719	1,727,895	1,502,585
	<b>2,401,919</b>	<b>2,388,342</b>	<b>2,308,446</b>	<b>2,077,219</b>	<b>1,909,395</b>	<b>1,684,085</b>
<b>Creditors: Amounts falling due within one year</b>						
Bank Overdrafts	-	-	-	-	-	-
Bank Loans - Housing Properties	365,214	493,188	514,241	530,342	556,520	575,128
Bank Loans - Office Buildings	17,486	-	-	-	-	-
Trade Creditors	125,000	170,000	170,000	170,000	170,000	170,000
Other Creditors	80,000	8,000	8,000	8,000	8,000	8,000
Care & Repair creditor	2,000	10,000	10,000	10,000	10,000	10,000
Social Security and other taxation	40,000	50,000	50,000	50,000	50,000	50,000
Recycled Capital Grant Fund	-	-	-	-	-	-
Accrued Charges & Deferred Income	153,000	50,000	50,000	50,000	50,000	50,000
SHG in advance	-	-	-	-	-	-
	<b>782,700</b>	<b>781,188</b>	<b>802,241</b>	<b>818,342</b>	<b>844,520</b>	<b>863,128</b>
<b>Net Current Assets</b>	<b>1,619,219</b>	<b>1,607,154</b>	<b>1,506,205</b>	<b>1,258,877</b>	<b>1,064,875</b>	<b>820,957</b>
<b>Total Assets Less Current Liabilities</b>	<b>55,521,899</b>	<b>58,318,729</b>	<b>62,659,928</b>	<b>62,909,017</b>	<b>64,229,419</b>	<b>65,123,394</b>
<b>Creditors: Amounts falling due after more than one year</b>						
Bank Loans - Housing Properties	12,062,917	13,085,005	14,953,635	15,522,403	16,242,883	16,965,755
Bank Loans - Office Buildings	-	-	-	-	-	-
Pension Deficit	994,000	912,234	828,094	741,509	652,406	560,709
Deferred Social Housing Grant	36,713,856	38,217,073	40,100,417	39,640,917	40,117,417	40,165,917
Deferred Other Housing Grants	2,051,134	2,001,534	2,369,827	2,310,227	2,250,627	2,191,027
Other Deferred income	5,000	2,000	-	-	-	-
	<b>51,826,907</b>	<b>54,217,846</b>	<b>58,251,973</b>	<b>58,215,056</b>	<b>59,263,333</b>	<b>59,883,408</b>
<b>Net Assets</b>	<b>3,694,992</b>	<b>4,100,883</b>	<b>4,407,955</b>	<b>4,693,961</b>	<b>4,966,086</b>	<b>5,239,986</b>
<b>Capital &amp; Reserves :</b>						
Called Up Share Capital	192	202	212	222	232	242
Furniture Replacement Reserve	44,800	44,800	44,800	44,800	44,800	44,800
Revenue Reserve	3,650,000	4,055,881	4,362,943	4,648,939	4,921,054	5,194,944
	<b>3,694,992</b>	<b>4,100,883</b>	<b>4,407,955</b>	<b>4,693,961</b>	<b>4,966,086</b>	<b>5,239,986</b>

