

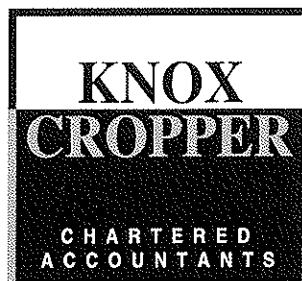
**ODU-DUA HOUSING ASSOCIATION LIMITED**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2006**

Incorporated under the Industrial and Provident Societies Acts  
1965 to 2002

Friendly Society Registration No: 24843R  
Housing Corporation Registration No: L3757



**ODU-DUA HOUSING ASSOCIATION LIMITED**

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## ODU-DUA HOUSING ASSOCIATION LIMITED

### GENERAL INFORMATION

Registered Office:	86-88 Kingsgate Road West Hampstead London NW6 4LA	
Housing Corporation No.	L3757	
Industrial and Provident Society Registration No.	24843R	
Board of Management :	John Oke	(Chairman)
	Emmanuel Josiah	
	Ade Olubanwo	
	Wilhelmina Hamilton	(Treasurer)
	Sharon Lynch	
	Adeola Kusimo	
	Clive Coley	
	Leslie Laniyan	(Vice-Chairman)
	Rosemary Emodi	(Co-opted 06.07.05)
	John Coker	(Co-opted 06.07.05)
	Olutayo Peters	(Elected 20.09.05)
	Efua Taylor	(Elected 20.09.05)
	Biyi Adegbola	(Co-opted 24.01.06)
	Abiodun Odunsanwo	(Until 04.10.05)
Chief Executive/Secretary	Tony Soares (Acting, contract terminated 10.03.06) Lara Oyedele (Appointed 06.03.06)	
Solicitors:	Evans Butler Wade 165 Greenwich High Road London SE10 8JA	
Independent Auditors:	Knox Cropper Chartered Accountants 16 New Bridge Street London EC4V 6AX	
Bankers:	Lloyds TSB Bank Plc 40 Rosslyn Hill Hampstead London NW3 1NL	

**ODU-DUA HOUSING ASSOCIATION LIMITED****REPORT OF THE BOARD OF MANAGEMENT**

The Board of Management presents its report together with the audited financial statements for the year ended 31<sup>st</sup> March 2006.

**Principal Activity**

The principal activity of the Association is the provision of rented accommodation for the homeless and people on low incomes.

**Review of Results For The Year And Future Developments**

The Board is of the opinion that the Association is now on course to meet its obligations to all stakeholders in a satisfactory manner.

The Association's Capital and Reserves as at 31 March 2006 stood at £2,003,881 and for the year ended on that date it recorded a surplus of £156,181 after financing costs.

The Board is of the opinion that measures taken by the Association have produced surpluses for the last 4 financial years. The Board is confident that surpluses will be achieved over the foreseeable future.

**Events Since The Year End**

In May 2006, the Association agreed a loan facility of £3,628,867 from nationwide Building Society. This amount will facilitate the purchase of 70 units the association currently manages on behalf of other Registered Social Landlords.

The Association has reached an agreement with another Registered Social Landlord to redevelop what were 21 rooms in 4 short life properties into a total of 5 large family units. This project is supported by both the Housing Corporation which is providing the Temporary Social Housing Funding and London Borough of Camden who are the freeholders.

Other Information relating to events since the end of the year is given in notes to the financial statements.

**Freehold Land And Buildings**

The Board considers that the market value of freehold land and buildings is in excess of the amount shown in the financial statements but, as these assets are used in the Registered Social Landlord's business and no disposals are envisaged, the excess is not quantified.

**Statement of the Responsibilities of the Board of Management**

The Industrial and Provident Societies Act registered social housing legislation requires the Board to prepare financial statements for each financial year which 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 which disclose with reasonable accuracy at any time the financial position of the Association and enable it to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002, Housing Act 1996, the Accounting Requirements for Registered Social Landlords General Determination 2000 and the Statement of Recommended Practice "Accounting by Registered Social Landlords" Update 2005. It has general responsibility for taking reasonable steps to safeguard the assets of the Registered Social Landlord and to prevent and detect fraud and other irregularities.

