

# g Diversity

## o Celebrating Diversity



## Financial statements

For the year to 31 March 2009



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# Members, executives and advisers

## Chair

**Museji Takolia**

## Deputy Chair

**Barbara Roche**

## Non-Executive Board Members

**Sheila Button**

**John Davies**  
(to 6 March 2009)

**Linda Farrant**

**Richard Hewgill**  
(to 19 September 2008)

**David Hoy**

**Stephen Lamb**

**Joe Moll**  
(Resident)

**Barbara Roche**

**Lee Rochford**

**Sheree Russell**  
(Resident)

**Ruth Sawtell**

**Dawn Stephenson**

**Museji Takolia**

**Howard Webber**

## Employee Board Members

**Bill Payne**  
(Chief Executive)

**Guy Record**  
(Chief Financial Officer)

## Executive Officers

**Bill Payne**  
(Chief Executive)

**Guy Record**  
(Chief Financial Officer)

**Mark Austin**  
(Managing Director, Metropolitan Support Trust)

**Paul Clarke**  
(IT Director to 6 April 2008)

**Phyllida Culpin**  
(Managing Director, Granta Housing Society)

**Angela Epps**  
(Development Director)

**Liz Hughes**  
(Director of Human Resources)

**Sheila Hyde**  
(Managing Director, Spirita)

**Mark Leffler**  
(Group Development Director)

**Neil Mawson**  
(Managing Director, MHT London)

**Graeme Moran**  
(Managing Director, Metropolitan Home Ownership)

**Rommel Pereira**  
(Chief Operating Officer)

**Mike Rumfitt**  
(IT Director from 7 July 2008 to 19 May 2009)

**Kate Russell**  
(Director of Policy & Performance)

**Mark Sharman**  
(Group Finance Director)

**Owen Thompson**  
(Managing Director, Clapham Park Homes)

**Bernard Tominey**  
(Procurement Director)

**Caroline Wilson**  
(Partnership Initiatives Director)

## Secretary

**Caroline Wilson**

## Registered Office

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## Auditors

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## Corporate Solicitors

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## Bankers

Lloyds TSB Bank PLC  
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London  
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# Operating and Financial Review

The Board presents its report and the audited financial statements of the Trust and the Partnership for the year to 31 March 2009.

## I. INTRODUCTION

This Operating and Financial Review (OFR) provides an introduction to the work of Metropolitan Housing Partnership, and our performance for the year ending 31 March 2009. During the course of the year the Partnership has invested heavily in a transformation process to provide a platform for continuous improvement and during 2009-10 we will have achieved major efficiency gains and quality improvements throughout the businesses that make up the Partnership. Similarly, we shall be able to provide improved and more consistent reporting across all the businesses. The main, though not the only, vehicle for all these developments is our Achieving Excellence programme, described below.

### a. Principal activities

#### Metropolitan Housing Trust

**Limited (MHT)** is a charitable housing association whose principal activity is the provision of accommodation for people on low incomes who are in housing need, along with the provision of care and support services.

MHT began in the 1950s when Lady Molly Huggins, the wife of the Governor of Jamaica, started the Metropolitan Coloured People's Association to provide good quality, affordable housing for immigrants from the West Indies. In 1963 MHT was formally established as a housing association. It has grown substantially since then. Despite this growth, our original aim of providing good quality, low cost housing remains the same and we remain committed to those areas where we began our work in London and the East Midlands.

Since the 1960s MHT has expanded considerably. Following a number of mergers it now provides a range of services throughout London, the Midlands, South Yorkshire and more recently the East of England. The

**Metropolitan Housing Partnership (MHP)** brand was created to represent all our businesses in the areas in which we work. It provides over 36,800 units in total.

Services provided by MHP include:

- managing and developing a varied portfolio of housing for those in housing need
- regenerating sometimes poor quality ex-local authority housing estates
- providing a range of housing support services, both directly and through external organisations
- providing affordable home ownership and rented homes for low and moderately paid working households, and marketing services to businesses and public sector stakeholders in the same market
- improving housing services, always taking into account residents' expressed needs and performance standards
- tackling issues of social exclusion, tenant capacity and community involvement
- providing care and support services on behalf of statutory commissioning bodies
- supporting refugees and asylum seekers.

## **b. Governance**

All the business units of MHT and the MHT subsidiary companies are member organisations of MHP, governed by the same MHP rules. The MHT Board acts as the main MHP Board for the Group (hereafter referred to as the MHP Board), with each member organisation having its own Board responsible for governance in its areas of responsibility, including MHT London.

The MHP Board has nomination rights to each of the subsidiary Boards, and the sub committees of the MHP Board. Board members can and do serve on both. We take a proactive approach to recruitment, development and succession planning, to ensure that there is an appropriate skills mix on each Board and sub-Committee.

## **c. Management structure and performance framework**

The Managing Director of each member organisation is a member of the MHP Strategic Management Team (SMT), which is responsible for implementing the strategy and meeting the aims and objectives of MHP. Within each member organisation, the Business Management Team (BMT) is responsible for issues such as health and safety, staffing changes, and internal audit, and most critically leads on the provision of customer service.

For each member organisation, performance is monitored monthly through a detailed "business assessment of results and targets" (bART), which is scrutinised by the Business Management Team made up of Operational Directors and Heads of Service.

Each Member Organisation produces summary versions and a high level consolidated document is reported through to the MHP Board. There are service standards for all key service areas which are monitored.

Continuous improvement to customer services is being addressed through an MHP-wide programme: "Achieving Excellence" (ACE). This is a transformation programme to maximise efficiency and improve services through the systems and processes which underpin them. A significant milestone in the programme was the successful re-implementation of the Oracle accounting system on 27 April 2009. This will underpin the implementation of additional Oracle modules for human resources and procurement during 2009-10 which will lead to further increases in efficiency and effectiveness. The next stage of using this technology and approach has now commenced in respect of direct customer services for housing, care and support.

## **d. Customer engagement**

MHP has an overarching strategy for customer engagement. There is a National Resident Group (NRG) for tenants and leaseholders drawn from the resident panels in each member organisation, and there is a National Service User Group for customers who are not our residents but receive Care and Support services. This year we have established an MHP-wide Customer Panel of over 3,000 residents to act as a sounding board on various issues, and this will be extended over the coming year. There are several opportunities for customers to shape and monitor

services at the local level. Our "menu" of involvement provides opportunities for customers to join boards, including the MHP Board, and participation in specialist forums, such as the Leaseholder forums, BME Forum, local Committees and Panels.

For those who wish to participate through less structured channels, there are opportunities to give feedback through regular surveys and online.

## **e. Community investment**

MHP is committed to investing in and developing the communities we serve. We identify and invest in meeting needs and create opportunities for strengthening communities and enhancing individual capability. To achieve this we:

- identify and meet local people's needs
- partner and financially support specialist agencies, to implement a wide range of community provision in specific areas
- deliver through strategic intervention and sustainable project focused partnerships
- work with stakeholders and other agencies to respond to national and local initiatives
- work with individuals and groups to realise potential
- deliver within a wide range of themes which include community cohesion, employment and training, integration and well-being.

In the year ending March 2009, we had a number of successful programmes developing sporting opportunities leading to employment, opening two new purpose-built community centres;

# Operating and financial review continued

accessing various external funds to provide information, providing advice and training opportunities, providing or finding many opportunities for volunteering, actively assisting our customers in becoming financially included, and developing and implementing an Affordable Warmth Strategy.

## **f. Financial resources**

The MHP business plan is under continuous review to ensure that all member organisations remain financially healthy and targets the growth of surpluses, through efficiency, in order to deliver its social objectives.

To stress test the business plan, the impact of changes in individual assumptions such as interest rates, house price inflation and RPI were modelled through sensitivity analysis; however in practice, economic or other external change is likely to impact MHP in multiple ways. A range of challenging economic scenarios such as a prolonged recession, V-shaped recession and long term house price deflation were used to model against our core assumptions to determine their consequences for MHP. In each of the scenarios modelled MHP is expected to generate a surplus.

The current financial environment poses challenges to all housing associations, but MHP is well placed to continue its significant progress towards complete financial self reliance before sales.

The current business plan continues to provide for the achievement of the decent home standard within the prescribed timescale.

## **g. Development activities**

The development of new homes continues to be a major activity for MHP. During the year, 935 new homes were completed and transferred to member organisations for social housing use. At the year-end, MHP had 1,657 properties on site, of which 1,148 are for social housing, 313 for affordable home ownership, and the remaining 196 for mixed tenure and cross-subsidy within schemes.

## **h. Human resources**

### **Diversity**

MHP is committed to attracting the very best people irrespective of age, ethnic origin, disability, gender, religion or sexual orientation. The communities we serve are exceptionally diverse and MHP is working to achieve a workforce to reflect this. MHP values diversity and promotes a culture where differences between people are respected and celebrated. There are several support groups where staff can meet to discuss matters and inform policy, confident in the knowledge that their views will be respected and listened to in order to improve the working lives of MHP employees. MHP is proud to have been highly placed on Stonewall's Workplace Employment Index for the last three years. Overall MHP's staff mix reflects the communities served, and MHP is taking positive action through training and development to increase this diversity at a senior level. Despite this positive outlook, MHP recognises that there is still much to do in this respect.

## **Training and development**

Training and development have never been more important than now as we implement the finance, human resources and procurement elements of the ACE programme, and move on to do so for direct customer service provision. Work processes in these areas have been completely re-mapped, streamlined and made consistent and compatible across MHP and IT and systems training has been introduced.

MHP has also launched its "Learning Zone", with a wide range of e-learning modules and opportunities to share knowledge and learn together.

## **i. Services provided to the member organisations**

MHP provides a range of centralised support services to each member organisation. These consist of Finance and Treasury, Human Resources, Information Technology, Procurement, Internal Audit, and Risk Management, thereby ensuring consistency throughout MHP together with the economies of scale and efficiencies that can be achieved from a centralised service provision.

## **II. THE MEMBER ORGANISATIONS**

### **a. General**

Over its more than fifty years of history, MHP has grown and developed both organically and through merger. This has generated the current complex Group structure. We briefly described above the ACE transformation programme that is aimed at maximising efficiency and ensuring the highest possible quality of service across MHP. Running alongside

the ACE programme is another programme to rationalise the structure and governance of MHP and its member organisations that will deliver further efficiency and effectiveness gains. This section provides information on the current Group structure.

### **b. MHT London**

MHT London was formed in April 2008 from the merger of MHT South Thames and MHT North Thames. A newly formed Board, with a high proportion of residents, oversees its activities.

MHT London operates in more than 40 London boroughs and also in some council districts just outside London. MHT London owns over 17,000 properties, which are mainly concentrated in a relatively small number of London boroughs: 87% is located in nine boroughs, including 68% located in four boroughs, with 22% of the stock in Lambeth.

MHT London has approximately 10,000 general needs tenants; 600 sheltered tenants; 1,700 leaseholders; 3,000 shared owners; and 1,800 supported housing residents.

MHT London operates from main offices in Arncliffe and Clapham and also has local offices in Brixton, Edmonton, Hackney, Sunbury, Tulse Hill and Wembley. It employs around 240 people who work in housing services, asset management, and regeneration, delivering services to our residents. Additionally, MHT London works closely with colleagues across MHP to deliver the development programme in London.

### **c. Metropolitan Home Ownership (MHO)**

Metropolitan Home Ownership offers affordable home ownership and rented homes to low and moderately paid working households. MHO is recognised as the leader in its field by reputation, market share, and financial strength. MHO achieves regularly very good to excellent performance and leads the promotion and development of performance across the sector.