<b>CASHFLOW FORECAST</b>	<b>Quarter to 30-Jun-16</b>	<b>Quarter to 30-Sep-16</b>	<b>Quarter to 31-Dec-16</b>	<b>Quarter to 31-Mar-17</b>	<b>Year to 31-Mar-17</b>	<b>Year to 31-Mar-18</b>	<b>Year to 31-Mar-19</b>	<b>Year to 31-Mar-20</b>	<b>Year to 31-Mar-21</b>
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>CASH INFLOW</b>									
Rents & Service Charges	615,712	615,712	619,118	625,931	2,476,473	2,660,984	2,891,184	3,019,045	3,201,761
Grants and Other Income	165,070	165,070	165,070	165,070	660,280	638,713	526,946	571,777	551,694
Bank Interest Receivable	3,211	3,211	3,211	3,211	12,843	18,148	24,484	25,850	24,828
Capital Grant	750,000	702,315	176,402	950,000	2,578,717	3,025,844	699,000	1,672,000	1,272,000
Other capital funding	-	-	-	-	-	427,893	-	-	-
Private Finance	-	272,685	796,311	450,000	1,518,996	2,382,871	1,099,110	1,277,000	1,298,000
Shared Equity Sales	-	-	-	-	-	312,000	-	-	-
Sale of other assets	-	25,000	-	25,000	50,000	50,000	50,000	50,000	50,000
Shares	-	-	-	10	10	10	10	10	10
Movement in Shared Equity Stock	-	-	-	-	-	-	-	-	-
Movement in Debtors	-	-	-	( 10,300 )	( 10,300 )	-	-	-	-
<b>Total Inflow</b>	<b>1,533,992</b>	<b>1,783,992</b>	<b>1,760,112</b>	<b>2,208,922</b>	<b>7,287,019</b>	<b>9,516,463</b>	<b>5,290,734</b>	<b>6,615,682</b>	<b>6,398,293</b>
<b>CASH OUTFLOW</b>									
Staff Costs	279,089	279,089	279,089	279,089	1,116,354	1,202,283	1,217,238	1,242,284	1,267,525
Office Related Costs	37,319	37,319	37,319	37,319	149,274	154,976	157,332	168,147	164,361
Professional Costs	12,250	12,250	12,250	12,250	49,000	38,520	27,050	27,590	28,140
Property Costs	194,792	194,792	194,792	194,792	779,166	786,974	784,288	799,163	798,769
Biomass System	2,250	2,250	2,250	2,250	9,000	9,180	9,360	9,550	9,740
Finance Costs	85,649	85,649	85,649	85,649	342,596	443,064	549,224	643,868	728,362
Development Costs	750,000	975,000	972,713	1,399,982	4,097,695	6,148,608	1,798,110	2,949,000	2,570,000
Capital maintenance	43,439	43,439	43,439	43,439	173,755	183,300	370,216	311,771	357,128
Othe capital expenditure	2,718	2,718	2,718	2,718	10,870	50,126	8,317	12,688	51,361
Loans Repayments	96,605	96,605	96,605	96,605	386,419	493,188	514,241	530,342	556,520
Movement in Creditors	-	-	-	196,766	196,766	86,140	86,585	89,103	91,697
<b>Total Outflow</b>	<b>1,504,109</b>	<b>1,729,109</b>	<b>1,726,822</b>	<b>2,350,857</b>	<b>7,310,895</b>	<b>9,596,359</b>	<b>5,521,961</b>	<b>6,783,506</b>	<b>6,623,603</b>
<b>Net Movement in Cash</b>	<b>29,884</b>	<b>54,884</b>	<b>33,290</b>	<b>( 141,935 )</b>	<b>( 23,877 )</b>	<b>( 79,896 )</b>	<b>( 231,227 )</b>	<b>( 167,823 )</b>	<b>( 225,310 )</b>
<b>Opening Cash and Bank</b>	<b>2,230,719</b>	<b>2,260,603</b>	<b>2,315,487</b>	<b>2,348,777</b>	<b>2,230,719</b>	<b>2,206,842</b>	<b>2,126,946</b>	<b>1,895,719</b>	<b>1,727,895</b>
<b>Closing Cash and Bank</b>	<b>2,260,603</b>	<b>2,315,487</b>	<b>2,348,777</b>	<b>2,206,842</b>	<b>2,206,842</b>	<b>2,126,946</b>	<b>1,895,719</b>	<b>1,727,895</b>	<b>1,502,585</b>

## Summary of Performance Ratios

	2016/17	2017/18	2018/19	2019/20	2020/21
<u>Operating Surplus / Deficit</u>	£685,634	£681,978	£760,736	£840,133	£927,424
<u>Interest Cover</u>	297%	246%	221%	208%	202%
<u>Interest Cover Adjusted</u>	312%	257%	230%	216%	209%
<u>Quick Ratio</u>	3.06	2.88	2.54	2.26	1.95
<u>Gearing</u>	20%	22%	23%	24%	25%
<u>Net Debt/Adjusted net surplus (Years)</u>	7	8	9	9	9
<u>Bad debts</u>	0.40%	0.38%	0.36%	0.35%	0.34%
<u>Staff costs/turnover</u>	29.6%	30.2%	29.8%	29.1%	28.5%
<u>Net debt per unit</u>	£17,993	£19,735	£20,282	£20,933	£21,615
<u>Liquid Asset Ratio</u>	2.82	2.65	2.32	2.05	1.74

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Lochalsh and Skye Housing Association

Projections for 30 Years from 1 April 2016

<b>INCOME AND EXPENDITURE ACCOUNT</b>	<b>Year 1 to 31-Mar-17 £000</b>	<b>Year 2 to 31-Mar-18 £000</b>	<b>Year 3 to 31-Mar-19 £000</b>	<b>Year 4 to 31-Mar-20 £000</b>	<b>Year 5 to 31-Mar-21 £000</b>	<b>Year 6 to 31-Mar-22 £000</b>	<b>Year 7 to 31-Mar-23 £000</b>	<b>Year 8 to 31-Mar-24 £000</b>	<b>Year 9 to 31-Mar-25 £000</b>	<b>Year 10 to 31-Mar-26 £000</b>
<b>Income</b>										
Rents Receivable	2476	2661	2891	3019	3202	3463	3714	3979	4259	4556
Other Income	1785	1841	1745	1827	1835	1883	1949	2010	2079	2150
<b>Total Income</b>	<b>4262</b>	<b>4502</b>	<b>4636</b>	<b>4846</b>	<b>5037</b>	<b>5347</b>	<b>5663</b>	<b>5989</b>	<b>6339</b>	<b>6706</b>
<b>TOTAL NET INCOME</b>	<b>4262</b>	<b>4502</b>	<b>4636</b>	<b>4846</b>	<b>5037</b>	<b>5347</b>	<b>5663</b>	<b>5989</b>	<b>6339</b>	<b>6706</b>
<b>Operating Costs</b>										
Staff Costs	1116	1202	1217	1242	1268	1286	1325	1364	1405	1448
Office/Admin Costs	149	155	157	168	164	194	200	206	212	219
Professional Costs	49	39	27	28	28	29	30	31	32	33
Property Costs	779	787	784	799	799	896	923	955	990	1018
Biomass System	9	9	9	10	10	10	10	11	11	11
Depreciation	1473	1628	1680	1759	1841	1925	2026	2145	2254	2371
<b>Total Operating Costs</b>	<b>3576</b>	<b>3820</b>	<b>3875</b>	<b>4006</b>	<b>4109</b>	<b>4340</b>	<b>4514</b>	<b>4712</b>	<b>4904</b>	<b>5098</b>
<b>Operating Surplus/(Deficit)</b>	<b>686</b>	<b>682</b>	<b>761</b>	<b>840</b>	<b>927</b>	<b>1007</b>	<b>1150</b>	<b>1276</b>	<b>1435</b>	<b>1608</b>
Gain on Sale of Assets	50	50	50	50	50	50	50	50	50	50
Bank Interest Receivable	13	18	24	26	25	47	43	44	56	71
Less Finance Costs	343	443	549	644	728	848	903	973	1056	1141
<b>NET SURPLUS/(DEFICIT)</b>	<b>406</b>	<b>307</b>	<b>286</b>	<b>272</b>	<b>274</b>	<b>255</b>	<b>339</b>	<b>398</b>	<b>484</b>	<b>588</b>