**ODU-DUA HOUSING ASSOCIATION LIMITED****REPORT OF THE BOARD OF MANAGEMENT****Statement on The Registered Social Landlords Internal Controls Systems**

The Board of Management is responsible for maintaining a sound system of internal controls which:

- focuses on the significant risks that threaten the organisation's ability to meet its objectives; and
- provides reasonable assurance of the safeguarding of assets

The Board of Management is also responsible for reviewing the effectiveness of the system of internal control.

The internal control system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing. This process has been in place for the year ended 31 March 2006 up to the date of approval of the annual report and financial statements and is regularly reviewed by the Board and Chief Executive.

The process, which the Board has adopted in reviewing the effectiveness of the Association's system of internal controls, includes review of matters during meetings held by the Board and agreeing on follow up action, if required. The staff team, as part of the process during the preparation of quarterly management accounts, annual budgets and other relevant reports also carries out regular reviews.

The main policies which the Board has established and which are designed to provide effective internal control include outsourcing of its internal audit function to an external professional organisation, whose report is reviewed by management and the Board. The management team is committed to ensuring implementation of the recommendations of the external professional organisation. There were no material internal control weakness identified during the year.

**Board of Management And Chief Executive**

The Board of Management and Executive Officers of the Association are listed on page 1.

**Going Concern**

After making enquiries, the Board of Management 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**

The Registered Auditors, Messrs Knox Cropper, Chartered Accountants have indicated their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

By Order of the Board of Management



Lara Oyedele  
Secretary

Date:

20 July 2006

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
ODU-DUA HOUSING ASSOCIATION LIMITED**

We have audited the financial statements of ODU-DUA Housing Association Limited, which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These Financial Statements have been prepared under the historical cost convention and the accounting policies set out there-in.

This report is made solely to the Association's members, as a body, in accordance with the Industrial and Provident Societies Act 1965 to 2002 and the Housing Act 1996. 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 opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF THE BOARD AND AUDITORS**

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

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. We also report to you if, in our opinion, the Board's Report is not consistent with the financial statements, if the Association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Association is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises the Report of the Board and the Board's statement on Internal Financial Control. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**BASIS OF OPINION**

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

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

**OPINION**

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of ODU-DUA Housing Association's affairs at 31<sup>st</sup> March 2006 and of its surplus for the year then ended and have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1 to the Housing Act 1996, and the Accounting Requirements for Registered Social Landlords General Determination 2000.

**16 New Bridge Street  
London EC4V 6AX**


*Knox Cropper*  
**Knox Cropper  
Chartered Accountants  
Registered Auditors**

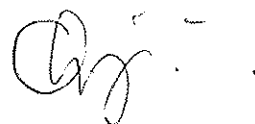
20<sup>th</sup> July 2006

**ODU-DUA HOUSING ASSOCIATION LIMITED****BALANCE SHEET****AS AT 31<sup>st</sup> MARCH 2006**

	Notes	2006		2005	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible Assets	2(a)		8,661,185		8,648,493
Less : Grants	2(b)		(6,848,554)		(6,848,554)
			<u>1,812,631</u>		<u>1,799,939</u>
<b>CURRENT ASSETS</b>					
Debtors	3	71,125		63,982	
Cash at Bank and in Hand		<u>321,091</u>		<u>233,050</u>	
		392,216		297,032	
<b>LESS CREDITORS</b>					
Amounts falling due within one year	4	<u>(200,966)</u>		<u>(217,093)</u>	
Net Current Assets			<u>191,250</u>		<u>79,939</u>
Total Assets Less Current Liabilities			<u>£2,003,881</u>		<u>£1,879,878</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	5		1,369,771		1,401,951
<b>Capital and Reserves</b>					
Called-up Share Capital	6		19		17
Revenue Reserves	7		417,952		261,771
Designated Reserves	7		<u>216,139</u>		<u>216,139</u>
			<u>£2,003,881</u>		<u>£1,879,878</u>

The financial statements were approved by the Board of Management and were signed on its behalf by :