In 2008-09 MHO:

- achieved an operating surplus of £2.8m from a turnover of £6.4m, through robust cost control, efficiency improvements, winning additional revenue contracts, and lower reliance on asset sales
- helped 1,300 households buy an affordable home through its equity loans scheme, MyChoiceHomebuy, at an average Homes and Communities Agency grant rate of 18% on properties with an average value of £140k across the country and of £199k in London
- generated over 3,000 additional house sales in property chains through MyChoiceHomebuy, adding much needed sales turnover to local housing markets and relief for householders needing to sell
- worked with lenders to keep up a supply of good quality, affordable mortgages to those keen to buy
- helped 300 households buy a new home and maintained a very good sales performance in London despite challenging market conditions

- helped 60 households stay in their home, through mortgage rescue or debt advice services
- helped over 300 households to move to another affordable home or to buy more equity in their homes
- won and retained its Housing and Communities Agency (HCA) contract to market and process applications in London for grant-funded affordable home ownership and rent, keeping its 100% bid success rate over the last 9 years (21 out of 21 competitions entered)
- won the contract to run the HCA's National Homebuy Agent programme, involving the asset management of affordable home ownership grant allocations from 1 April 2009
- achieved very high satisfaction ratings from customers and business stakeholders (95% of customers satisfied or very satisfied with what we do).

### **d. Metropolitan Support Trust (MST)**

Metropolitan Support Trust provides a range of care and support services to a diverse range of clients. Over recent years the organisation has grown significantly as a result of organic growth, the transfer of services from other parts of MHP, and the acquisition of other care and support providers.

Of MST's constituent elements, Refugee Support has been one of the UK's leading providers of quality housing services and support to refugees and asylum seekers, with over 50 years'

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experience of working with people from all over the world, regardless of race or religion. MST continues to build on the work of RHA Refugee Support in the provision of services without prejudice.

StepForward has nearly 30 years' experience of enabling people with a wide range of needs to maximise their independence in the community, increase their access to services, and enhance their quality of life.

Threshold Support Limited, which became part of MST in 2007, provides support and care to vulnerable people.

During 2008-09, MST took advantage of the economies of scale arising from the amalgamation of various MHP activities into the one organisation and moved from financial deficit to surplus. During the year MST tendered for a number of new services, being successful in 40% of competitions entered and achieving revenue growth of 6%.

Other notable achievements during the year included:

- enhanced service user involvement, including Board representation for the first time
- its best ever assessments for quality
- the implementation of both a fully mobile working solution and a comprehensive learning and development programme for staff
- the start of a process leading to sole employer status
- implementation of a viability review transforming individual loss-making services

- the launch of a research and consultancy unit
- recognition by the Home Office as a "Good Supplier".

## **e. Granta Housing Society**

Granta Housing Society is a charitable housing association with over 2,200 homes throughout the six counties of the East Region with a mission to make a positive difference to the quality of people's lives by providing affordable housing, care and support, rooted in sustainable communities. It aims to improve services continually; to be self-critical; to evaluate its work rigorously; to set (and meet) tough targets; and to respond positively to initiatives and challenges in the external environment.

Granta builds affordable rented housing, low cost homes for sale, and key worker accommodation for sale or rent. Growth in developing new homes is steady, and Granta specialises in complex schemes meeting the needs of rural communities on Rural Exception Sites. It has broadened the range of tenures, particularly in the delivery of more affordable shared ownership schemes, as well as rented and supported housing schemes. The development programme is focused on a balanced mix of sites which have delivered mainly family houses and a limited number of flats to meet identified need.

Granta is a major partner for social and health care agencies in the region, providing accommodation for vulnerable people who require care and support. It has won contracts in new geographical areas and in a wider range of provision,

achieving excellent Supporting People reviews and Commission for Social Care assessments, and the "Strengths" model of assessment used by Granta is considered pioneering.

## **f. Spirita**

Spirita's area of operation is the "Three Cities" sub-region of Derby, Nottingham and Leicester, market towns and rural areas in the surrounding counties, and Staffordshire. The demand for affordable housing is growing and there are relatively few areas of low demand.

Spirita was formed in April 2007 from the merger of three separate East Midlands based housing associations of similar sizes; MHT based in Nottingham, Walbrook based in Derby, and Rushcliffe Homes, a LSVT based in Rushcliffe, just south of Nottingham. Rushcliffe Homes and MHT Midlands were already members of MHP. Spirita owns 11,000 properties, of which 80% are in Nottingham, Derby and Rushcliffe. The remaining 20% of stock is in Nottinghamshire, Leicester, Derbyshire and Staffordshire, plus a small amount of stock in Lincolnshire.

It operates 40 sheltered housing schemes for older people, including two assisted living and three extra care schemes. Low-level support and 24-hour monitoring services are provided for a further 750 older and disabled tenants living independently in purpose-built bungalows and flats. Spirita provides one of the largest single Home Improvement Agencies in the country, covering 11 local authority areas and providing services (including in some cases Handyperson and Preventative Adaptation Services) to 7,000 people.

Hallmark, a subsidiary of Spiritia, provides a range of housing and other services to Black and Minority Ethnic groups. The Hadhari Nari Women's Project provides refuge accommodation and support for women and children affected by issues of domestic violence, targeting support to Black and Minority Ethnic women.

Spiritia also includes an in-house property services company, EM Property Services (EMPS), which provides gas servicing and electrical testing among its services, and a regeneration company, SpiritiaGen, for the Baseball Ground area of Derby.

Spiritia operates from its head office in Nottingham, and through area offices in Derby and a Home Improvement Agency office in Cannock and employs around 400 people. The core housing business is organised on functional lines, and there are 160 support staff employed in the sheltered, extra-care and assisted living schemes, and in the women's refuge.

### **g. Clapham Park Homes (CPH)**

The New Deal for Communities (NDC) Programme is one of the most important area based initiatives (ABIs) ever launched in England. It is designed to 'reduce the gaps between some of the poorest neighbourhoods and the rest of the Country'.

In February 2000 the Clapham Park area was selected by a borough-wide strategic partnership to be Lambeth's NDC neighbourhood. A successful bid led to the award of £56m over a ten year period, starting in April 2001.

MHP was selected by the Clapham Park Project and Lambeth Council as a partner to progress the regeneration of the Clapham Park Estate, which has over 1,900 units, based on a plan developed by Clapham Park Projects and the local residents.

Clapham Park Homes was formed to take transfer of the estate, which happened in June 2006. Its vision is to 'develop a new sustainable environment for Clapham Park, supported by quality local services'. Its key objectives are to:

- deliver excellent local landlord and neighbourhood management services reflecting the diversity of our residents and the community we work within
- deliver the physical regeneration of Clapham Park as laid out in the Master Plan
- ensure that residents are at the heart of decision-making processes at every level
- work within the financial business plan and promote efficiency and value for money across its activities
- provide an array of social and economic regeneration projects to help support the sustainability of the area
- provide a just and fair service, respecting and reflecting the diversity of our residents and the community we work within.

The CPH Board consists of seven Resident Board Members, six Independent Board members, and two Council Board Members. All services

are delivered locally in accordance with the transfer agreement and promises made to residents as part of the transfer ballot.

CPH continues to work on the realisation of the plan, working on transforming the Clapham Park Estate by:

- refurbishing and developing new social housing to produce high quality homes
- diversifying tenure and income levels by building about 1,330 homes for sale via its subsidiary Clapham Park Development Limited (CPD) and building 50 homes for intermediate rent
- introducing new community and business facilities to the area in consultation with stakeholders
- ensuring the programme encompasses the whole environment of the estate and adds to residents' quality of life
- creating a new heart for the neighbourhood around a central park.

To achieve this, CPH has a £66m programme of repairs and improvements to homes over a ten year period, of which £12m has been invested so far. A major £512m redevelopment programme of new build homes is being undertaken, in conjunction with its subsidiary CPD; £44m of this has been invested so far. As a result of this investment the percentage of properties on the estates not meeting the decent homes standard continues to fall (it is now 69% against 92% at 31 March 2008), overall tenant

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satisfaction has improved from 48% at transfer to 59%, and satisfaction with the neighbourhood has improved from 56% at transfer to 77%.

CPH continues to review the plan regularly, including reviews of the financial business plan that underpins it and continues to have the full support of its bankers for the overall plan.

Recognising current economic conditions, sales risk has been removed from the first phase of the programme, due for completion in 2010-11.

CPH was inspected by the Audit Commission in 2008-09 which provided a snapshot of the progress of this relatively new organisation, and the one star judgement provides a useful benchmark. A detailed and comprehensive action plan has been developed in response to the Audit Commission report which will see significant improvements in the quality of service for our customers during 2009-10.

## **h. Metropolitan Living Limited (MLL)**

Metropolitan Living Limited is a wholly owned non-charitable subsidiary of MHT, established to develop properties for outright sale. The surpluses from these sales are used to subsidise the development costs of property used for social housing.

Trading conditions have proved highly challenging during the year, as throughout the property industry. This has been particularly acute in the Midlands, where demand has weakened considerably; demand remains reasonably strong in London.

## **III. OBJECTIVES FOR THE YEAR AND ACHIEVEMENT AGAINST OBJECTIVES**

### **a. Objectives**

The objectives of MHP for the year ended 31 March 2009, as set out in its 2008 business plan, were to:

- seek excellence throughout its businesses
- provide good stewardship of its resources, both physical and human
- continue to invest in new and existing housing and services to meet its objectives of providing for those in need and maintaining MHP as an organisation leading in contributing to the Government's strategic direction for housing
- actively promote and support a wide range of involvement opportunities to enable its residents and service users to have influence on service delivery; governance; business strategy; and improvement plans
- invest in and develop the communities it serves, meeting needs and creating opportunities to strengthen communities and enhance individual capability
- continue to invest in better services and new provision, operating within a financially prudent framework.

### **b. Achievement against objectives: service provision**

MHP has made progress in improving its performance against the Tenant Services Authority (TSA) Key Performance Indicators (KPIs).

Actual performance measures for the comparator group of RSLs will be available during 2009-10. During the year, major new initiatives such as new contracts for responsive repairs and gas servicing, the introduction of a new appointments scheduling tool, and the continued roll out of the Customer Management System have been in progress, and the benefits of these are not reflected in these results. KPIs for the Trust's permanent housing were as follows:

Achievement against objectives: service provision continued.

## Metropolitan Housing Trust (1)

<b>MHT Performance Indicators</b>	2008	<b>2009</b>
Rented social homes failing Decent Homes Standard.	11%	<b>14.5%</b>
Rented social dwellings vacant at 31 March.	3.1%	<b>3.4%</b>
Rent arrears of current social tenants at financial year end.	5.7%	<b>5.9%</b>
Average energy efficiency (SAP) rating for General Needs homes.	65.6	<b>66.9</b>
Percentage calls answered within 20 seconds.	89.1%	<b>88.6%</b>
Satisfaction with overall service provided by landlord. (2)	72%	<b>72%</b>
Percentage of tenants satisfied with opportunities for participation in management and decision-making. (2)	53%	<b>53%</b>
Percentage of tenants satisfied with repairs and maintenance service. (3)	67%	<b>93% (4)</b>

## Spirita (1)

<b>Spirita Performance Indicators</b>	2008	<b>2009</b>
Rented social homes failing Decent Homes Standard.	20.1%	<b>14.3%</b>
Rented social dwellings vacant at 31 March.	3.5%	<b>5.1%</b>
Rent arrears of current social tenants at financial year end.	4.0%	<b>4.7%</b>
Average energy efficiency (SAP) rating for General Needs homes.	66.9	<b>61.1</b>
Percentage calls answered within 20 seconds.	68.7%	<b>80.1%</b>
Satisfaction with overall service provided by landlord. (2)	n/a	<b>n/a</b>
Percentage of tenants satisfied with opportunities for participation in management and decision-making. (2)	n/a	<b>n/a</b>
Percentage of tenants satisfied with repairs and maintenance service. (3)	n/a	<b>89% (4)</b>

## Granta Housing Society

<b>Granta Performance Indicators</b>	2008	<b>2009</b>
Rented social homes failing Decent Homes Standard.	0%	<b>0%</b>
Rented social dwellings vacant at 31 March.	3.3%	<b>5.4%</b>
Rent arrears of current social tenants at financial year end.	5.9%	<b>4.2%</b>
Average energy efficiency (SAP) rating for General Needs homes.	70.3	<b>71.2</b>
Percentage calls answered within 20 seconds.	98.2%	<b>95.3%</b>
Satisfaction with overall service provided by landlord. (2)	76.8%	<b>76.8%</b>
Percentage of tenants satisfied with opportunities for participation in management and decision-making. (2)	48.2%	<b>48.2%</b>
Percentage of tenants satisfied with repairs and maintenance service. (3)	70.1%	<b>85% (4)</b>

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Achievement against objectives: service provision continued.