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Lochalsh and Skye Housing Association

Projections for 30 Years from 1 April 2016

<b>INCOME AND EXPENDITURE ACCOUNT</b>	<b>Year 11 to 31-Mar-27 £000</b>	<b>Year 12 to 31-Mar-28 £000</b>	<b>Year 13 to 31-Mar-29 £000</b>	<b>Year 14 to 31-Mar-30 £000</b>	<b>Year 15 to 31-Mar-31 £000</b>	<b>Year 16 to 31-Mar-32 £000</b>	<b>Year 17 to 31-Mar-33 £000</b>	<b>Year 18 to 31-Mar-34 £000</b>	<b>Year 19 to 31-Mar-35 £000</b>	<b>Year 20 to 31-Mar-36 £000</b>
<b>Income</b>										
Rents Receivable	4869	5200	5549	5919	6309	6720	7155	7613	8097	8608
Other Income	2224	2300	2378	2459	2542	2628	2716	2807	2901	2998
<b>Total Income</b>	<b>7093</b>	<b>7500</b>	<b>7928</b>	<b>8377</b>	<b>8851</b>	<b>9348</b>	<b>9871</b>	<b>10421</b>	<b>10998</b>	<b>11605</b>
<b>TOTAL NET INCOME</b>	<b>7093</b>	<b>7500</b>	<b>7928</b>	<b>8377</b>	<b>8851</b>	<b>9348</b>	<b>9871</b>	<b>10421</b>	<b>10998</b>	<b>11605</b>
<b>Operating Costs</b>										
Staff Costs	1491	1536	1524	1510	1555	1602	1650	1699	1750	1803
Office/Admin Costs	225	232	239	246	253	261	269	277	285	294
Professional Costs	34	35	36	37	38	39	40	41	43	44
Property Costs	1059	1088	1138	1175	1214	1258	1296	1341	1389	1428
Biomass System	12	12	12	13	13	13	14	14	15	15
Depreciation	2496	2606	2718	2860	2978	3112	3262	3477	3672	3869
<b>Total Operating Costs</b>	<b>5316</b>	<b>5508</b>	<b>5666</b>	<b>5840</b>	<b>6051</b>	<b>6285</b>	<b>6530</b>	<b>6850</b>	<b>7153</b>	<b>7452</b>
<b>Operating Surplus/(Deficit)</b>	<b>1777</b>	<b>1992</b>	<b>2261</b>	<b>2538</b>	<b>2799</b>	<b>3063</b>	<b>3341</b>	<b>3571</b>	<b>3845</b>	<b>4153</b>
Gain on Sale of Assets	50	-	-	-	-	-	-	-	-	-
Bank Interest Receivable	82	91	108	130	162	200	243	265	270	299
Less Finance Costs	1211	1263	1315	1368	1424	1482	1541	1598	1655	1710
<b>NET SURPLUS/(DEFICIT)</b>	<b>698</b>	<b>819</b>	<b>1054</b>	<b>1300</b>	<b>1537</b>	<b>1781</b>	<b>2043</b>	<b>2238</b>	<b>2460</b>	<b>2742</b>

