

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

MINUTES of the 37th ANNUAL GENERAL MEETING held on
Tuesday, 29 September 2020 at 2.10 pm by Zoom

PRESENT: Mrs A Sinclair (Chairperson), Mr I McIvor, Mr G Gormal, Mrs M Douglas, Miss F Duguid, Mr J Cayley, Mrs I MacLeod, Ms M Hannah (Citizens Advice Bureau), Mr A Jones, Mr D Clapham, Mr P Garner, Mrs L Williams, Mrs M Palmer, Mrs L MacIntosh, Mr I Young (Vice-Chairperson), Ms J Masson, Mrs Moira Gillies, Ms L Kirkwood, Mrs A MacSween, Mr R MacKinnon, Mrs M Taylor, Mr J Lamont, Mr P James, Mr J Ellis, Mrs P James, Mr H MacDonald.

IN ATTENDANCE: Mr L MacDonald (Chief Executive)

APOLOGIES: Mrs P Walsh, Mrs J Turkington, Mr S Proudfoot, Mrs P Simmister, Ms I Campbell, Mr T Harvey, Mr D MacKenzie, Mr J Campbell, Ms M Drysdale, Ms V Nisbett, Mr J Finlayson, Ms S NicNeill, Mrs S Fenlon, Mr R Liley, Ms Y Barrett, Mrs Margaret Gillies, Mr D MacDonell, Mr R Wilson, Mr S Gwyn Davies, Mrs J Millington, Crossroads Care, Dawn Kroonstuiver Campbell, Ms G Sherwood.

2. MINUTES OF THE PREVIOUS ANNUAL GENERAL MEETING (15 July 2019)

The Minutes had been circulated previously and were moved for adoption by Mr G Gormal seconded by Mrs I MacLeod and approved unanimously.

3. CHAIRPERSON'S REPORT

The Chairperson gave the following report:

Welcome to the 37th Annual General Meeting of the Association and the first AGM to be held as a "virtual meeting". My report covers the year to 31 March 2020. Normally we would hold our AGM around June or July but this year we are holding it in September as a consequence of the restrictions placed on us by the Coronavirus pandemic of more which later in my report.

I am delighted to report that it has been a very successful year for LSHA. We added 30 additional properties to our housing stock and spent £6.8 million on new housing developments. We had a further 51 properties under construction at the year-end which will be completed in 2020/2021. We hope that these new properties will make a significant contribution to reducing the size of the housing lists in the area.

Our Programme of works to our existing properties continues year-on-year and we spent more than half a million pounds on repairs, maintenance and improvements. In addition, we expended just over half a million pounds on our

Care and Repair programme for elderly and disabled people, funded by grants from The Highland Council as well as individual owner occupiers' contributions. We assisted 112 households throughout Skye and Lochalsh with this programme and we were extremely pleased that, once again, our Care and Repair Service was awarded a Quality Mark by Care & Repair Scotland this year.

The Handyperson Service continues to carry out repair and improvement tasks, small adaptations and the provision of equipment and telecare devices on behalf of NHS Highland. We gratefully acknowledge the financial and other support we receive from The Highland Council and NHS Highland for these vital services which we provide in our communities.

Further details on the excellent work and strong performance of all our Services will be included in our published Annual Report which will be available soon and which will be sent to all our members, tenants and other stakeholders. This will include information on our performance relative to other similar social landlords in rural areas as well as providing comparisons with all Scotland-wide landlords. I can confirm that once again we have performed extremely well across the whole range of our Services.

Alongside our work on providing front-line services, we work hard to ensure that we have systems and processes in place to enable us to meet the requirements of our regulators. As well as our Annual Return on the Charter, we now have to provide the Scottish Housing Regulator with an Annual Assurance Statement to confirm that we meet all of the stringent requirements of their regulatory framework. This Statement should also provide re-assurance to our members and our tenants on these important matters and our 2018/2019 Statement is available on our website.