## Clapham Park Homes

### CPH Performance Indicators

	2008	2009
Rented social homes failing Decent Homes Standard.	92.1%	<b>69.2%</b>
Rented social dwellings vacant at 31 March.	2.9%	<b>5.2%</b>
Rent arrears of current social tenants at financial year end.	10.3%	<b>13.4%</b>
Average energy efficiency (SAP) rating for General Needs homes.	45	<b>55</b>
Percentage calls answered within 20 seconds.	84.3%	<b>91.9%</b>
Satisfaction with overall service provided by landlord. (2)	48%	<b>59%</b>
Percentage of tenants satisfied with opportunities for participation in management and decision-making. (2)	42%	<b>42%</b>
Percentage of tenants satisfied with repairs and maintenance service. (3)	49%	<b>96% (4)</b>

- 1) This is for the official RSL definition of MHT, so MHT properties managed by Spirita are included under MHT.
- 2) Measured through the three yearly STATUS survey. The next STATUS survey for MHT social housing businesses will be carried out towards the end of 2009.
- 3) 2008 values are from the 2006 STATUS survey. 2009 values are from the monthly telephone sample of completed repairs.
- 4) Measured from post-repair satisfaction telephone surveys (postal surveys for Granta).

### c. Achievement against objectives: other measures

**Provision of new homes and growth.** MHP remains committed to its strategy of investing in new housing and services in order to provide services for those in need.

Development activity for housing properties increased significantly during the year: Capital expenditure on new homes was £218.9m (2008: £144.8m restated). MHP received Social Housing Grant (SHG) of £86.1m (2008: £91.7m) in respect of these additions. At 31 March 2009, MHP owned housing properties with a total cost of £2,074.1m (2008: £1,901.4m restated). SHG and other grants at this date in respect of these properties were £1,026.0m (2008: £974.9m).

**Efficiency.** During 2008-09, MHP continued the implementation of its Achieving Excellence Programme (ACE): a review of end to end business processes that will result in improvements to the services provided to our customers. In addition to efficiency improvements, the ACE programme will deliver financial savings that will be used to improve further the quality and efficiency of MHP as a whole. The first phase of this programme, the re-implementation of the Oracle accounting system, went live in April 2009, on time and on budget.

**Financial.** The target of achieving an operating surplus providing interest cover of at least 130%, based on the most common definition in our banking covenants, was achieved, with MHT at 133% for the year.

During the past year, the number of homes failing to achieve the Decent Homes Standard increased from 8.1% to 11.0%. The increase relates primarily to the stock transferring from Walbrook Housing Association. Plans are in place to achieve Decent Homes Standard for these properties by 2010, and MHP remains confident that its asset management strategies will achieve the requisite Decent Homes Standard.

## IV. FINANCIAL PERFORMANCE

### a. General

The year ending 31 March 2009 saw a number of financial challenges for MHP. Demand for properties for outright sale continued to decline, particularly in the Midlands. The continuing impact of the "credit crunch" and the crisis in the banking sector saw the availability of mortgage funding reduce. Coupled with uncertainties in the job market and rising unemployment, the volume of staircasings fell significantly compared to previous years. When preparing the business plan for 2008-09, the Partnership had recognised the falling demand and reduced its reliance upon asset sales to achieve a surplus. Accordingly it was well prepared for the continuing downturn in the economy.

Economic conditions in the UK deteriorated rapidly in 2008-09 as the impact of the "credit crunch" manifested itself across the whole economy.

Growth fell sharply and the UK entered a recession with falling confidence and rising unemployment. The Bank of England and the Treasury responded to the economic conditions by reducing interest rates to historic low levels and attempting to increase the supply of credit. The fall in interest rates benefited MHT, cutting its interest costs for the year but resulted in a number of 'mark to market' margin calls with respect to MHT's free-standing interest rate hedges. MHT successfully managed these calls, placing both substantial cash balances (held in restricted accounts) and property as security. These assets

underwrite the potential counterparty losses arising on the current hedges should the low interest rate regime persist.

During the year, the Trust implemented the requirements of Statement of Recommended Accounting

Practice (SORP) 2008, the most significant element of which changed the method for accounting for sales of shared ownership properties. First tranche sales are now accounted for as a trading activity and surpluses or deficits arising from the sale are included in the operating surplus. Surpluses on subsequent staircasings continue to be shown as a surplus on sales of properties in continuing operations. This change required the 2007-08 accounts to be restated for purposes of comparison with 2008-09. The commentary below on financial performance shows the results for 2008-09 compared to the restated figures for 2007-08.

### b. Group results

Turnover decreased by 3.0% to £221.9m (2008: £228.7m restated) which reflects the inclusion of sales receipts from first tranche sales being included in turnover for the first time in 2007-08.

The operating surplus before property sales increased by 3.0% to £32.3m (2008: £25.1m restated). An analysis of operating surpluses by activity is shown in Note 3 to the financial statements. The Partnership's total reserves increased by 4.2% to £209.3m (2008: £200.9m restated). The Partnership realised a surplus on property sales, including first tranche sales, of £9.9m

(2008: £18.6m restated). Of this surplus £1.8m arose from the staircasing of shared ownership properties (2008: £7.0m). As part of its asset management policy, the Partnership sells properties which, due to investment needs, would not be viable to retain in the longer term. The proceeds are invested in the development of new stock and investment programmes for retained properties.

The effect of the prior year adjustment was to increase retained reserves and the value of housing properties in the fixed assets by £11.6m. There was also a requirement to reallocate £18.2m from fixed assets to stock to recognise that element of expenditure relating to the first tranche shared ownership sales. An adjustment was made of a £0.3m provision for first tranche ownership stock.

The Partnership achieved a consolidated surplus after taxation for the year of £8.2m (2008: £8.2m restated). This is after allowing for impairment on fixed assets of £7.3m (2008: £8.1m).

### c. Metropolitan Housing Trust (MHT)

Turnover decreased by 6.2% to £116.7m (2008: £123.9m restated), reflecting the change in accounting for first tranche sales, and recognising the reduced volume of sales during 2008-09. The operating surplus before property sales rose by 5.1% to £24.4m (2008: £23.2m) after including the cost of first tranche sales as an operating expense. An analysis of operating surpluses by activity is shown in Note 3 to the financial statements.

# Operating and financial review continued

MHT realised a surplus on property sales, including first tranche sales, of £7.4m (2008: £13.8m restated). The reduction reflected the fall in demand experienced during the year. As part of its asset management policy, MHT sells properties which, due to investment needs, would not be viable to retain in the longer term. The proceeds are invested in the development of new stock and stock investment programmes for retained properties. Gift Aid payments of £0.3m (2008: £Nil) were received from other parts of the Partnership, being surpluses generated on properties developed for outright sale.

During the year the Directors reviewed the carrying value of assets under construction and the landbank in the Midlands. Taking into account the continuing downturn in the housing market and falling sales values, the Directors concluded that the anticipated value of a small number of schemes would not be achieved, and came to a view that the net realisable value was less than the cost of land and work in progress. As a result, a provision of £7.3m (2008: £8.1m) has been included in respect of the impairment of these assets.

The effect of the prior year adjustment was to increase retained reserves and the value of housing properties in the

fixed assets by £8.5m. There was also a requirement to reallocate £17.4m from fixed assets to stock to recognise that element of expenditure relating to the first tranche shared ownership sales. Finally an adjustment was made of a £0.3m provision for first tranche shared ownership stock.

MHT's surplus for the year was £5.4m (2008: £8.9m restated). Its total reserves increased by 4.4% to £125.9m (2008: £120.6m restated).

## **d. Surpluses and summary of financial performance**

In order for MHP to raise loan finance and meet its obligations to lenders, it is necessary to generate surpluses each year, thereby increasing reserves. Surpluses are used to repay the capital element of loans and/or as internal funding of MHP's operations so that borrowing and interest charges are kept lower than they would otherwise have been. This enables the funding of the development programme and allows additional alternative expenditure, for example on maintenance.

The financial performance of the Partnership over the last five years is summarised in the tables opposite:

<b>Group income and expenditure account</b>	<b>2009</b>	Restated			
		2008	2007	2006	2005
	<b>£000</b>	£000	£000	£000	£000
Total turnover	<b>221,940</b>	228,721	146,251	133,078	112,450
Income from lettings	<b>146,352</b>	136,934	111,170	99,720	78,905
Surplus for the year before interest and tax	<b>41,003</b>	41,020	42,110	41,411	39,909
Loan interest payable	<b>35,169</b>	35,062	28,496	25,600	22,976

<b>Group balance sheet</b>	<b>2009</b>	Restated			
		2008	2007	2006	2005
	<b>£000</b>	£000	£000	£000	£000
Tangible fixed assets at cost	<b>2,111,352</b>	2,023,543	1,745,686	1,570,096	1,290,664
Social housing grant and other public subsidy	<b>1,189,003</b>	1,109,433	953,974	872,406	726,988
Loans	<b>895,269</b>	724,893	666,657	580,282	460,390
Reserves	<b>209,346</b>	200,926	155,791	137,660	104,155

#### Financial performance indicators

Surplus for the year as a % of turnover	<b>4%</b>	4%	11%	13%	16%
Surplus for the year as a % of income from lettings	<b>6%</b>	6%	14%	17%	23%
Interest cover (Group)	<b>137%</b>	136%	171%	183%	194%
Gearing	<b>64%</b>	55%	60%	57%	55%

#### Operational indicators

Total units owned	<b>30,293</b>	29,785	24,691	23,026	20,565
Total units managed	<b>35,079</b>	33,752	28,703	26,154	22,663
Total units owned and managed	<b>36,821</b>	35,533	29,968	27,196	23,873
Rent loss as a % of gross rent	<b>2%</b>	2%	2%	2%	2%
Rent arrears as % of gross rent	<b>1%</b>	2%	1%	1%	1%

# Operating and financial review continued

## **e. Treasury management**

MHP operates a centralised Treasury responsible for the provision of MHP's liquidity management and the management of interest rate and counterparty risks. These activities are governed by the Treasury Policy and an Annual Treasury Strategy, which is recommended to the Board by the Finance Committee and defines an approved set of delegated authorities, limits and permitted financial counterparties based on their strong credit rating.

In compiling these policies, reference is made to the Chartered Institute of Public Finance Accountants (CIPFA) code of Practice for Treasury Management in Public Services, as well as Treasury Management Policy Statements and Good Practice Notes issued by the Housing Corporation/ Tenants' Services Authority. The Finance Committee is responsible for reviewing performance against the strategy every six months.

MHP's Treasury Management and Interest Rate Strategy adopts a risk-based approach to interest rate management in order to combat potentially volatile movements in interest rates. The overriding objective is the avoidance of unacceptable risk. MHP monitors closely the movements of interest rates in order to manage its exposure to variable interest rates. At 31 March 2009, the proportion of the MHP's loans which were hedged either by fixed interest or index-linked loans or swaps was 72%, in line with its Treasury strategy.

MHT has entered into a number of hedging arrangements to mitigate the risk on variable debt exposed to fluctuations in interest rate increases. Hedges have been put in place on both an embedded and stand alone International Swaps and Derivatives Association (ISDA) basis. MHT has entered into a total of £235m nominal stand alone swaps (2008: £250m), at rates between 3.40% and 6.34%.

Interest on the MHP's loans decreased to £42.3m, including MHT £39.8m (2008: £45.3m; MHT £42.8m). MHP's weighted average cost of funds for the year was 5.3% (2008: 6.3%).

Loan covenants are based primarily on interest cover and gearing ratios. Interest cover is after adding back housing property depreciation and includes surpluses from sales. Interest cover and gearing covenants were met throughout the year and at the year-end for all loan facilities.

## **f. Liquidity and cashflow**

MHP's policy is to not hold significant cash balances, but to ensure that loan facilities are in place to fund future requirements. MHP ensures that its borrowings and hedges are structured with staged maturity dates to ensure that large proportions of debt do not mature in the same year in order to avoid any material degree of refinancing risk.