Projections for 30 Years from 1 April 2016

<b>INCOME AND EXPENDITURE ACCOUNT</b>	<b>Year 21 to 31-Mar-37 £000</b>	<b>Year 22 to 31-Mar-38 £000</b>	<b>Year 23 to 31-Mar-39 £000</b>	<b>Year 24 to 31-Mar-40 £000</b>	<b>Year 25 to 31-Mar-41 £000</b>	<b>Year 26 to 31-Mar-42 £000</b>	<b>Year 27 to 31-Mar-43 £000</b>	<b>Year 28 to 31-Mar-44 £000</b>	<b>Year 29 to 31-Mar-45 £000</b>	<b>Year 30 to 31-Mar-46 £000</b>
<b>Income</b>										
Rents Receivable	9146	9713	10312	10942	11607	12308	13045	13823	14641	15503
Other Income	3097	3199	3304	3412	3524	3639	3758	3880	4006	4135
<b>Total Income</b>	<b>12243</b>	<b>12912</b>	<b>13615</b>	<b>14355</b>	<b>15131</b>	<b>15947</b>	<b>16803</b>	<b>17702</b>	<b>18647</b>	<b>19638</b>
<b>TOTAL NET INCOME</b>	<b>12243</b>	<b>12912</b>	<b>13615</b>	<b>14355</b>	<b>15131</b>	<b>15947</b>	<b>16803</b>	<b>17702</b>	<b>18647</b>	<b>19638</b>
<b>Operating Costs</b>										
Staff Costs	1857	1912	1970	2029	2090	2152	2217	2283	2352	2422
Office/Admin Costs	303	312	321	331	341	351	361	372	383	395
Professional Costs	45	47	48	49	51	52	54	56	57	59
Property Costs	1486	1527	1596	1647	1703	1762	1822	1884	1949	2015
Biomass System	16	16	17	17	18	18	19	19	20	20
Depreciation	4060	4237	4435	4618	4797	5003	5175	5362	5580	5786
<b>Total Operating Costs</b>	<b>7765</b>	<b>8051</b>	<b>8386</b>	<b>8691</b>	<b>8999</b>	<b>9338</b>	<b>9648</b>	<b>9977</b>	<b>10341</b>	<b>10698</b>
<b>Operating Surplus/(Deficit)</b>	<b>4477</b>	<b>4861</b>	<b>5230</b>	<b>5664</b>	<b>6132</b>	<b>6609</b>	<b>7155</b>	<b>7725</b>	<b>8306</b>	<b>8940</b>
Gain on Sale of Assets	-	-	-	-	-	-	-	-	-	-
Bank Interest Receivable	345	408	501	614	751	907	1088	1296	1528	1781
Less Finance Costs	1765	1820	1876	1930	1983	2034	2084	2141	2204	2265
<b>NET SURPLUS/(DEFICIT)</b>	<b>3057</b>	<b>3449</b>	<b>3854</b>	<b>4348</b>	<b>4900</b>	<b>5482</b>	<b>6158</b>	<b>6880</b>	<b>7629</b>	<b>8456</b>

**Projections for 30 Years from 1 April 2016**

<b>BALANCE SHEET</b>	Opening Balance Sheet 31-Mar-16 £000
<b>Fixed Assets</b>	
Housing properties	53216
Other fixed assets	687
<b>Total Fixed Assets</b>	<b>53903</b>
<b>Current assets</b>	
Debtors	171
Bank	2231
<b>Total Current Assets</b>	<b>2402</b>
Creditors	783
<b>Net Current Assets</b>	<b>1619</b>
Loans: amounts falling due after more than one year	51827
<b>Net Assets</b>	<b>3695</b>
<b>Total Reserves</b>	<b>3695</b>

Year 1 to 31-Mar-17 £000	Year 2 to 31-Mar-18 £000	Year 3 to 31-Mar-19 £000	Year 4 to 31-Mar-20 £000	Year 5 to 31-Mar-21 £000	Year 6 to 31-Mar-22 £000	Year 7 to 31-Mar-23 £000	Year 8 to 31-Mar-24 £000	Year 9 to 31-Mar-25 £000	Year 10 to 31-Mar-26 £000
56043	60471	60991	62522	63646	65541	67650	69849	72035	74294
669	683	659	642	657	654	634	654	630	610
<b>56712</b>	<b>61154</b>	<b>61650</b>	<b>63165</b>	<b>64302</b>	<b>66196</b>	<b>68283</b>	<b>70503</b>	<b>72665</b>	<b>74904</b>
182	182	182	182	182	187	192	198	204	210
2207	2127	1896	1728	1503	1421	1241	1534	1958	2485
<b>2388</b>	<b>2308</b>	<b>2077</b>	<b>1909</b>	<b>1684</b>	<b>1608</b>	<b>1434</b>	<b>1732</b>	<b>2162</b>	<b>2695</b>
781	802	818	845	863	915	974	1040	1111	1182
<b>1607</b>	<b>1506</b>	<b>1259</b>	<b>1065</b>	<b>821</b>	<b>693</b>	<b>460</b>	<b>691</b>	<b>1051</b>	<b>1513</b>
54218	58252	58215	59263	59883	61394	62909	64962	67000	69113
<b>4101</b>	<b>4408</b>	<b>4694</b>	<b>4966</b>	<b>5240</b>	<b>5495</b>	<b>5834</b>	<b>6232</b>	<b>6716</b>	<b>7304</b>
<b>4101</b>	<b>4408</b>	<b>4694</b>	<b>4966</b>	<b>5240</b>	<b>5495</b>	<b>5834</b>	<b>6232</b>	<b>6716</b>	<b>7304</b>