Board Member : John Oke - Chair 

Secretary : Lara Oyedele 

Board Member : Wilhelmina Hamilton - Treasurer 

Date

20 July 2006

**ODU-DUA HOUSING ASSOCIATION LIMITED****INCOME AND EXPENDITURE ACCOUNT****AS AT 31<sup>st</sup> MARCH 2006**

	Notes	2006 £	2005 £
<b>TURNOVER</b>	9	840,920	814,968
Operating Costs	9	<u>(450,335)</u>	<u>(434,767)</u>
<b>OPERATING SURPLUS</b>	10	390,585	380,201
Surplus on Sale of Fixed Assets		-	261
Interest Receivable and Similar Income	11	10,859	5,996
Interest Payable and Similar Charges	12	<u>(245,263)</u>	<u>(296,336)</u>
<b>SURPLUS FOR THE YEAR BEFORE TRANSFER TO DESIGNATED RESERVE</b>		156,181	90,122
Transfer from Designated Reserve	7	-	-
<b>SURPLUS FOR THE YEAR AFTER TRANSFER TO DESIGNATED RESERVE</b>		156,181	90,122
Revenue Reserve brought forward	7	<u>261,771</u>	<u>171,649</u>
Revenue Reserve carried forward		<u>£417,952</u>	<u>£261,771</u>

**CONTINUING OPERATIONS**

None of the Association's activities were acquired or discontinued during the above two financial years.

**TOTAL RECOGNISED SURPLUSES AND DEFICITS**

The Association had no recognised surpluses or deficits other than the surplus for the year.

**HISTORICAL COST SURPLUSES AND DEFICITS**

Historical cost surpluses and deficits were identical to those shown on the income and expenditure account.



**ODU-DUA HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006****1. ACCOUNTING POLICIES**

The Association is registered under the Industrial & Provident Societies Acts 1965 to 2002 and is registered with the Housing Corporation as a registered social landlord as defined by the Housing Act 1996.

**a) Basis of Accounting**

The financial statements have been prepared in accordance with applicable accounting standards and the Statement of Recommended Practice: "Accounting by Registered Social Landlords, Update 2005". The accounts comply with the Housing Act 1996 and with the Accounting Requirements for Registered Social Landlords General Determination 2000. The accounts are prepared in accordance with the historical cost basis of accounting.

**b) Turnover**

Turnover represents rental income receivable net of rent losses from voids, service charges receivable, bank interest and other income.

**c) Fixed Assets and Depreciation**

Tangible fixed assets (except housing properties which are not depreciated), are stated at cost less accumulated depreciation. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:-

Fixtures, fittings and equipment	20.0% on cost
Motor vehicles	25.0% on cost
Short leasehold properties (held for renting)	12.5% on cost
Housing Properties held for letting	Nil
Completed Properties held by other Associations	Nil

**d) Impairment**

All properties are considered for impairment annually and detailed reviews of assets for impairment are carried out if there is an indication that impairment has occurred or if they are not being depreciated. Impairments that are a result of a major reduction in the service potential of a property are recognised in the income and expenditure account.

**e) Housing Properties**

Housing properties are principally properties available for rent and are stated at cost less Housing Association Grant. 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, which comprise the modernisation and extension of existing properties.

It is the Association's policy to maintain properties in a continual state of sound repair. Accordingly, the Board of Management considers that the lives of these properties are so long that any depreciation would be insignificant. Housing Properties are reviewed for impairment annually, and where housing properties have suffered a permanent diminution in value, the fall in value is recognised after taking account of any related capital grants.

**ODU-DUA HOUSING ASSOCIATION LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2006**

1. **ACCOUNTING POLICIES** (Continued)

f) **Completed Housing held by another Housing Association**

This is stated at cost less local authority grant. The development has been completed by another Association and rented out. The Board of Management's plan is to buy the housing units from the Housing Association.

g) **Housing Association Grant**

Where developments have been financed wholly or partly by Housing Association grant, the cost of those developments has been reduced by the amount of the grant received.