Surplus funds are used to repay revolving debt as permitted by the terms of the loan agreements and any additional short term cash balances are placed on overnight or short-term deposit.

MHP has financing in place to cover its projected activities over the next 27–32 months, with plans in place to raise an additional £150m in the next 12 months. Some £411m of committed loans were undrawn by MHP at 31 March 2009, which, together with new loans for which heads of terms have been agreed, provides a total of £611m. Future funding is intended to fund MHP's regeneration and development programmes as well as the major works programme to the properties of Spirita, MHT, CPH and MLL, and if necessary to refinance existing loans.

In line with the MHP's Treasury strategy, there are sufficient committed facilities available to meet its known requirements.

## **V. OUTLOOK FOR 2009–10**

The general economic conditions in 2009–10 will provide a difficult backdrop to the environment in which MHP finds itself. The housing market continues to be stagnant, with low transaction volumes and falling prices. This increases the importance of generating an operating surplus based on core activities and reducing the reliance on discretionary asset sales.

The ACE project has identified hierarchical and technological efficiencies which, with their implementation, will enhance service delivery whilst ensuring MHP delivers efficiency gains.

Management has also identified substantial savings in operating costs through enhanced procurement and tighter budget control, allowing MHP to continue delivering high quality services and homes to our customers.

In spite of the economic challenges, MHP will continue to focus on delivering the objectives agreed by the Board:

- MHP will seek excellence throughout its businesses
- MHP will provide good stewardship of its resources, both physical and human
- MHP will continue to invest in new and existing housing and services to meet its objectives of providing for those in need, and maintaining the Partnership as an organisation leading in contributing to the Government's strategic direction
- MHP will actively promote and support a wide range of involvement opportunities to enable our residents, service users and customers to influence quality of service, governance, business strategy and improvement plans
- MHP is committed to investing in and developing the communities it serves. It will identify and invest in meeting needs and create opportunities for strengthening communities and enhancing individual capability
- MHP, while committed to continuing investment in better services and new provision, will operate within a financially prudent framework.

# Corporate Governance

## Corporate Governance

The Board of Metropolitan Housing Trust has overall responsibility for management of the Partnership. There are six Committees of the Board which decide matters on particular work areas and report to the Board. The Board delegates responsibility for the day to day management of the Partnership to the Chief Executive who is then responsible for ensuring that the organisation operates effectively. The Chief Executive is supported by the Chief Financial Officer and the Strategic Management Team of senior executive officers.

There were 14 to 16 Board members of MHT throughout the year, including two residents and two executive members. All Board members are required by the Rules to be members of the Association and all have the same legal status and share responsibility equally for decisions taken by the Board regardless of whether they are independent or residents.

The Association has robust, transparent and independent systems for recruitment of Board Members: advertising for new Members is sufficiently broad to ensure that equal opportunities and diversity standards are met and the recruitment process is governed by principles of transparency, openness and accountability. Resident involvement is a priority for MHP and the Quality & Accountability Committee ensures that this is achieved. Board Members are inducted upon joining the Partnership, using a corporate programme combined with training tailored to their specific needs.

The posts of Chair and Chief Executive are separate, reflecting the different responsibilities of running the Board and the executive function. The Association has a Deputy Chair who is a non-executive member of the Board. The roles of the Chair, the Deputy Chair, non-executive board members and the Chief Executive are defined in writing and each member of the Board is bound by the Board Members' Manual which is defined as the MHP Governance Code; the Code of Conduct; an Agreement for Services; and other policies and documents that the board may from time to time agree. The Secretary keeps a Register of Board Members' Interests which is submitted and updated where necessary at every Board meeting.

At every Annual General Meeting (AGM), not less than one-third of Board Members, excluding Employee Board Members, must retire from office and may offer themselves for re-election. Board Members who are not Employee Board Members are appointed for three year terms and would normally serve for not more than nine years. All Employee Board Members must retire annually and may offer themselves for re-election at the AGM. The Board appointed David Hoy, Stephen Lamb and Howard Webber on 22 January 2008 under the provisions in Rule 34(a) which enables the Board to appoint additional members from time to time.

The Partnership is a member of the National Housing Federation (NHF) and continues to comply with that body's Governance Code, with the main exceptions that the Board contains more than the recommended maximum number of 12 and also that some Board Members of the Trust have served for more than the recommended 6 years. The Association will seek to address any other minor differences with the Code during the course of the next year.

There were nine Board Meetings throughout the year which, included two held at short notice to confirm a new funding agreement and to authorise completion of a development scheme. Individual Board Member attendance is set out opposite.

<b>Board Member</b>	<b>Number of Board meetings attended</b>
Sheila Button	7
John Davies (to 6 March 2009)	8
Linda Farrant	7
Richard Hewgill (to 19 September 2008)	2
David Hoy	6*
Stephen Lamb	6
Joe Moll	6
Bill Payne	9
Guy Record	9
Barbara Roche	9
Lee Rochford	6
Sheree Russell	6
Ruth Sawtell	7
Dawn Stephenson	6
Museji Takolia	7*
Howard Webber	7

\* Special leave of absence granted.

### **Remuneration of Non-Executive Board Members**

The level of the remuneration of Board Members has been arrived at after benchmarking levels of board member pay in comparable housing associations and takes into account the need to attract, retain and motivate members who have the required levels of skill and experience. In accordance with the Combined Code, the Board undertakes a formal and rigorous annual evaluation of its own performance and that of its committees and individual members with the objective of enabling the Board to make a thorough assessment of the value that it adds to the Association's performance. The Chair and Deputy Chair's roles are annually appraised by reference to their particular role profiles.

There are clear mechanisms in place for Members who fall short of required standards. The relationships between Board members who are residents and the Trust are conducted in accordance with Schedule 1 of the Housing Act 1996 and Tenant Services Authority guidance.

The AGM in 2008 agreed an increase in non-executive Board Member remuneration of 2.1%, in line with inflation. The total remuneration of non-executive Board Members during the year was £123,616 (2008: £107,446). The Chair and Deputy Chair were paid the following amounts which are reviewed annually:

**Museji Takolia £20,969**  
(Chair)

**Barbara Roche £13,018**  
(Deputy Chair)

Non-executive Board Members received a total of £12,750 in expenses during the year.

### **Appointment of new Chair**

Museji Takolia has announced his intention to stand down as Chairman at the Annual General Meeting to be held in September 2009. Following a rigorous recruitment and selection process, a new Chair will be elected by the Board at its first meeting after the AGM.

### **Statement of Responsibilities of the Board**

The Board of Management are responsible for preparing the Board of Management's Report and the financial statements in accordance with applicable law and regulations.

Industrial and Provident Society law requires the Board of Management to prepare financial statements for each financial year. Under those regulations the Board of Management have elected to prepare the financial statements in accordance with UK Accounting Standards.

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

In preparing these financial statements, the Board of Management are required to:

## Corporate governance continued

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

The Board of Management are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the association and enable them to ensure that its financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002; the Housing Act 1996; and the Accounting Requirements for Registered Social Landlords General Determination 2000. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

# Internal Controls

## Internal Controls

The Board of Metropolitan Housing Trust is responsible for the Partnership's system of internal controls and for reviewing its effectiveness. This applies to all businesses and subsidiaries within the Partnership. The Board however recognises that such a system can provide only reasonable and not absolute assurance against material misstatement or loss.

The Housing Corporation's circular "07/07 Internal Controls Assurance" requires MHT to review the effectiveness of its systems of internal control and those within its subsidiaries. The Partnership's systems of control are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not complete, assurance against material misstatement or loss, the reliability of financial and non financial information, the maintenance of proper accounting records.

The Board has established procedures necessary to implement the requirements of the Housing Corporation's circular relating to internal controls and has reviewed the effectiveness of the Group's systems of internal control, (including financial, operational and compliance controls) and risk management.

These procedures establish the process by which the Board, on an ongoing basis, identifies, evaluates and manages the significant risks faced by the Partnership and carries out its annual review of the effectiveness of

the internal controls. It is intended that these procedures will be kept under review each year and adjusted as appropriate. The Audit Committee's terms of reference include responsibility for overseeing internal controls, including operational and financial controls and risk management.

The key elements of MHT's system of internal control include:

- Adoption of the NHF's code of governance "Excellence in Governance 2009"
- A formal scheme of delegation
- A range of formal policies and procedures
- Appropriate employee recruitment, retention and development processes
- Financial plans incorporating forecasts and budgets
- A process for monitoring and reporting the achievement of financial objectives mindful of key business risks
- Regular review of significant new initiatives, commitments and investment projects
- Internal Audit.

The Partnership operates a comprehensive risk management system incorporating quantitative risk assessments and assignment of responsibility for risks and controls. Annually the Board receives a report on the level of risk within the Partnership's Business Plans and approves the Partnership's risk appetite and approach to managing the key risks. Directors and

Managers are responsible for identifying risks and establishing controls to reduce the likelihood of their occurrence or their severity should they occur. Data on risk and controls is held in a risk management database and forms the basis for managers' certifications in the control risk self-assessment process.

A process of annual control risk self-assessment and hierarchical reporting provides for a documented and auditable trail of accountability for Managers and Directors. The certification is tailored to reflect the potential risks and the control environment of the business. These self-assessment tools provide for successive assurances at increasingly higher levels of management and, finally, to the Board.

The Audit Committee reviews reports received from management and from internal and external auditors; it makes regular reports to the Board on the extent to which internal controls continue to take account of the major risks facing the association. A formal process exists for the reporting and correction of significant control weaknesses.

Details of identified frauds are maintained within the Fraud Register which is reviewed annually by the Group Audit Committee on behalf of the Board. MHP complies with the TSA's requirements on fraud and, during the year, such incidents have been reported to the TSA in accordance with those requirements. The Board has an established policy to address issues of fraudulent activity which covers the prevention, detection

## Internal controls continued

and reporting of fraud. Appropriate action has been taken to recover any loss caused through fraud or malpractice and actions are taken to prevent a recurrence.

The Board has received an annual report from the Chief Executive, and has conducted its annual review of the effectiveness of the system of internal control. This system operated throughout the year and up to the date of signing of the financial statements. Account has been taken of any changes needed to maintain the effectiveness of the risk management and control process. No weaknesses were found in internal controls sufficient to cause material misstatement or loss.

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

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Auditors**

A resolution is to be proposed at the Annual General Meeting for the re-appointment of KPMG LLP as auditors of the Trust.

### **Museji Takolia**

Chairman

21 July 2009

# Independent Auditors Report

Report of the Independent Auditors, KPMG LLP, to the Members of Metropolitan Housing Trust Limited

We have audited the financial statements of Metropolitan Housing Trust Limited for the year ended 31 March 2009 which comprise the Income and Expenditure Account, the Statement of Total Recognised Surpluses and Deficits, the Balance Sheet and the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Schedule 1 paragraph 16 of the Housing Act 1996 and section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members, as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of the Board of Management and auditors**

As described on page 18, the Board of Management is responsible for the preparation of the Board of Management's report, and the preparation of financial statements in accordance with applicable United Kingdom law and UK accounting standards (UK Generally Accepted Accounting Practice).

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 and the Industrial and Provident Societies (Group Accounts) Regulations 1969; the Housing Act 1996; and the Accounting Requirements for Registered Social Landlords General Determination 2006. We also report to you if, in our opinion, the Board of Management's Report is not consistent with the financial statements; if the association has not kept proper accounting records or if we have not received all the information and explanations we require for our audit. We read the other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements within it.

# Independent auditors report continued

## **Basis of audit 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 of Management 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 UK Generally Accepted Accounting Practice, of the state of affairs of the group and the association as at 31 March 2009 and of the surplus for the year then ended
- and have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, and the Industrial and Provident Societies (Group Accounts) Regulations 1969; the Housing Act 1996; and the Accounting Requirements for Registered Social Landlords General Determination 2006.