Another change this year means that Registered Social Landlords, like ourselves, are subject to Freedom of Information legislation. We produced a new comprehensive Guide to Information and, following the approval of the Scottish Information Commissioner, we also published this Guide on our website with effect from November 2019 to ensure that we complied with the new legislation.

Our governing body members have been extremely busy at their monthly meetings and have been considering the details of our new plans, policies and procedures and ensuring that we deliver on the aims and objectives of our business plans. They are very diligent in their work and the level of attendance at meetings is excellent. We thank Elizabeth Featherstone and Maggie MacPhee who both retired during the year and we were pleased to welcome John Finlayson and Isabelle Campbell who joined in May 2019 and also John Caley who rejoined us in February 2020.

Our staff continue to be hardworking and dedicated to their many duties and they deserve enormous credit for the excellent performance of the Association and our many achievements.

Finally, my report has to mention the impact of the Coronavirus pandemic on the Association. In early March 2020, when it became clear that the country was heading into lockdown, we activated our Business Continuity Plan and set up a COVID-19 Working Group to plan for lockdown. This resulted in all of our staff moving to homeworking by 23 March 2020 and emergency procedures being

established to allow the continued operation of our services to customers, all within the guidance published by the Scottish Government and other organisations.

At all times our priority has been to ensure that we were able to continue to provide as many services as possible and to have comprehensive plans in place to provide for the safety and protection of our customers and staff. We believe that we have achieved those objectives and we look forward to the full resumption of all services when circumstances allow this.

At the end of March 2020, we had already commenced work on reviewing our business and financial plans to take into consideration the potential impact on our income as a consequence of delays to the completion of new build properties, increases in the number of void properties and increases in the levels of arrears and bad debts. The initial outcome from this work indicates that the disruption caused by the Coronavirus pandemic will have no lasting impact on our future operations. This work on reviewing our business and financial plans will continue to be a key priority in the new financial year 2020/2021.

I would like to thank in particular three groups of people: firstly the members of the Board for their support though out the year; secondly our tenants for their positive appreciation of the services provided by the Association and lastly, an extra special thanks must be given this year to all the staff who, to a man and woman, responded so well to the new working conditions thrust upon them in response to the Covid-19 situation and enabled the Association to continue to function so efficiently and effectively.

4. CHIEF EXECUTIVE'S REPORT

The Chairperson advised that there would be no Chief Executive's report in the AGM but there would be a report published in the Annual Report later in the year.

5. ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDING 31 MARCH 2020

The Chief Executive presented the following report:-

Our Report and Financial Statements were considered and approved by our Board (formerly the Management Committee) on 17 August 2020 and the attention of members is drawn to the following pages of the summary document distributed to members.

➤ Page 3

As the Association is a Charity, the individuals referred to collectively as our Management Committee members also act as the Trustees of the Charity and are responsible for ensuring that the Report and Annual Financial Statements are presented to the Annual General Meeting.

The members of the Management Committee are listed on this page, as is the Company Secretary who is Lesley MacIntosh (our Finance Services

Manager) and the Executive Officer who is Lachie MacDonald (the Chief Executive). Our key advisers are also listed. At the end of the year we had ten members of the Management Committee and no co-optees.

➤ **Pages 4 and 5**

These pages form the “Report of the Management Committee” and describe key aspects of the Association’s work during the year and lists our relationships with other charities and organisations, namely:-

The Highland Housing Alliance
The Highlands Small Communities Housing Trust, and
North West Highland Community Enterprises, our subsidiary trading Company.

On page 5, under the heading “Going Concern”, the Management Committee states that it has a reasonable expectation that the Association has adequate resources to continue in operation for the foreseeable future and, therefore, they continue to adopt the going concern basis of accounting. The Association has considered the impact of the coronavirus pandemic on its activities and has concluded that the disruption caused will have no lasting impact on future operations.

Members will note that our auditors have agreed to offer themselves for re-appointment as auditors of the Association.

➤ **Page 8**

The “Statement of Management Committee’s Responsibilities” describes the legislative and Accounting Requirements that the Committee are responsible for complying with in respect of the preparation of the financial statements and the safeguarding of the assets of the Association.