Housing Association grant is repayable in the following circumstances:-

- (i) If a property is sold.
- (ii) If the development of a property is not completed.

h) **Major Repairs Reserve**

The Association provided for future major repairs expenditure on all housing properties by designating some part of the reserves. The amounts transferred and designated do not necessarily bear any relationship to the actual cost of future major repairs. In line with the new SORP, such provisions are now made when they represent commitments or obligations at the balance sheet date and where there is no discretion to avoid or delay expenditure.

i) **Works to Existing Properties**

Works to existing properties are capitalised to the extent that they provide an enhancement to its economic benefits in excess of the standard of performance anticipated when originally acquired or constructed.

j) **Leased Assets**

Rentals payable under operating leases are charged to the Income and Expenditure account as incurred.

Assets obtained under hire purchase or finance leases are capitalised in the balance sheet. Those held under hire purchase are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives, or the lease term, whichever is shorter.

The interest element of those obligations is charged to the profit and loss account over the relevant period. The capital element is treated as a liability.

k) **Interest Payable**

Interest payable is charged to the income and expenditure account in the year to which it relates.

l) **Designated Reserves**

Designated reserves are part of unrestricted reserves, which have been earmarked by the Board for a particular purpose. Such designations may be reversed by future Board decisions. Expenditure cannot be directly set against designated reserves but taken through the Income and Expenditure Account. A transfer is then made from designated reserves as appropriate.

**ODU-DUA HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006****2(a) TANGIBLE FIXED ASSETS**

	Housing Properties held for Letting £	Completed Properties held by other Associations £	Short Leasehold Properties held for letting £	Short Leasehold Office Premises £	Furniture, Fixtures Equipment & Motor Vehicles £	Total £
<b>COST</b>						
At 1 <sup>st</sup> April 2005	8,497,972	144,258	30,470	1	34,222	8,706,923
Additions	4,348	-	1,260	-	12,308	17,916
At 31 <sup>st</sup> March 2006	8,502,320	144,258	31,730	1	46,530	8,724,839
<b>DEPRECIATION</b>						
At 1 <sup>st</sup> April 2005	1,129	-	29,530	1	27,770	58,430
Charge for the Year	-	-	860	-	4,364	5,224
At 31 <sup>st</sup> March 2006	1,129	-	30,390	1	32,134	63,654
<b>NET BOOK VALUE</b>						
At 31 <sup>st</sup> March 2006	£8,501,191	£144,258	£1,340	£ -	£ 14,396	£8,661,185
At 31 <sup>st</sup> March 2005	£8,496,843	£144,258	£ 940	£ -	£ 6,452	£8,648,493

**2(b) HOUSING ASSOCIATION GRANT**

At 1 <sup>st</sup> April 2005 and At 31 <sup>st</sup> March 2006	£6,704,296	£144,258	£ -	£ -	£ -	£6,848,554
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Grants include £144,258 of Local Authority Grants.

Net book value of Housing Properties comprises:

	2006 £	2005 £
Freeholds	4,355,566	4,351,218
Long Leaseholds	4,145,625	4,145,625
Short Leaseholds	1,340	940
Total	£8,502,531	£8,497,783
Expenditure on Existing Properties		
Capitalised	5,608	556
Charged to Income and Expenditure Account	1,250	-
	£6,858	£556

**ODU-DUA HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2006**3. **DEBTORS**

	2006	2005
	£	£
<b>Amounts falling due within one year</b>		
Rent Arrears	51,263	45,459
Less : Provision for bad debts	<u>(4,352)</u>	<u>(4,352)</u>
	46,911	41,107
Prepayments and accrued Income	22,235	20,896
Other Debtors	<u>1,979</u>	<u>1,979</u>
	<u>£ 71,125</u>	<u>£ 63,982</u>
<b>Amounts falling due more than one year</b>		
Rent Arrears	<u>-</u>	<u>-</u>
<b>Aggregate Amounts</b>	<u>£ 71,125</u>	<u>£ 63,982</u>

4. **CREDITORS : AMOUNTS FALLING DUE WITHIN ONE YEAR**

Rent and Service Charges in Advance	6,542	8,258
Bank Overdraft	-	-
Other Creditors	148,119	65,922
Accruals	17,533	115,081
Housing Loans	<u>28,772</u>	<u>27,832</u>
	<u>£200,966</u>	<u>£217,093</u>

The company aims to settle suppliers' accounts in accordance with their individual terms of business. As at 31 March 2006, there were 52 days' (2005 - 52 days') purchases outstanding in respect of the company's creditors.