## **KPMG LLP**

Chartered Accountants

Registered Auditor

1 Forest Gate,  
Brighton Road,  
Crawley,  
West Sussex,  
RH11 9PT

6 August 2009

## Income and expenditure account for the year to 31 March 2009

	Note	Partnership		Trust	
		Year to 31 March 2009 £000	Restated Year to 31 March 2008 £000	Year to 31 March 2009 £000	Restated Year to 31 March 2008 £000
<b>Turnover</b>	2	<b>221,940</b>	228,721	<b>116,708</b>	123,875
Operating costs	2	<b>(189,666)</b>	(203,587)	<b>(92,334)</b>	(100,693)
<b>Operating surplus</b>	2 & 6	<b>32,274</b>	25,134	<b>24,374</b>	23,182
Surplus on sale of properties in continuing operations	7	<b>8,729</b>	15,886	<b>6,499</b>	11,504
<b>Surplus on ordinary activities before interest and taxation</b>		<b>41,003</b>	41,020	<b>30,873</b>	34,686
Interest receivable and similar income	8	<b>2,430</b>	2,345	<b>7,741</b>	8,606
Interest payable and similar charges	9	<b>(35,169)</b>	(35,062)	<b>(33,210)</b>	(34,335)
<b>Surplus for the year before taxation</b>		<b>8,264</b>	8,303	<b>5,404</b>	8,957
<b>Tax on surplus on ordinary activities</b>	10	<b>4</b>	(62)	-	-
Retained Surplus for the year	20	<b>8,268</b>	8,241	<b>5,404</b>	8,957

### Statement of total recognised surpluses and deficits

<b>Retained surplus for the year</b>		<b>8,268</b>	8,241	<b>5,404</b>	8,957
Actual return less expected return on Pension Scheme assets	23	<b>(1,150)</b>	(466)	-	-
Experience gains and losses	23	-	198	-	-
Changes in assumptions underlying the present value of the scheme liabilities	23	<b>1,302</b>	(105)	-	-
Negative goodwill relating to acquisition		-	28,551	-	-
<b>Total recognised surpluses and deficits relating to the year (before prior year adjustments)</b>		<b>8,420</b>	36,419	<b>5,404</b>	8,957
Prior year adjustment	20	<b>11,629</b>	-	<b>8,546</b>	-
<b>Total recognised surpluses and deficits in the year</b>		<b>20,049</b>	36,419	<b>13,950</b>	8,957

The prior year has been restated due to the effect of the implementation of the Statement Of Recommended Practice (SORP) "Accounting by Registered Social Landlords" (2008) (see Note 26).

The notes on pages 27 to 56 form part of these financial statements.

# Independent auditors report continued

## Balance Sheet at 31 March 2009

	Note	Partnership		Trust	
		31 March 2009 £000	Restated 31 March 2008 £000	31 March 2009 £000	Restated 31 March 2008 £000
<b>Tangible fixed assets</b>					
Housing properties	11	2,032,863	1,866,436	1,624,314	1,484,634
Less Social Housing Grant	11	(1,026,026)	(974,934)	(835,921)	(796,573)
Net housing properties		1,006,837	891,502	788,393	688,061
Other tangible fixed assets	11	21,379	22,608	16,325	15,275
<b>Total tangible fixed assets</b>		<b>1,028,216</b>	<b>914,110</b>	<b>804,718</b>	<b>703,336</b>
<b>Investments</b>					
Homebuy	24	162,977	134,499	162,977	134,499
Less: Social Housing Grant	24	(162,977)	(134,499)	(162,977)	(134,499)
Other investments	12	89,636	19,043	92,649	31,521
		<b>1,117,852</b>	<b>933,153</b>	<b>897,367</b>	<b>734,857</b>
<b>Current assets</b>					
Stock	14	31,921	28,234	23,341	19,914
Debtors greater than one year	15	111,210	93,960	130,804	109,290
Debtors less than one year	15	44,885	49,063	29,801	28,951
Cash at bank and in hand		20,855	22,044	12,417	13,928
		<b>208,871</b>	<b>193,301</b>	<b>196,363</b>	<b>172,083</b>
Creditors: amounts falling due within one year	16	(92,508)	(65,782)	(71,785)	(52,765)
<b>Net current assets</b>		<b>116,363</b>	<b>127,519</b>	<b>124,578</b>	<b>119,318</b>
<b>Total assets less current liabilities</b>		<b>1,234,215</b>	<b>1,060,672</b>	<b>1,021,945</b>	<b>854,175</b>
Creditors: amounts falling due after more than one year	18	942,482	764,471	892,628	725,233
<b>Provision for liabilities and charges</b>	17	<b>81,491</b>	<b>94,306</b>	<b>3,355</b>	<b>8,384</b>
<b>Pension liability</b>	23	<b>896</b>	<b>969</b>	<b>-</b>	<b>-</b>
<b>Capital and reserves</b>	20	<b>209,346</b>	<b>200,926</b>	<b>125,962</b>	<b>120,558</b>
		<b>1,234,215</b>	<b>1,060,672</b>	<b>1,021,945</b>	<b>854,175</b>

The financial statements on pages 23 to 56 were approved by the Board on 21 July 2009 and were signed on its behalf by:

  
**Museji Ahmed Takolia**  
 Chairman

  
**Lee Rochford**  
 Chair of Finance Committee

  
**Guy Record**  
 Chief Financial Officer

## Consolidated cash flow statement for the year to 31 March 2009

### Reconciliation of operating surplus for the year to net cash flow from operating activities.

	2009 £000	Restated 2008 £000
Operating surplus	32,274	25,134
Depreciation	4,118	4,509
(Increase) in debtors	(13,072)	(18,927)
(Increase) in stock	(3,687)	(32,147)
Increase in creditors	2,801	42,315
(Increase)/ decrease in provisions	(12,815)	587
Decrease in pension liability	50	141
<b>Net cash inflow from operating activities</b>	<b>9,669</b>	<b>21,612</b>

### Consolidated cash flow statement

	2009 £000	Restated 2008 £000
Net cash flow from operating activities	9,669	21,612
Return on investments and servicing of finance (note i)	(38,894)	(42,102)
Capital expenditure (note i)	(110,594)	(26,539)
	<b>(139,819)</b>	<b>(47,029)</b>
Management of liquid resources (note i)	(70,593)	(2,892)
Net cash acquired with subsidiary (note i)	-	5,024
Financing (note i)	209,223	26,901
<b>(Decrease)/Increase in cash</b>	<b>(1,189)</b>	<b>(17,996)</b>

### Reconciliation of net cash flow to movement in net debt (note ii)

	2009 £000
Decrease in cash in the year	(1,189)
Amortisation of discounts, initial costs and other changes	(1,445)
Cash to repay loans and finance leases	5,492
Cash received from loans raised	(174,423)
<b>Change in net debt</b>	<b>(171,565)</b>
Net debt at 1 April 2008	(702,849)
<b>Net debt at 31 March 2009</b>	<b>(874,414)</b>

# Independent auditors report continued

## Notes to the consolidated cash flow statement

### (i) Gross cash flows

	<b>2009</b>	Restated
	<b>£000</b>	2008
		£000
<b>Return on investments and servicing of finance</b>		
Interest received	<b>2,459</b>	2,315
Interest paid	<b>(41,294)</b>	(44,358)
Interest element of finance lease payments	<b>(59)</b>	(59)
	<b>(38,894)</b>	(42,102)
<b>Capital expenditure</b>		
Payments to acquire and develop housing properties	<b>(217,894)</b>	(144,832)
Social Housing Grant received	<b>86,101</b>	91,747
Payments to acquire other fixed assets and fixed asset investments	<b>(532)</b>	(5,862)
Receipts from sale of housing properties	<b>21,731</b>	32,408
	<b>(110,594)</b>	(26,539)
<b>Management of liquid resources</b>		
Purchase of treasury bills	<b>(1,893)</b>	(2,892)
Purchase of other liquid resource	<b>(68,700)</b>	-
	<b>(70,593)</b>	(2,892)
<b>Acquisition of entity</b>		
Net cash acquired with subsidiary	-	5,024
	-	5,024
<b>Financing</b>		
Loans received	<b>214,715</b>	57,784
Loans repaid	<b>(5,483)</b>	(30,874)
Capital element of finance lease payments	<b>(9)</b>	(9)
	<b>209,223</b>	26,901
	<b>(10,858)</b>	(39,608)

### (ii) Analysis of changes in net debt

	At 1 April		Other	At 31
	2008	Cash flows	changes	March
	£000	£000	£000	2009
				£000
Cash in hand, at bank	22,044	(1,188)	-	<b>20,856</b>
Debt due within 1 year	(849)	(3,157)	849	<b>(3,157)</b>
Debt due after 1 year	(724,044)	(165,774)	(2,294)	<b>(892,112)</b>
Total	(702,849)	(170,119)	(1,445)	<b>(874,413)</b>

# Notes to the Financial Statements

## I. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the financial statements of the Trust.

### **Basis of accounting**

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards, the Industrial and Provident Societies Acts 1965 to 2002; the Accounting Requirements for Registered Social Landlords General Determination 2006; and follow the recommendations of the Statement of Recommended Practice "Accounting by Registered Social Landlords" (2008 update).

### **Prior year adjustment**

During the year the Partnership adopted Statement Of Recommended Practice (SORP) 2008 as a change in accounting policy and as such has restated the prior year comparatives. SORP 2008 requires Registered Social Landlords to include costs relating to first tranche sales as current assets within work in progress and to recognise any profit or loss on disposals within trading profit; therefore proceeds are included as turnover and costs included in the cost of sales. Where shared ownership properties are included as part of a mixed tenure scheme, if one part is in deficit and the other part is in surplus, the surplus has been reduced by the amount of the deficit.

Costs relating to second and subsequent tranches are recognised as fixed. Any profit or loss on disposal of second and subsequent tranches will also continue to be included after operating profit as fixed asset disposals.

### **Consolidation**

The consolidated financial statements include the Trust and its subsidiaries. The results of subsidiaries are included in the consolidated income and expenditure account from the date of their formation or acquisition. Intra-group surpluses and deficits are eliminated on consolidation.

The assets and results of regeneration partnerships are consolidated into the statements of the Trust proportionately to its share in the Partnership.

### **Turnover**

Turnover represents rental and service charge income, income from the sales of properties, income from first tranche sales, fees and revenue based grants receivable from local authorities, the Tenant Services Authority and others.

### **Housing properties**

Housing properties constructed or acquired in the open market are stated at cost less the amount of grants received towards their construction and depreciation. The cost of properties is their purchase price together with incidental costs of acquisition including interest payable. Interest payable is capitalised during the period of construction where a project is financed by the borrowings of the Partnership. Major refurbishments to properties are capitalised where the works increase the net rental stream over the life of a property. Development costs include the Partnership's directly attributable development management costs and other direct costs.

Where the Trust has combined with another association and the criteria for merger accounting are not met the housing properties transferred are stated at fair value, grossed up for Social Housing Grant transferred.

Housing properties in the course of construction, excluding the cost of shared ownership first tranches, are included in fixed assets at cost as part of housing properties. The costs of first tranche sales of shared ownership properties are treated as stock.

# Notes to the financial statements continued

## Depreciation and impairment

Freehold land is not depreciated. Depreciation is charged so as to write down the value of freehold housing properties other than freehold land to their estimated residual value on a straight-line basis over their remaining expected useful economic lives as follows:

Freehold Buildings	Between 30–125 Years
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Leasehold properties are depreciated over the length of the lease except where the expected useful economic life of properties is shorter than the lease when the lease and property are depreciated separately over their expected useful economic lives.

Impairment reviews are carried out on an annual basis in accordance with FRS 11. Where it has been identified that the recoverable amount of a fixed asset is below its net book value the asset is written down to its recoverable amount and the impairment loss recognised in the income and expenditure account.

For shared ownership accommodation that the Partnership is responsible for, it is the Partnership's policy to maintain them in a continuous state of sound repair. Maintenance of shared ownership properties is the responsibility of the shared owner. The Partnership considers that the lives of properties are so long and residual values based on current open market value are so high that any depreciation would be insignificant. Any impairment in the value of such properties is charged to the income and expenditure account.

Depreciation is charged on a straight-line basis over the expected useful economic lives of the other fixed assets at the following annual rates:

Office furniture and equipment	20%–33%	on cost
Service equipment	5%	on cost

## Hostels managed by partners

Where properties owned by the Partnership are managed as hostels by other organisations under partnership agreements, which result in operating surpluses and deficits accruing to the partner, then the income and expenditure associated with their management is not reflected in the financial statements of the Partnership.