➤ **Page 9**

The “Management Committee’s Statement of Internal Financial Control” describes the policies and procedures that we have in place to provide reasonable assurance with respect to:-

- The maintenance of proper accounting records
- The reliability of information used within the Association or for publication
- The safeguarding of assets against unauthorised use or disposition

Importantly, the Management Committee confirm that having reviewed our systems of internal financial control, **no** weaknesses were found which require disclosure in the financial statements.

➤ **Pages 10 and 11**

The “Independent Auditors Report to the Members of the Association” confirms that our auditors have carried out a full and extensive audit of the financial statements and in their opinion they give a true and fair view of the Association’s affairs.

The auditors also confirm that they have nothing to report in respect of those matters that they are required to report by exception.

➤ **Page 12**

The final statement is called the “Independent Auditor Report to the Members of the Association on Corporate Governance Matters” confirms that our auditor’s opinion is that we have complied with the Regulatory Standards published by the Scottish Housing Regulator. All of the statements included in the auditor’s reports above should provide members with assurance that the Association’s financial statements and our financial procedures are in order.

➤ **Page 13**

Statement of Comprehensive Income

- Our turnover rose from £4.75M to £5.13M
- Our Operating Expenditure shows a corresponding increase from £3.95M to £4.37M.
- The Operating Surplus increased from £727K to £738K.
- Interest receivable has increased from £16K to £17K.
- Interest and financing costs increased from £427K to £532K.
- The Net Surplus for the year fell from £326K to £224K.
- As the Association is a Charity there is no taxation due on the surplus of £224K.
- Under “Other Comprehensive Income” there is an adjustment of £771K which relates to actuarial gains in respect of the pension scheme.

➤ **Page 14**

Statement of Financial Position

- Our Fixed Assets have increased from £64.9M to £70.1M.
- Our Current Assets amount to £3.59M of which £3.36M is cash and cash equivalents.
- Our Total Assets Less Current Liabilities have increased from £66.3M to £72.0M.
- Long-term Creditors, which include loans and deferred housing grants have increased from £60.4M to £65.9M
- Other Long-term liabilities, which include the pensions liability and other provisions, have decreased from £854k to £88k
- Total Net Assets have risen from £4.99M to £5.99M represented by:-

Share Capital	£174
Income & Expenditure Reserve	£5,990,901

- Members are advised that if they wish to receive the full copy of the Report and Financial Statements, these are available free of charge by post or they can be viewed on our web site www.LSHA.co.uk.

That concludes the presentation on the Report and Financial Statements for the year ended 31 March 2020.

The Chairperson invited questions and a member asked if the Association were monitoring the trend in Operating Surpluses. The Chief Executive responded that these were very carefully monitored and we prepare Financial Plan projections for 5 year and 30-year periods. As a consequence of the Coronavirus pandemic, we had also increased the frequency of our reviews of our financial plans for 2020/2021.

Members **noted** the report.

6. **Appointment of Auditors**

The Chief Executive reported that, following a tender exercise earlier in the year, RSM UK Audit LLP were appointed as the successful candidates to carry out the Association's external audits for the next five years.

7. **Election of the Board**

In accordance with the Rules, three members of the Board were due to retire in rotation and these were Mr Steven Proudfoot, Mr Ian Young and Mr Roger Liley. Mr R Liley intimated that he did not wish to be re-elected but, as we do not exceed the 15 members allowed on the Board, both Mr S Proudfoot and Mr I Young who had indicated that they were willing to continue as Board members were automatically re-elected.

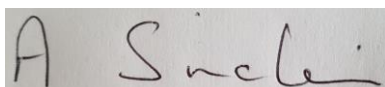
The following Members were appointed during the year to fill casual vacancies and have been nominated for election:-

Mr John Cayley
Professor David Clapham
Professor Ron Hill

These members are also automatically elected.

Members **noted** the position.

The meeting closed at 2.35 p.m.



Chairperson