**Projections for 30 Years from 1 April 2016**

<b>BALANCE SHEET</b>	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	to 31-Mar-27 £000	to 31-Mar-28 £000	to 31-Mar-29 £000	to 31-Mar-30 £000	to 31-Mar-31 £000	to 31-Mar-32 £000	to 31-Mar-33 £000	to 31-Mar-34 £000	to 31-Mar-35 £000	to 31-Mar-36 £000
<b>Fixed Assets</b>										
Housing properties	76420	78587	80669	82995	85117	87654	89997	94276	98226	101344
Other fixed assets	633	609	590	617	592	572	603	578	557	592
<b>Total Fixed Assets</b>	<b>77054</b>	<b>79197</b>	<b>81259</b>	<b>83612</b>	<b>85709</b>	<b>88226</b>	<b>90600</b>	<b>94854</b>	<b>98783</b>	<b>101936</b>
<b>Current assets</b>										
Debtors	216	223	230	236	243	251	258	266	274	282
Bank	2661	3028	3716	4425	5700	6829	8373	8231	8636	10094
<b>Total Current Assets</b>	<b>2877</b>	<b>3251</b>	<b>3945</b>	<b>4662</b>	<b>5944</b>	<b>7080</b>	<b>8631</b>	<b>8497</b>	<b>8909</b>	<b>10376</b>
Creditors	1254	1329	1343	1356	1412	1493	1583	1679	1781	1760
<b>Net Current Assets</b>	<b>1623</b>	<b>1922</b>	<b>2602</b>	<b>3306</b>	<b>4531</b>	<b>5587</b>	<b>7048</b>	<b>6818</b>	<b>7129</b>	<b>8615</b>
Loans: amounts falling due after more than one year	70675	72297	73985	75743	77528	79320	81111	82897	84677	86575
<b>Net Assets</b>	<b>8002</b>	<b>8822</b>	<b>9876</b>	<b>11175</b>	<b>12713</b>	<b>14493</b>	<b>16537</b>	<b>18775</b>	<b>21234</b>	<b>23976</b>
<b>Total Reserves</b>	<b>8002</b>	<b>8822</b>	<b>9876</b>	<b>11175</b>	<b>12713</b>	<b>14493</b>	<b>16537</b>	<b>18775</b>	<b>21234</b>	<b>23976</b>

**Projections for 30 Years from 1 April 2016**

<b>BALANCE SHEET</b>	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
	to 31-Mar-37 £000	to 31-Mar-38 £000	to 31-Mar-39 £000	to 31-Mar-40 £000	to 31-Mar-41 £000	to 31-Mar-42 £000	to 31-Mar-43 £000	to 31-Mar-44 £000	to 31-Mar-45 £000	to 31-Mar-46 £000
<b>Fixed Assets</b>										
Housing properties	105050	108021	110749	113336	115746	118159	120394	122784	125220	127813
Other fixed assets	566	544	584	556	534	578	548	525	574	544
<b>Total Fixed Assets</b>	<b>105616</b>	<b>108565</b>	<b>111333</b>	<b>113892</b>	<b>116280</b>	<b>118737</b>	<b>120942</b>	<b>123309</b>	<b>125794</b>	<b>128357</b>
<b>Current assets</b>										
Debtors	290	299	308	317	327	336	346	357	367	378
Bank	11460	14064	17261	21152	25795	30948	37065	43999	51549	59857
<b>Total Current Assets</b>	<b>11751</b>	<b>14363</b>	<b>17569</b>	<b>21469</b>	<b>26122</b>	<b>31285</b>	<b>37412</b>	<b>44356</b>	<b>51917</b>	<b>60236</b>
Creditors	1750	1851	1968	2054	2172	2257	2124	2266	2388	2466
<b>Net Current Assets</b>	<b>10000</b>	<b>12512</b>	<b>15600</b>	<b>19415</b>	<b>23950</b>	<b>29028</b>	<b>35288</b>	<b>42090</b>	<b>49528</b>	<b>57769</b>
Loans: amounts falling due after more than one year	88583	90594	92596	94622	96644	98698	101005	103294	105587	107935
<b>Net Assets</b>	<b>27033</b>	<b>30483</b>	<b>34337</b>	<b>38685</b>	<b>43585</b>	<b>49067</b>	<b>55226</b>	<b>62106</b>	<b>69735</b>	<b>78191</b>
<b>Total Reserves</b>	<b>27033</b>	<b>30483</b>	<b>34337</b>	<b>38685</b>	<b>43585</b>	<b>49067</b>	<b>55226</b>	<b>62106</b>	<b>69735</b>	<b>78191</b>