## Social housing grant

Where developments have been financed wholly or partly by Social Housing Grant, the cost of those developments has been reduced by the amount of the grant received. Where the property is expected to be sold in the foreseeable future provision is made if it is considered that the grant will be repayable.

Social Housing Grant in respect of housing properties in the course of construction received in advance of aggregate expenditure is shown as a current liability. Where the terms of a grant do not specify what proportion relates to development administration costs, that element is taken to equal the amount of such costs capitalised.

Where a Social Housing Grant funded property is sold the grant becomes recyclable and is transferred to a recycled capital grant fund until it is reinvested in a replacement property.

## Discounted and deferred interest loans

Discounted bonds are shown at their redemption value less discount on issue. The discount on issue is written off through the income and expenditure account on an annuity basis over the life of the bond. The effective annual rate of interest (calculated over the life of the loan) on deferred interest loans is charged to the income and expenditure account.

### **Pension costs**

Metropolitan Housing Trust, Granta Housing Society, Spirita Limited, Clapham Park Homes Limited and Metropolitan Support Trust participate in a multi-employer defined benefit pension scheme contracted out of the State scheme. The scheme is valued every three years by a professionally qualified independent actuary, the rates of contribution being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rate. It is not possible to separately identify assets and liabilities accruing to participating employers. Therefore the scheme is accounted for as a defined contribution scheme as permitted under FRS17.

Spirita Limited operates a separate defined benefit pension scheme contracted out of the State scheme. The scheme is valued every three years by a professionally qualified independent actuary, the rates of contribution being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rate. The pension scheme is accounted for in accordance with FRS17 as set out in note 23 and the association's share in the net asset/deficit is shown in the balance sheet.

### **Leased assets**

Rentals paid under operating leases are charged to the income and expenditure account on the accruals basis.

Where assets are financed by leasing agreements that give rights approximating to ownership they are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments and is depreciated in accordance with the Trust's normal policy for that class of assets.

### **Investments**

Fixed asset investments are stated at cost. Interest rate hedges traded under International Swaps and Derivatives Association (ISDA) Agreements are "Marked to Market" (MTM) on a periodic basis ranging between every day and every 3 months. On the reference date the MTM value of the hedges is calculated and MHT is required to cover any "potential" losses above its unsecured threshold using cash or property security. Cash is paid to the counterparty that holds it on behalf of MHT paying an agreed rate of interest until the next reference date when the calculation is repeated and the revised exposure is settled by a movement of cash or security and interest.

### **Stock**

Stock represents housing properties held for transfer to other Registered Social Landlords, the costs of completed first tranche sales of shared ownership properties, the costs of work in progress of first tranche sales of shared ownership properties and materials.

Stock is stated at the lower of cost and net realisable value.

### **Deferred tax**

Deferred tax is provided for on differences between the treatment of certain items for accounting and taxation purposes. It is accounted for to the extent that a liability or asset is expected to be payable or recoverable in the foreseeable future.

### **Homebuy**

The Partnership operates the Homebuy scheme lending a percentage of the cost to home purchasers, secured on the property. The loans are interest free and repayable only on the sale of the property. On a sale, the fixed percentages of the proceeds are repaid. The loans are financed by an equal amount of Social Housing Grant (SHG). On repayment the SHG is recycled; written off if a loss occurs; or any surplus is retained by the Company.

## Notes to the financial statements continued

### 2. Particulars of turnover, operating costs and operating surplus

Partnership	Turnover £000	2009	Operating	2008
		Operating Costs £000	Surplus £000	Restated Operating Surplus £000
Income and expenditure from lettings	146,352	117,181	29,171	22,717
<b>Other income and expenditure</b>				
Development administration	1,211	2,251	(1,040)	(1,100)
Development of properties for sale	8,782	6,751	2,031	3,304
First tranche sales	17,256	16,125	1,131	2,680
Other	6,039	3,876	2,163	1,763
Housing Plus	43	1,844	(1,801)	(1,142)
Key worker living	6,064	4,758	1,306	934
Registered care	5,128	6,765	(1,637)	(1,330)
Registered nursing homes	2,663	2,730	(67)	(511)
NASS contract	8,765	8,463	302	(1,309)
Supporting People contract income	19,637	18,922	715	(872)
<b>Total</b>	<b>221,940</b>	<b>189,666</b>	<b>32,274</b>	<b>25,134</b>

Trust	Turnover £000	2009	Operating	2008
		Operating Costs £000	Surplus £000	Operating Surplus £000
Income and expenditure from lettings	88,753	65,219	23,534	19,213
<b>Other income and expenditure</b>				
Development administration	1,211	2,229	(1,018)	(935)
Development of properties for sale	4,601	3,478	1,123	3,084
First tranche sales	15,262	14,315	947	2,282
Other	355	543	(188)	(281)
Key worker living	6,064	4,758	1,306	934
Charitable donation	462	1,792	(1,330)	(1,115)
<b>Total</b>	<b>116,708</b>	<b>92,334</b>	<b>24,374</b>	<b>23,182</b>

The prior year has been restated due to the effect of the implementation of the Statement Of Recommended Practice (SORP) "Accounting by Registered Social Landlords" (2008) (see Note 26).

### 3. Particulars of income and expenditure from lettings

Partnership	Year to 31 March 2009						Year to 31 March 2008	Total £000
	Housing Accommodation £000	Supported Housing £000	Housing with Care £000	Market Housing £000	Temporary Housing £000	LCHO £000	Total £000	
<b>Income from lettings</b>								
Rent receivable net of identifiable service charges	88,332	6,707	487	5,495	4,905	9,153	115,079	107,528
Charges for support services	2,352	2,018	-	-	-	14	4,384	3,497
Service charges receivable	8,243	3,501	2,672	78	23	5,666	20,183	18,381
Net rental income	98,927	12,226	3,159	5,573	4,928	14,833	139,646	129,406
Housing Corporation grants for major repairs	3	-	-	-	-	-	3	-
Revenue grants from local authorities and other agencies	89	-	82	79	-	143	393	1,071
Management fees	853	1,818	3,251	101	221	66	6,310	6,457
Total income from lettings	99,872	14,044	6,492	5,753	5,149	15,042	146,352	136,934
<b>Expenditure on letting activities</b>								
Services	13,069	4,885	4,681	126	132	5,293	28,186	25,146
Management	27,186	2,582	1,578	522	188	1,928	33,984	36,662
Routine maintenance	19,832	1,408	167	198	55	385	22,045	21,023
Planned maintenance	6,448	1,172	208	83	1	105	8,017	7,265
Major repairs	2,866	347	104	15	46	2,993	6,371	4,643
Bad debts	1,373	263	146	(19)	17	7	1,787	2,055
Lease charges	4	398	28	-	3,482	310	4,222	4,416
Depreciation	2,885	58	7	9	30	-	2,989	2,983
Impairment	604	-	-	-	-	6,686	7,290	8,141
Care and support costs	879	-	24	-	470	9	1,382	893
Other costs	337	49	253	49	-	220	908	990
Total expenditure	75,483	11,162	7,196	983	4,421	17,936	117,181	114,217
Surplus on social housing	24,389	2,882	(704)	4,770	728	(2,894)	29,171	22,717
Rent loss through voids	(2,372)	(696)	(234)	(42)	(117)	(1)	(3,462)	(3,123)

## Notes to the financial statements continued

Trust	Year to 31 March 2009						Year to 31 March 2008	Total £000
	Housing Accommodation £000	Supported Housing £000	Housing with Care £000	Market Housing £000	Temporary Housing £000	LCHO £000	Total £000	
<b>Income from lettings</b>								
Rent receivable net of identifiable service charges	51,553	5,103	-	4,651	4,905	8,724	74,936	67,777
Charges for support services	1	-	-	-	-	-	1	22
Service charges receivable	4,268	1,901	-	47	23	3,988	10,227	9,763
Net rental income	55,822	7,004	-	4,698	4,928	12,712	85,164	77,562
Housing Corporation grants for major repairs	3	-	-	-	-	-	3	
Revenue grants from local authorities and other agencies	70	-	82	79	-	143	374	366
Management fees	853	1,818	157	101	221	62	3,212	3,420
Total income from lettings	56,748	8,822	239	4,878	5,149	12,917	88,753	81,348
<b>Expenditure on letting activities</b>								
Services	8,797	2,415	78	38	132	3,989	15,449	13,710
Management	12,471	1,319	3	364	188	1,107	15,452	15,052
Routine maintenance	7,600	1,129	71	28	55	155	9,038	8,321
Planned maintenance	4,860	1,088	74	38	1	66	6,127	6,030
Major repairs	1,864	265	7	15	46	2,993	5,190	4,064
Bad debts	392	35	4	(19)	17	7	436	671
Lease charges	102	137	-	-	3,482	28	3,749	3,588
Depreciation	2,024	111	6	9	30	-	2,180	2,055
Impairment	-	-	-	-	-	6,686	6,686	8,141
Care and support costs	-	-	24	-	470	-	494	7
Other costs	148	1	-	49	-	220	418	496
Total expenditure	38,258	6,500	267	522	4,421	15,251	65,219	62,135
Surplus on social housing	18,490	2,322	(28)	4,356	728	(2,334)	23,534	19,213
Rent loss through voids	(644)	(414)	-	(17)	(117)	(2)	(1,194)	(1,382)

#### 4. Directors' emoluments

The Directors are defined as the Members of the Board, the Chief Executive and the Executive Officers (senior management team), as set out on page 1. A selection of the Board Members and executive Board Members received emoluments during the year:

	<b>2009</b>	2008
	<b>£000</b>	£000
The aggregate emoluments paid to or receivable by executive Directors	<b>1,861,029</b>	1,891,521
The aggregate emoluments paid to or receivable by non-executive Directors	<b>123,616</b>	107,446

The Chief Executive was the highest paid director of the Partnership in the year; his remuneration (excluding pension contributions) for the year is set out below. The Chief Executive is an ordinary member of the Social Housing Pension Scheme (see note 23) operated by the Pensions Trust on behalf of all qualifying employees. No special or enhanced terms apply to his membership of the scheme.

	<b>2009</b>	2008
	<b>£000</b>	£000
Chairman (including pension contributions)	<b>20,969</b>	20,162
Previous Chief Executive (including pension contributions)	-	169,003
Current Chief Executive (including pension contributions)	<b>207,144</b>	40,410
Highest paid director	<b>207,144</b>	169,003
Expenses reimbursed to directors not chargeable to United Kingdom taxation	<b>40,458</b>	33,975

Sheree Russell is a resident of the Partnership and became a member of the Board in November 2006. The tenancy is on the same terms and conditions as other residents. She cannot use her position as a Board member to her advantage in her relationship with the Trust as a resident. Joe Moll is a lessee of the Partnership and is a member of the Board during the year. His lease is on the same terms and conditions as other lessees. He cannot use his position as a Board member to his advantage in his relationships with the Partnership lessees.