5. **CREDITORS : AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR***HOUSING LOANS*

Building Society Loans	723,611	742,095
Orchard Brook Limited Loan	<u>646,160</u>	<u>659,856</u>
	<u>£1,369,771</u>	<u>£1,401,951</u>

Housing loans from Banks and the Building Societies are secured by specific charges on the Association's housing properties.

The loans are repayable at varying rates of interest, which ranged from 6.50% to 11.40% during the year. The final instalments fall to be repaid in the period 2004 to 2033.

*BY INSTALMENTS*

Within one year	28,772	27,832
Between two and five years	111,462	106,621
In five years or more	<u>1,258,309</u>	<u>1,295,330</u>
	<u>£1,398,543</u>	<u>£1,429,783</u>

**ODU-DUA HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2006****6. NON EQUITY SHARE CAPITAL**

	<b>2006</b>	<b>2005</b>
	£	£
Shares of £1 each issued and fully paid		
At 1 <sup>st</sup> April 2005	17	27
Shares issued during the year	2	-
Resignations	-	(10)
At 31 <sup>st</sup> March 2006	<u>£ 19</u>	<u>£ 17</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.

**7. RESERVES****REVENUE RESERVES**

At 1 <sup>st</sup> April 2005	261,788	171,666
Surplus for the year	156,183	90,122
At 31 <sup>st</sup> March 2006	<u>£417,971</u>	<u>£261,788</u>

**DESIGNATED RESERVES****Reserve for Future Repairs to Housing Properties**

At 1 <sup>st</sup> April	216,139	216,139
Net Transfer to Income and Expenditure Account	-	-
At 31 <sup>st</sup> March	<u>£216,139</u>	<u>£216,139</u>

**8. FINANCIAL COMMITMENTS****Capital Commitments**

The company has in place a contract for certain repair and maintenance works to be carried out. At 31st March 2006 the future commitment for the completion of the works totalled £ Nil (2005 : £6,426)

**8(a) Operating Leases**

The payments which the Association is committed to make in the next year under operating leases are as follows:-

	<b>2006</b>	<b>2005</b>
	£	£
Office equipment, leases expiring :		
Two to five years	<u>£ 1,789</u>	<u>£ 1,789</u>
Land and building, leases expiring:		
One year	<u>£ 8,000</u>	<u>£ 8,000</u>

**ODU-DUA HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2006****9. TURNOVER, OPERATING COSTS, AND OPERATING SURPLUS**

	Turnover £	2006 Operating Costs £	Operating Surplus £	Turnover £	2005 Operating Costs £	Operating Surplus £
<b>Income &amp; Expenditure from Lettings</b>						
Permanent Accommodation	791,783	(400,294)	391,489	757,981	(372,604)	385,377
Short-Life Accommodation	49,137	(50,041)	(904)	56,987	(62,163)	(5,176)
	<u>£840,920</u>	<u>£(450,335)</u>	<u>£390,585</u>	<u>£814,968</u>	<u>£(434,767)</u>	<u>£380,201</u>
<b>Other Income &amp; Expenditure</b>						
Other-revenue grant	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Total</b>	<u>£840,920</u>	<u>£(450,335)</u>	<u>£390,585</u>	<u>£814,968</u>	<u>£(434,767)</u>	<u>£380,201</u>