**Projections for 30 Years from 1 April 2016**

<b>CASH FLOW</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	to 31-Mar-17 £000	to 31-Mar-18 £000	to 31-Mar-19 £000	to 31-Mar-20 £000	to 31-Mar-21 £000	to 31-Mar-22 £000	to 31-Mar-23 £000	to 31-Mar-24 £000	to 31-Mar-25 £000	to 31-Mar-26 £000
<b>INCOME</b>										
Rents	2476	2661	2891	3019	3202	3463	3714	3979	4259	4556
Other operating income	660	639	527	572	552	531	570	581	598	616
HAG	2579	3026	699	1672	1272	2132	2196	2262	2330	2400
Other capital grants	-	428	-	-	-	-	-	-	-	-
Private finance	1519	2383	1099	1277	1298	1422	1464	2046	2078	2202
Shared Equity Sales	-	312	-	-	-	-	-	-	-	-
Sale of assets	50	50	50	50	50	50	50	50	50	50
Movement in Stock	-	-	-	-	-	-	-	-	-	-
Movement in debtors	(10)	-	-	-	-	(5)	(6)	(6)	(6)	(6)
<b>Total cash inflow</b>	<b>7274</b>	<b>9498</b>	<b>5266</b>	<b>6590</b>	<b>6373</b>	<b>7593</b>	<b>7989</b>	<b>8912</b>	<b>9310</b>	<b>9818</b>
<b>EXPENDITURE</b>										
Operating costs (excluding depreciation)	2103	2192	2195	2247	2269	2415	2488	2567	2650	2728
Finance costs	343	443	549	644	728	848	903	973	1056	1141
Development	4098	6149	1798	2949	2570	3554	3660	3770	3883	4000
Capitalised Maintenance	174	183	370	312	357	235	446	538	525	602
Other fixed assets	11	50	8	13	51	7	7	56	8	8
Loans repaid	386	493	514	530	557	575	619	669	726	787
Movement in creditors	197	86	87	89	92	86	88	91	94	97
<b>Total cash outflow</b>	<b>7311</b>	<b>9596</b>	<b>5522</b>	<b>6784</b>	<b>6624</b>	<b>7721</b>	<b>8212</b>	<b>8664</b>	<b>8942</b>	<b>9362</b>
Cash inflow/(outflow) for year	(37)	(98)	(256)	(194)	(250)	(128)	(223)	248	368	456
Cash balance b/f	2231	2207	2127	1896	1728	1503	1421	1241	1534	1958
<b>Cash balance at year end</b>	<b>2194</b>	<b>2109</b>	<b>1871</b>	<b>1702</b>	<b>1478</b>	<b>1375</b>	<b>1199</b>	<b>1489</b>	<b>1902</b>	<b>2414</b>
Interest receivable	13	18	24	26	25	47	43	44	56	71
<b>Cash balance c/f</b>	<b>2207</b>	<b>2127</b>	<b>1896</b>	<b>1728</b>	<b>1503</b>	<b>1421</b>	<b>1241</b>	<b>1534</b>	<b>1958</b>	<b>2485</b>

**Projections for 30 Years from 1 April 2016**

<b>CASH FLOW</b>	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
	to	to	to	to	to	to	to	to	to	to
	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32	31-Mar-33	31-Mar-34	31-Mar-35	31-Mar-36
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>INCOME</b>										
Rents	4869	5200	5549	5919	6309	6720	7155	7613	8097	8608
Other operating income	635	654	674	695	716	738	760	783	807	831
HAG	2472	2546	2622	2701	2782	2866	2952	3040	3131	3225
Other capital grants	-	-	-	-	-	-	-	-	-	-
Private finance	1648	1697	1748	1801	1855	1910	1968	2027	2088	2150
Shared Equity Sales										
Sale of assets	50	-	-	-	-	-	-	-	-	-
Movement in Stock	-	-	-	-	-	-	-	-	-	-
Movement in debtors	(6)	(6)	(7)	(7)	(7)	(7)	(7)	(8)	(8)	(8)
<b>Total cash inflow</b>	<b>9667</b>	<b>10091</b>	<b>10588</b>	<b>11108</b>	<b>11654</b>	<b>12227</b>	<b>12827</b>	<b>13456</b>	<b>14115</b>	<b>14806</b>
<b>EXPENDITURE</b>										
Operating costs (excluding depreciation)	2821	2903	2949	2980	3073	3173	3269	3372	3481	3583
Finance costs	1211	1263	1315	1368	1424	1482	1541	1598	1655	1710
Development	4120	4243	4371	4502	4637	4776	4919	5067	5219	5375
Capitalised Maintenance	463	497	401	644	430	844	642	2655	2372	1567
Other fixed assets	62	8	9	67	9	9	73	10	10	80
Loans repaid	848	910	975	979	980	1025	1094	1172	1256	1345
Movement in creditors	49	(10)	(11)	(11)	(11)	(12)	(12)	(12)	(13)	(13)
<b>Total cash outflow</b>	<b>9574</b>	<b>9814</b>	<b>10008</b>	<b>10529</b>	<b>10541</b>	<b>11298</b>	<b>11526</b>	<b>13862</b>	<b>13980</b>	<b>13648</b>
Cash inflow/(outflow) for year	94	277	579	580	1113	928	1300	(407)	135	1158
Cash balance b/f	2485	2661	3028	3716	4425	5700	6829	8373	8231	8636
<b>Cash balance at year end</b>	<b>2578</b>	<b>2938</b>	<b>3608</b>	<b>4295</b>	<b>5538</b>	<b>6629</b>	<b>8129</b>	<b>7966</b>	<b>8366</b>	<b>9794</b>
Interest receivable	82	91	108	130	162	200	243	265	270	299
<b>Cash balance c/f</b>	<b>2661</b>	<b>3028</b>	<b>3716</b>	<b>4425</b>	<b>5700</b>	<b>6829</b>	<b>8373</b>	<b>8231</b>	<b>8636</b>	<b>10094</b>