#### 5. Employee information

The average weekly full time equivalent number of people (including executives) employed during the year was:

	<b>Partnership</b>		<b>Trust</b>	
	<b>2009</b>	2008	<b>2009</b>	2008
	<b>Number</b>	Number	<b>Number</b>	Number
Managers and executives	<b>62</b>	83	<b>31</b>	39
Office staff	<b>736</b>	672	<b>36</b>	24
Scheme staff	<b>1,386</b>	1,253	<b>509</b>	474
	<b>2,184</b>	2,008	<b>576</b>	537

## Notes to the financial statements continued

### 5. Employee information continued

The average number of people (including executives) employed during the year was:

	Partnership		Trust	
	2009 Number	2008 Number	2009 Number	2008 Number
Managers and executives	64	84	33	40
Office staff	737	672	37	24
Scheme staff	1,402	1,268	526	489
	<b>2,203</b>	<b>2,024</b>	<b>596</b>	<b>553</b>

Staff costs (for the people above):

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
Wages and salaries	54,517	52,874	19,152	18,029
Social security costs	4,831	4,708	1,772	1,667
Pension costs (see Note 23)	2,834	3,024	1,298	1,350
	<b>62,182</b>	<b>60,606</b>	<b>22,222</b>	<b>21,046</b>

### 6. Operating surplus

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
Operating surplus is stated after charging:				
Depreciation – Tangible owned fixed assets	4,805	4,935	3,462	3,300
Operating lease rentals				
– Plant and machinery	15	34	15	34
– Other	855	757	655	523
Pension costs under FRS 17	281	281	-	-
Finance lease charges	59	58	59	58
Auditors' remuneration				
– Audit of these financial statements	185	175	57	57
– In respect of other services	159	255	124	239

## 7. Sale of properties not developed for outright sale

	Partnership		Trust	
	2009 £000	Restated 2008 £000	2009 £000	Restated 2008 £000
Proceeds of sales	<b>21,731</b>	32,408	<b>15,758</b>	22,737
Less: Costs of sales	<b>(13,002)</b>	(16,522)	<b>(9,259)</b>	(11,233)
Total	<b>8,729</b>	15,886	<b>6,499</b>	11,504

The prior year has been restated due to the effect of the implementation of the Statement Of Recommended Practice (SORP) "Accounting by Registered Social Landlords" (2008) (see Note 26).

## 8. Interest receivable and similar income

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
Bank deposits	<b>1,424</b>	1,158	<b>701</b>	376
Fixed asset investments	<b>866</b>	911	<b>866</b>	911
Partnership companies	-	-	<b>6,005</b>	7,073
Regeneration partners	<b>146</b>	167	<b>146</b>	167
Interest on pension asset	<b>(29)</b>	30	-	-
Other	<b>23</b>	79	<b>23</b>	79
	<b>2,430</b>	2,345	<b>7,741</b>	8,606

## 9. Interest payable and similar charges

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
On loans repayable by instalments part of which fall due after more than 5 years	<b>1,443</b>	1,445	<b>1,443</b>	1,445
On loans repayable other than by instalments:				
Discounted loans	<b>2,273</b>	2,095	<b>2,273</b>	2,095
Other:				
Falling due in 1 to 2 years	<b>25</b>	25	<b>25</b>	25
Falling due in 2 to 5 years	<b>1,734</b>	1,561	<b>1,734</b>	1,561
Falling due in more than 5 years	<b>35,840</b>	38,427	<b>32,398</b>	35,307
On finance leases	<b>57</b>	58	<b>57</b>	58
On Recycled Capital Grant Fund	<b>1,426</b>	1,727	<b>1,424</b>	1,716
	-	-		
On amounts owed to Group companies			<b>408</b>	598
	<b>42,798</b>	45,338	<b>39,762</b>	42,805
Less: Interest capitalised	<b>(7,629)</b>	(10,276)	<b>(6,552)</b>	(8,470)
	<b>35,169</b>	35,062	<b>33,210</b>	34,335

## Notes to the financial statements continued

### 10. Taxation

Subsidiaries are subject to corporation tax on taxable profits.

	<b>Partnership</b>	
	<b>2009</b>	Restated 2008
	<b>£</b>	£
	<b>(4)</b>	62
	<b>(4)</b>	62
	<b>8,200</b>	8,303
	<b>2,296</b>	2,491
	<b>(2,294)</b>	(2,429)
	<b>(44)</b>	-
	<b>38</b>	-
	<b>(4)</b>	62

The tax charge for the period comprises:

#### **Current tax:**

UK Corporation tax on taxable profits of the period at 28% (2008: 30%)

#### **Tax (credit)/ charge on profit on ordinary activities**

The current tax charge for the period is lower than the standard rate of corporation tax in the UK, 28% (2008: 30%). The differences are explained below.

#### **Reconciliation of current tax charges**

Surplus on taxable ordinary activities before tax

Surplus on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2008: 30%)

Surplus covered by charitable exemption.

Less tax effect of capitalised interest and gift aid

Adjustment in respect of prior period

#### **Current tax (credit)/ charge for the period (see above)**

## 11 (a). Tangible fixed assets

Partnership	Completed housing properties	Housing properties in the course of construction	Share of properties held in partnership	Completed shared ownership properties	Shared ownership properties under construction	Total housing properties	Office and shops	Office and service equipment	Total
<b>Cost</b>									
At 1 April 2008	1,329,598	130,881	165,697	241,857	39,929	1,907,962	23,164	13,537	1,944,663
Add: Accumulated first tranche surpluses from prior years	-	-	-	11,629	-	11,629	-	-	11,629
Less: first tranche amounts held as current assets	-	-	-	(6,558)	(11,632)	(18,190)	-	-	(18,190)
At 1 April 2008 restated	1,329,598	130,881	165,697	246,928	28,297	1,901,401	23,164	13,537	1,938,102
Schemes completed	90,154	(77,878)	-	61,688	(73,964)	-	-	-	-
Additions	16,504	92,307	11,095	5,755	73,113	198,774	724	1,929	201,427
Capitalised expenditure	5,338	-	-	-	-	5,338	-	-	5,338
Disposals	(13,921)	(376)	(936)	(16,162)	-	(31,395)	(2,021)	(100)	(33,516)
At 31 March 2009	<b>1,427,673</b>	<b>144,934</b>	<b>175,856</b>	<b>298,209</b>	<b>27,446</b>	<b>2,074,118</b>	<b>21,867</b>	<b>15,366</b>	<b>2,111,351</b>
<b>SHG and other grants</b>									
At 1 April 2008	(742,846)	(79,490)	(51,894)	(83,282)	(17,422)	(974,934)	(726)	(652)	(976,312)
Schemes completed	(35,900)	35,264	-	(11,229)	11,865	-	-	-	-
Additions	(9,382)	(40,566)	(37)	(39)	(7,599)	(57,623)	-	-	(57,623)
Disposals	5,525	-	5	1,001	-	6,531	-	-	6,531
At 31 March 2009	<b>(782,603)</b>	<b>(84,792)</b>	<b>(51,926)</b>	<b>(93,549)</b>	<b>(13,156)</b>	<b>(1,026,026)</b>	<b>(726)</b>	<b>(652)</b>	<b>(1,027,404)</b>
<b>Depreciation</b>									
At 1 April 2008	(25,963)	-	-	(54)	(9,336)	(35,353)	(3,928)	(8,787)	(48,068)
Less: provision transferred to stock	-	-	-	-	388	388	-	-	388
At 1 April 2008 restated	(25,963)	-	-	(54)	(8,948)	(34,965)	(3,928)	(8,787)	(47,680)
Charge for the year	(2,999)	-	(65)	55	-	(3,009)	(427)	(1,369)	(4,805)
Impairment	-	(300)	-	-	(6,686)	(6,986)	(304)	-	(7,290)
Released on disposal	3,705	-	1	(1)	-	3,705	239	100	4,044
At 31 March 2009	<b>(25,257)</b>	<b>(300)</b>	<b>(64)</b>	<b>-</b>	<b>(15,634)</b>	<b>(41,255)</b>	<b>(4,420)</b>	<b>(10,056)</b>	<b>(55,731)</b>
<b>Net book value at 31 March 2009</b>									
	<b>619,813</b>	<b>59,842</b>	<b>123,866</b>	<b>204,660</b>	<b>(1,344)</b>	<b>1,006,837</b>	<b>16,721</b>	<b>4,658</b>	<b>1,028,216</b>
Restated net book value at 31 March 2008	560,789	51,391	113,803	163,592	1,927	891,502	18,510	4,098	914,110

During the year £7,629m (2008: £10,276m) of interest was capitalised on housing schemes in the course of construction.

## Notes to the financial statements continued

### 11 (b). Tangible fixed assets

Trust	Completed housing properties	Housing properties in the course of construction	Share of properties held in partnership	Completed shared ownership properties	Shared ownership properties under construction	Total housing properties	Office and shops	Office and service equipment	Total
<b>Cost</b>									
At 1 April 2008	1,002,771	76,092	165,697	231,823	39,423	1,515,806	15,541	8,855	1,540,202
Add: accumulated first tranche surpluses from prior years	-	-	-	8,546	-	8,546	-	-	8,546
Less: first tranche amounts held as current assets	-	-	-	(5,825)	(11,536)	(17,361)	-	-	(17,361)
At 1 April 2008 restated	1,002,771	76,092	165,697	234,544	27,887	1,506,991	15,541	8,855	1,531,387
Schemes completed	82,424	(72,141)	-	61,434	(71,717)	-	-	-	-
Additions	9,874	71,548	11,095	6,116	71,276	169,909	647	1,696	172,252
Capitalised improvements	5,338	-	-	-	-	5,338	-	-	5,338
Disposals	(10,206)	-	(936)	(15,613)	-	(26,755)	-	-	(26,755)
At 31 March 2009	<b>1,090,201</b>	<b>75,499</b>	<b>175,856</b>	<b>286,481</b>	<b>27,446</b>	<b>1,655,483</b>	<b>16,188</b>	<b>10,551</b>	<b>1,682,222</b>
<b>SHG and other grants</b>									
At 1 April 2008	(593,629)	(52,951)	(51,894)	(80,808)	(17,291)	(796,573)	(726)	-	(797,299)
Schemes completed	(32,861)	32,860	-	(11,870)	11,871	-	-	-	-
Additions	(8,576)	(29,506)	(37)	-	(7,736)	(45,855)	-	-	(45,855)
Disposals	5,525	-	5	977	-	6,507	-	-	6,507
At 31 March 2009	<b>(629,541)</b>	<b>(49,597)</b>	<b>(51,926)</b>	<b>(91,701)</b>	<b>(13,156)</b>	<b>(835,921)</b>	<b>(726)</b>	<b>-</b>	<b>(836,647)</b>
<b>Depreciation</b>									
At 1 April 2008	(13,409)	-	-	-	(9,336)	(22,745)	(2,949)	(5,446)	(31,140)
Less: provision transferred to stock	-	-	-	-	388	388	-	-	388
At 1 April 2008 restated	(13,409)	-	-	-	(8,948)	(22,357)	(2,949)	(5,446)	(30,752)
Charge for the year	(2,103)	-	(65)	-	-	(2,168)	(298)	(995)	(3,461)
Impairment	-	-	-	-	(6,686)	(6,686)	-	-	(6,686)
Eliminated in respect of disposals	41	-	1	-	-	42	-	-	42
At 31 March 2009	<b>(15,471)</b>	<b>-</b>	<b>(64)</b>	<b>-</b>	<b>(15,634)</b>	<b>(31,169)</b>	<b>(3,247)</b>	<b>(6,441)</b>	<b>(40,857)</b>
<b>Net book value at 31 March 2009</b>									
	<b>445,189</b>	<b>25,902</b>	<b>123,866</b>	<b>194,780</b>	<b>(1,344)</b>	<b>788,393</b>	<b>12,215</b>	<b>4,110</b>	<b>804,718</b>
Restated net book value at 31 March 2008	395,734	23,141	113,803	153,736	1,648	688,062	11,866	3,409	703,337

During the year £6,552m (2008: £8,470m) of interest was capitalised on housing schemes in the course of construction, the rate used was the Trust's weighted average cost of capital which was 5.3% (2008: 6.3%).

## 11 (b). Tangible fixed assets continued

### Housing Properties at cost comprise

	Partnership		Trust	
	2009 £000	Restated 2008 £000	2009 £000	Restated 2008 £000
Freeholds	2,008,225	1,835,507	1,607,170	1,458,678
Long leaseholds	65,894	65,894	48,313	48,313
	<b>2,074,119</b>	1,901,401	<b>1,655,483</b>	1,506,991

The prior year has been restated due to the effect of the implementation of the Statement Of Recommended Practice (SORP) "Accounting by Registered Social Landlords" (2008) (see Note 26).

### Valuation

The completed housing properties of the Partnership have been valued on an existing use basis by Countrywide Surveyors. The valuations at the balance sheet date, including shared ownership properties and excluding properties held in partnerships were as follows:

	Partnership		Trust	
	2009 £000	Restated 2008 £000	2009 £000	Restated 2008 £000
Valuation	992,171	861,281	684,607	598,803
Less: net book value	(824,473)	(724,381)	(639,969)	(549,470)
Surplus	<b>167,698</b>	136,900	<b>44,638</b>	49,333

In preparing the valuation at 31 March 2009 it has been assumed that rents will increase in accordance with the rent envelope set by Government which is RPI+0.5% per annum (2008: RPI+0.5%). In addition to this rents will be increased (or reduced) to meet the 2012 deadline for achieving target rents set out in the Government's rent restructuring framework.

