



BDO Stoy Hayward



Press release

For immediate release

30 March 2008

**High Court rules that Community Housing Association
is entitled to recover VAT from HMRC**

Community Housing Association (CHA), and its representatives, BDO Stoy Hayward LLP, are delighted with the recent High Court ruling that CHA is entitled to claim VAT in relation to services carried out in respect of various housing developments prior to the transfer of the development rights to the organisation's development arm, CHA Ventures (CHAV). The claim involves nearly £500,000 of VAT and CHA are hopeful of receiving a refund from HM Revenue & Customs (HMRC) in the coming months.

The High Court judgement follows HMRC's previous rejection of CHA's claim. The High Court accepted that the professional services claimed by CHA were cost components of the transfer of the development rights to CHAV.

CHAV was set up in early 2006 to undertake all future development activity on behalf of CHA and rights to all existing CHA housing developments were subsequently transferred to CHAV. The claim relates to VAT paid in respect of services undertaken on the existing housing projects prior to their transfer to CHAV.

Barry Aspland, Group Finance Director of One Housing Group, of which CHA is a subsidiary said: "We welcome the recent decision taken by the High Court that CHA is entitled to recover input tax in respect of professionals' services carried out and hope to receive a refund from HMRC in the coming months. The funds will be re-invested to strengthen the Association's capacity to deliver affordable housing and services to those in housing need across London".

Ian Carpenter and Glyn Woodhouse, VAT Directors in BDO Stoy Hayward's specialist Social Housing Team, who led the appeal for CHA both welcomed the decision and

HMRC's acceptance that the use of a development company by Social Housing providers does not constitute VAT avoidance. However, they recommended that Social Housing providers who have established development companies, should review their position to ensure that recharges of costs between entities are VAT compliant.

Ends

For further information please contact Fiona Crook, One Housing Group Press

Office: 020 7428 4107 or fcrook@onehousinggroup.co.uk

Notes to Editors

One Housing Group currently manages over 12,000 homes in 26 local authorities across London and adjacent counties, with over 2,700 homes in the development pipeline. These include shared ownership schemes; intermediate rent homes for key workers, affordable rented homes and homes for outright sale.

Community Housing Association, Island Homes and Toynbee Housing Association joined to form One Housing Group in September 2007.

Visit www.onehousinggroup.co.uk for further information.

BDO Stoy Hayward LLP operates across the UK with over 3,000 partners and staff. BDO Stoy Hayward LLP is a UK limited liability partnership and the UK Member Firm of BDO International. BDO international is a world-wide network of public accounting firms, called BDO Member Firms. Each BDO Member Firm is an independent legal entity in its own country. The network is coordinated by BDO Global Coordination B.V., incorporated in The Netherlands, with its statutory seat in Eindhoven (trade register registration number 33205251) and with an office at Boulevard de la Woluwe 60, 1200 Brussels, Belgium, where the International Executive Office is located. In the UK the Belfast Firm is operated by a separate Partnership known as BDO Stoy Hayward - Belfast.

BDO Stoy Hayward LLP and BDO Stoy Hayward - Belfast are both authorised and regulated by the Financial Services Authority to conduct investment business.

BDO Stoy Hayward LLP and BDO Stoy Hayward - Belfast are both authorised and regulated by the Financial Services Authority to conduct investment business.

BDO Stoy Hayward is an award winning firm. Recent achievements include:

- Best Workplace UK - Financial Times 2008
- Audit Team of the Year – Accountancy Age Awards 2008
- Tax Team of the Year – Accountancy Age Awards 2008
- Corporate Finance Deal of the Year – Accountancy Age Awards 2008

- 100 Best Companies to Work For - The Sunday Times 2008
- The Women of Achievement Award – Women in the City 2008