**Projections for 30 Years from 1 April 2016**

	Year 21 to 31-Mar-37 £000	Year 22 to 31-Mar-38 £000	Year 23 to 31-Mar-39 £000	Year 24 to 31-Mar-40 £000	Year 25 to 31-Mar-41 £000	Year 26 to 31-Mar-42 £000	Year 27 to 31-Mar-43 £000	Year 28 to 31-Mar-44 £000	Year 29 to 31-Mar-45 £000	Year 30 to 31-Mar-46 £000
<b>CASH FLOW</b>										
<b>INCOME</b>										
Rents	9146	9713	10312	10942	11607	12308	13045	13823	14641	15503
Other operating income	857	883	910	937	966	995	1026	1057	1089	1122
HAG	3322	3422	3524	3630	3739	3851	3967	4086	4208	4334
Other capital grants	-	-	-	-	-	-	-	-	-	-
Private finance	2215	2281	2350	2420	2493	2567	2644	2724	2805	2890
Shared Equity Sales	-	-	-	-	-	-	-	-	-	-
Sale of assets	-	-	-	-	-	-	-	-	-	-
Movement in Stock	-	-	-	-	-	-	-	-	-	-
Movement in debtors	(8)	(9)	(9)	(9)	(9)	(10)	(10)	(10)	(11)	(11)
<b>Total cash inflow</b>	<b>15531</b>	<b>16290</b>	<b>17086</b>	<b>17921</b>	<b>18795</b>	<b>19712</b>	<b>20672</b>	<b>21678</b>	<b>22733</b>	<b>23838</b>
<b>EXPENDITURE</b>										
Operating costs (excluding depreciation)	3706	3814	3951	4073	4202	4335	4473	4615	4761	4912
Finance costs	1765	1820	1876	1930	1983	2034	2084	2141	2204	2265
Development	5537	5703	5874	6050	6232	6418	6611	6809	7014	7224
Capitalised Maintenance	2192	1472	1242	1116	941	947	756	906	948	1110
Other fixed assets	11	11	87	12	12	95	13	13	103	14
Loans repaid	1312	1288	1375	1478	1549	1651	1721	1572	1697	1803
Movement in creditors	(13)	(14)	(14)	(15)	(15)	(16)	(16)	(17)	(17)	(18)
<b>Total cash outflow</b>	<b>14509</b>	<b>14094</b>	<b>14391</b>	<b>14644</b>	<b>14903</b>	<b>15465</b>	<b>15643</b>	<b>16041</b>	<b>16711</b>	<b>17312</b>
Cash inflow/(outflow) for year	1022	2196	2695	3277	3892	4246	5029	5638	6022	6527
Cash balance b/f	10094	11460	14064	17261	21152	25795	30948	37065	43999	51549
<b>Cash balance at year end</b>	<b>11116</b>	<b>13656</b>	<b>16760</b>	<b>20538</b>	<b>25044</b>	<b>30041</b>	<b>35978</b>	<b>42703</b>	<b>50022</b>	<b>58076</b>
Interest receivable	345	408	501	614	751	907	1088	1296	1528	1781
<b>Cash balance c/f</b>	<b>11460</b>	<b>14064</b>	<b>17261</b>	<b>21152</b>	<b>25795</b>	<b>30948</b>	<b>37065</b>	<b>43999</b>	<b>51549</b>	<b>59857</b>



Buidheann Tigheadas Loch Aillse agus an Eilein Sgitheanaich Ltd.  
Lochalsh and Skye Housing Association

**Summary of Performance Ratios**

	1	2	3	4	5	6	7	8	9	10
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
<u>Operating Surplus / Deficit</u>	£685,634	£681,978	£760,736	£840,133	£927,424	£1,006,731	£1,149,674	£1,276,464	£1,435,061	£1,607,877
<u>Interest Cover</u>	297%	246%	221%	208%	202%	191%	200%	206%	211%	218%
<u>Interest Cover Adjusted</u>	312%	257%	230%	216%	209%	196%	206%	211%	216%	222%
<u>Quick Ratio</u>	3.06	2.88	2.54	2.26	1.95	1.76	1.47	1.66	1.95	2.28
<u>Gearing</u>	20%	22%	23%	24%	25%	25%	26%	26%	26%	27%
<u>Net Debt/Adjusted net surplus (Years)</u>	7	8	9	9	9	9	10	10	9	9
<u>Bad debts</u>	0.40%	0.38%	0.36%	0.35%	0.34%	0.32%	0.31%	0.30%	0.29%	0.28%
<u>Staff costs/turnover</u>	29.6%	30.2%	29.8%	29.1%	28.5%	27.7%	26.9%	26.2%	25.5%	24.8%
<u>Net debt per unit</u>	£17,993	£19,735	£20,284	£20,933	£21,615	£22,120	£22,716	£23,350	£23,759	£24,099
<u>Liquid Asset Ratio</u>	2.82	2.65	2.32	2.05	1.74	1.55	1.27	1.47	1.76	2.10

Buidheann Tigheadas Loch Aillse agus an Eilein Sgitheanaich Ltd.  
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**Summary of Performance Ratios**