**INCOME AND EXPENDITURE FROM LETTINGS**

	Permanent Housing £	Short-Life Housing £	2006 Total £	2005 Total £
<b>Income from Lettings</b>				
Rent receivable net of identifiable Service Charge	735,584	37,441	773,025	753,933
Service charges receivable	64,804	17,391	82,195	76,603
Gross rents receivable	800,388	54,832	855,220	830,536
Less : Voids and bad debts	(8,605)	(5,695)	(14,300)	(15,568)
Net rents receivable	<u>791,783</u>	<u>49,137</u>	<u>840,920</u>	<u>814,968</u>
<b>Expenditure on letting activities</b>				
Management	219,273	28,263	247,536	224,412
Services	85,911	17,449	103,360	67,088
Routine Maintenance	95,110	4,329	99,439	143,267
Total expenditure on lettings	<u>400,294</u>	<u>50,041</u>	<u>450,335</u>	<u>434,767</u>
<b>Operating Surplus on Lettings</b>	<u>£391,489</u>	<u>£ (904)</u>	<u>£390,585</u>	<u>£380,201</u>

**ODU-DUA HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2006****10. OPERATING SURPLUS**

Operating Surplus is stated after charging :

Auditors' remuneration (including VAT)

Audit Services	5,288	7,401
Non Audit Services	-	-
Depreciation of owned assets	4,364	1,706
Depreciation of assets under lease	860	818
Operating Lease Charges	9,789	9,780

**11. INTEREST RECEIVABLE AND OTHER INCOME**

Bank Interest	10,859	5,996
	<u>£10,859</u>	<u>£ 5,996</u>

**12. INTEREST PAYABLE AND SIMILAR CHARGES**

Stock Management Fees	129,144	178,163
Loans and Bank Overdraft	116,119	118,173
	<u>£245,263</u>	<u>£296,336</u>

**13. PENSION COMMITMENTS**

There are no pension contributions (2005: Nil). The Association is looking into the operation of a pension scheme for some of its employees.

**14. CHIEF EXECUTIVE EMOLUMENTS AND EXPENSES OF THE BOARD OF MANAGEMENT****Acting Chief Executive**

During the year under review £43,333 (2005 : £6,800) was payable to an interim Acting Chief Executive, for services rendered.

**Chief Executive**

The aggregate remuneration paid to the Chief Executive of the Association was:

	<b>2006</b>	<b>2005</b>
	£	£
Emoluments (including benefits in kind)	<u>£ 3,914</u>	<u>£ 39,871</u>

During the year, business expenses (travel etc) amounting to £Nil (2005: £823) were incurred by Ari J Nicholas and then reimbursed by the Association.

**BOARD OF MANAGEMENT**

The reimbursement of expenses paid to the Board of Management were

	<u>£ 1,085</u>	<u>£ 1,163</u>
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**ODU-DUA HOUSING ASSOCIATION LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2006****15. EMPLOYEE INFORMATION**

The average weekly number of persons (including the Chief Executive and excluding temporary agency staff employed during the year was :

3	3
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*STAFF COSTS (FOR THE ABOVE PERSONS)*

Wages and Salaries  
Social Security Costs

71,569	91,009
7,380	9,877
<u>£ 78,949</u>	<u>£100,886</u>

**16. UNITS**

New Build Units  
Rehab Units  
Short Life Units (including void units)

114	114
42	42
21	21
<u>177</u>	<u>177</u>

**17. POST BALANCE SHEET EVENTS**

There were no post balance sheet events.

**18. RELATED PARTY TRANSACTIONS**

Board members Wilhelmina Hamilton and Sharon Lynch are also tenants. Their tenancies are on normal commercial terms and they cannot use their position to their advantage. The rent level or policy for managing arrears is not different to non-board members and the level of arrears at the year end is not materially different to non-board member tenants.

**19. GOING CONCERN**

In December 2005, the organization was removed from supervision by the Housing Corporation. There has been a marked improvement in the organizations performance since it was originally placed under supervision. The financial statements have been prepared on a going concern basis, on the basis of explicit continuing support from its regulator, the Housing Corporation, financial support from bankers and other registered social landlords.

On the basis of the above, the Board of Management considers it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of support and unsuccessful implementation of action plans being put in place.

**20. COMMITMENTS**

During the year negotiations took place with the 4 housing associations for the transfer of the 70 properties currently managed by the Association. Consent from the Housing Corporation was received on 24<sup>th</sup> March 2006. A loan facility to finance the transfer has been agreed.