	11	12	13	14	15	16	17	18	19	20
	2026/27	2027/28	2028/29	2029/30	2031/31	2031/32	2032/33	2033/34	2034/35	2035/36
<u>Operating Surplus / Deficit</u>	£1,776,858	£1,991,812	£2,261,218	£2,537,766	£2,799,092	£3,062,882	£3,340,770	£3,570,740	£3,845,063	£4,152,683
<u>Interest Cover</u>	225%	238%	255%	272%	287%	301%	315%	329%	342%	357%
<u>Interest Cover Adjusted</u>	229%	238%	255%	272%	287%	301%	315%	329%	342%	357%
<u>Quick Ratio</u>	2.29	2.45	2.94	3.44	4.21	4.74	5.45	5.06	5.00	5.89
<u>Gearing</u>	26%	26%	25%	24%	22%	21%	20%	19%	19%	17%
<u>Net Debt/Adjusted net surplus (Years)</u>	8	8	7	6	5	5	5	7	6	4
<u>Bad debts</u>	0.27%	0.26%	0.25%	0.24%	0.23%	0.22%	0.22%	0.21%	0.20%	0.20%
<u>Staff costs/turnover</u>	24.2%	23.6%	23.0%	22.4%	21.8%	21.3%	20.8%	20.2%	19.8%	19.3%
<u>Net debt per unit</u>	£24,123	£23,923	£23,379	£22,891	£21,910	£21,132	£19,983	£20,448	£20,370	£19,330
<u>Liquid Asset Ratio</u>	2.12	2.28	2.77	3.26	4.04	4.58	5.29	4.90	4.85	5.73

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**Summary of Performance Ratios**

	21 2036/37	22 2037/38	23 2038/39	24 2039/40	25 2040/41	26 2041/42	27 2042/43	28 2043/44	29 2044/45	30 2045/46
<u>Operating Surplus / Deficit</u>	£4,477,176	£4,861,303	£5,229,538	£5,663,524	£6,132,018	£6,608,624	£7,155,042	£7,725,339	£8,306,127	£8,939,843
<u>Interest Cover</u>	374%	393%	412%	434%	458%	483%	511%	538%	564%	594%
<u>Interest Cover Adjusted</u>	374%	393%	412%	434%	458%	483%	511%	538%	564%	594%
<u>Quick Ratio</u>	6.71	7.76	8.93	10.45	12.03	13.86	17.62	19.58	21.74	24.42
<u>Gearing</u>	16%	14%	12%	9%	7%	4%	1%	-2%	-5%	-8%
<u>Net Debt/Adjusted net surplus (Years)</u>	4	3	2	2	1	1	0 -	0 -	1 -	1
<u>Bad debts</u>	0.19%	0.18%	0.18%	0.17%	0.17%	0.16%	0.16%	0.15%	0.15%	0.15%
<u>Staff costs/turnover</u>	18.8%	18.4%	18.0%	17.6%	17.2%	16.8%	16.4%	16.0%	15.7%	15.3%
<u>Net debt per unit</u>	£18,501	£16,724	£14,509	£11,788	£8,572	£5,058	£941	-£3,468	-£8,203	-£13,336
<u>Liquid Asset Ratio</u>	6.55	7.60	8.77	10.30	11.88	13.71	17.45	19.42	21.58	24.27

**Scenario Planning**

**Summary of Results - Plans A to E**

The Association recognises that there are a range of factors which may impact on its business and financial plans. All of these risks are identified within the Risk Register and actions have been identified to mitigate the potential effects of these risks.

In terms of financial planning, a key strength for the Association is that almost all of its housing stock has been constructed from new within the last 25 years and the Association has been able to set aside sufficient reserves to ensure that a robust programme of reactive, cyclical and planned maintenance has been able to be carried out timeously. This has assisted in ensuring that the Association has been able to meet all of the requirements of the Scottish Housing Quality Standard.

The Association has also consistently demonstrated that its rent collection, arrears management and void management policies and procedures are extremely robust and our Peer Group Report outcomes over many years demonstrate that the Association is in the top quartile of performers. It is considered that our low-level assumptions in respect of these factors are justified based on past performance.

The key risks relate to factors outwith the direct control of the Association and relate to the future rate of inflation, interest rates and rent levels.

**Main Plan**

Scenarios			
Plan	CPI	Rent Increase	Borrowing Rate
<b>Plan A</b> Base assumptions from year 6	3.0%	4.0%	5.50%
<b>Plan B</b> Libor + 1%	3.0%	4.0%	6.50%
<b>Plan C</b> CPI +1%	4.0%	5.0%	5.50%
<b>Plan D</b> CPI + 1% and Libor +1%	4.0%	5.0%	6.50%
<b>Plan E</b> As Plan D but rent increase = CPI	4.0%	4.0%	6.50%

Accumulated reserves						
Start	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
£000	£000	£000	£000	£000	£000	£000
3695	5240	7304	12713	23976	43585	78191
3695	4492	5272	8677	17286	33518	63904
3695	5435	8481	16230	32038	59991	109932
3695	4688	6427	12022	24961	49182	94339
3695	4427	4587	5998	9693	16364	32094

Cash balances						
Start	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30
£000	£000	£000	£000	£000	£000	£000
2231	1503	2485	5700	10094	25795	59857
2231	973	1334	3661	5463	17797	47546
2231	1674	1876	7401	15390	38801	88159
2231	1144	2044	6001	11103	30707	75093
2231	885	608	2675	6316	7471	21188

SCHEDULE OF REVISIONS		
DATE	REVISION No.	DETAILS
15/02/2016	Version 2	Annual Review