## 12. Other investments

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
British Government Securities	15,233	13,591	15,233	13,591
Other securities	4,811	4,811	4,811	4,811
Other investments	892	641	655	454
Short term bank deposits	68,700	-	68,700	-
Investment loan to wholly owned subsidiary	-	-	3,250	12,665
	<b>89,636</b>	19,043	<b>92,649</b>	31,521

British Government and Other Securities represent amounts deposited with lenders as security for the repayment of loans on maturity. The market value of these securities at 31 March 2009 was £20,631,262 (2008: £18,891,122). Access to the Short Term Bank Deposits made to ISDA counterparties to settle MTM exposures are restricted. Changes to the balances are only determined in agreement with the counterparty on the reference dates, and are not at the sole discretion of MHT.

# Notes to the financial statements continued

## 13. Subsidiaries and Related Parties

As at 31 March 2009 the Trust owned 50 ordinary shares in New Horizons (Brent) Limited (2008: 50 shares). The issued share capital is held as follows:

### Ordinary shares:

Metropolitan Housing Trust Limited	50
Wimpey Homes Holdings Limited	50

Brent Share (with voting power only on resolutions to change the Memorandum of Association):

London Borough of Brent	1
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These accounts are not consolidated on the basis of materiality and non control of the board. The objective of the company is to procure the redevelopment of the Chalkhill Estate in the London Borough of Brent.

The objectives of the company prevent it from issuing shares on which a dividend can be paid and requires that its income and property shall be applied solely in accordance with a development contract which the company has entered into with the London Borough of Brent for the promotion of its objectives.

MLL has a Limited Liability Partnership with house builder Barratt in Barratt Metropolitan LLP and has entered into the important Development Agreement with Barnet Council and will be the principal developer at West Hendon.

MLL also has a Limited Liability Partnership with house builder Westleigh in Westleigh Cherrybank LLP to develop the Monks Road scheme near Lincoln.

The following managed undertakings are subsidiaries by virtue of either ownership of their share capital or the ability of the Trust to control the composition of their Board.

Name of undertaking	Shares held	Country of registration	Principal activity
Spirita Limited	Nil	England	Registered Social Landlord
Metropolitan Support Trust Limited ( Formerly Threshold Support )	1	England	Registered Social Landlord
Granta Housing Society Limited	1	England	Registered Social Landlord
Clapham Park Homes Limited	1	England	Registered Social Landlord
Metropolitan Living Limited	100%	England	Property Development
MHT Social Investment Foundation Limited	Nil	England	Charitable Foundation
Metropolitan Ivydale Limited	100%	England	Property Development
Metropolitan Initiative Limited	100%	England	Property Holding
Realmlands Limited	100%	England	Property Holding

## 14. Stock

	Partnership		Trust	
	2009 £000	Restated 2008 £000	2009 £000	Restated 2008 £000
Materials	89	11	-	-
Work in progress Low Cost Home Ownership	14,711	11,244	14,645	11,148
Completed properties Low Cost Home Ownership	5,067	6,558	3,736	5,825
Work in progress Outright Sales	7,094	5,797	-	-
Completed properties Outright Sales	4,960	4,624	4,960	2,941
	<b>31,921</b>	<b>28,234</b>	<b>23,341</b>	<b>19,914</b>

The prior year has been restated due to the effect of the implementation of the Statement Of Recommended Practice (SORP) "Accounting by Registered Social Landlords" (2008) (see Note 26).

## 15. Debtors

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
<b>Due in less than one year:</b>				
Rental debtors	14,696	13,944	8,841	8,468
Less: provisions	(6,943)	(6,328)	(3,778)	(3,678)
Net rental debtors	7,753	7,616	5,063	4,790
Revenue grants receivable	-	1	-	1
Amounts owed by subsidiary undertakings	-	-	1,951	288
Amounts owed by partners in regeneration schemes	4,818	4,327	4,818	4,327
SHG Receivable	12,347	8,047	11,660	8,047
Prepayments and accrued income	2,809	2,315	1,620	1,509
Other debtors	17,158	26,757	4,689	9,989
	<b>44,885</b>	<b>49,063</b>	<b>29,801</b>	<b>28,951</b>
<b>Due in over one year:</b>				
Staff loans	197	139	175	100
Amounts owed by subsidiary undertakings	-	-	97,269	100,806
Other debtors	111,013	93,821	33,360	8,384
	<b>111,210</b>	<b>93,960</b>	<b>130,804</b>	<b>109,290</b>
	<b>156,095</b>	<b>143,023</b>	<b>160,605</b>	<b>138,241</b>

## Notes to the financial statements continued

### 16. Creditors: amounts falling due within one year

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
Social Housing Grant received in advance of expenditure	<b>16,250</b>	-	<b>16,250</b>	-
Housing loans	<b>3,158</b>	849	<b>670</b>	567
Bank overdraft	-	-	-	-
Trade creditors	<b>8,083</b>	8,869	<b>6,110</b>	7,339
Due to subsidiary undertakings	-	-	<b>6,585</b>	11,738
Due to partners in regeneration schemes	<b>8,162</b>	8,551	<b>8,162</b>	8,551
Social Housing Grant repayable	<b>1,031</b>	1,002	<b>1,031</b>	1,002
Amounts owed in respect of housing properties under development	<b>13,215</b>	7,911	<b>10,517</b>	6,171
Other taxation and social security	<b>1,520</b>	1,427	<b>1,200</b>	1,213
Corporation tax payable	<b>49</b>	62	-	-
Other creditors	<b>16,669</b>	12,168	<b>9,307</b>	6,864
Obligations under finance leases	<b>14</b>	12	<b>14</b>	12
Accruals and deferred income	<b>18,367</b>	19,946	<b>8,098</b>	5,661
Rent and service charge paid in advance	<b>5,990</b>	4,985	<b>3,841</b>	3,647
	<b>92,508</b>	65,782	<b>71,785</b>	52,765

## 17. Provision for liabilities and charges

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
<b>Provision for major repairs</b>				
Brought forward	93,819	93,267	8,384	-
At transfer of stock		9,013	-	9,013
Utilised in period	(12,851)	(8,461)	(5,029)	(629)
<b>Carried forward</b>	<b>80,968</b>	<b>93,819</b>	<b>3,355</b>	<b>8,384</b>
<b>Provision for dilapidations</b>				
Brought forward	-	6	-	-
Charged to I and E account in period	-	(6)	-	-
<b>Carried forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Major repairs leaseholders</b>				
Transferred at acquisition	487	446	-	-
Increase in provision	(30)	(31)	-	-
Transferred from sales proceeds	14	14	-	-
Interest earned on balance	52	58	-	-
<b>Carried forward</b>	<b>523</b>	<b>487</b>	<b>-</b>	<b>-</b>
<b>At 31 March 2009</b>	<b>81,491</b>	<b>94,306</b>	<b>3,355</b>	<b>8,384</b>

Major repairs provisions are for works to be undertaken over a fifteen year period to improve the housing stock transferred to Spiritra by Rushcliffe Borough Council on 20 January 2003, works to be undertaken over a fifteen year period to improve the housing stock transferred to Clapham Park Homes by the London Borough of Lambeth, and works to be undertaken over a fifteen year period to improve the housing stock transferred to Roundshaw Homes by the London Borough of Sutton.

## Notes to the financial statements continued

### 18. Creditors: amounts falling due after one year

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
Loans repayable other than by instalment:				
Discounted and deferred interest loans	<b>22,802</b>	20,983	<b>22,802</b>	20,983
Other	<b>802,787</b>	646,759	<b>788,966</b>	632,893
Total repayable other than by instalment	<b>825,589</b>	667,742	<b>811,768</b>	653,876
Loans payable by instalment falling due in:				
One to two years	<b>279</b>	340	-	-
Two to five years	<b>965</b>	1,179	-	-
More than five years	<b>65,279</b>	54,783	<b>31,181</b>	31,720
Obligations under finance leases	<b>755</b>	783	<b>755</b>	783
Deferred Income	<b>338</b>	392	<b>338</b>	392
Amounts owed in respect of housing properties under development	<b>2,811</b>	3,254	<b>2,383</b>	3,005
Recycled Capital Grant	<b>44,459</b>	34,165	<b>44,378</b>	33,798
Disposal Proceeds Fund	<b>2,007</b>	1,833	<b>1,825</b>	1,659
	<b>942,482</b>	764,471	<b>892,628</b>	725,233

Loans repayable by instalment are secured by specific charges on the housing properties of the Trust or of subsidiaries. The interest rates are fixed between 5.75% and 11.2% or vary with market rates.

### Loans repayable other than by instalments

#### i) Discounted and deferred interest loans

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
<b>Due in more than five years in issue at 31 March</b>	<b>36,203</b>	36,203	<b>36,203</b>	36,203
<b>Less discount and deferred interest</b>				
At 1 April	<b>15,220</b>	16,856	<b>15,220</b>	16,856
Income and expenditure account	<b>(1,819)</b>	(1,636)	<b>(1,819)</b>	(1,636)
<b>At 31 March 2009</b>	<b>13,401</b>	15,220	<b>13,401</b>	15,220
<b>Net amount at 31 March 2009</b>	<b>22,802</b>	20,983	<b>22,802</b>	20,983

ii) Other

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
Falling due:				
Between one and two years	-	-	-	-
Between two and five years	-	-	-	-
In more than five years	<b>802,787</b>	646,759	<b>788,966</b>	632,893
	<b>802,787</b>	646,759	<b>788,966</b>	632,893

At 31 March 2009 the amount set aside for the repayment of loans was £20,043,625 (2008: £18,402,005).

At 31 March 2009 the undrawn borrowing facilities for the Partnership were £453.3m (2008: £411.0m) and £280.0m (2008: £205.7m) for the Trust.

**Obligations under finance leases**

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
Between one and two years	<b>14</b>	13	<b>14</b>	13
Between two and five years	<b>48</b>	45	<b>48</b>	45
In more than five years	<b>707</b>	737	<b>707</b>	737
	<b>769</b>	795	<b>769</b>	795

The total value of leases payable by instalments, any part of which falls due after more than five years is £796k (2008: £795k).

**Recycled Capital Grant Fund**

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
Brought forward	<b>34,165</b>	21,950	<b>33,798</b>	21,813
Grants recycled upon relevant events	<b>5,315</b>	5,143	<b>5,315</b>	4,924
Interest	<b>1,361</b>	1,646	<b>1,359</b>	1,635
Transfer from other RSL	<b>69</b>	26	<b>69</b>	26
Withdrawal to build new units	<b>(897)</b>	(1,183)	<b>(609)</b>	(1,183)
Withdrawal for major repairs	-	(4,768)	-	(4,768)
For Homebuy Grants	-	-	-	-
For flexible tenure	-	-	-	-
SHI and KWL Recycled Grant Fund	<b>4,446</b>	11,351	<b>4,446</b>	11,351
Closing balance at 31 March	<b>44,459</b>	34,165	<b>44,378</b>	33,798

## Notes to the financial statements continued

### Disposal Proceeds Fund

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
Brought forward	1,833	788	1,659	545
From VPG sales	166	1,155	166	1,155
Utilisation	(59)	(188)	(59)	(110)
Interest	67	78	59	69
Closing balance at 31 March	<b>2,007</b>	1,833	<b>1,825</b>	1,659

### 19. Called-up share capital

	2009 £	2008 £
Allotted, issued and fully paid	<b>47</b>	47

Shares are neither withdrawable nor transferable (except between nominees of an unincorporated body), carry no right to interest, dividend or bonus and shall not be held jointly unless by two nominees of an unincorporated body. On death, expulsion or withdrawal as a member their share shall be cancelled and the paid up amount become the property of the association.

### 20. Reserves

Partnership	Acquisition £000	Free £000	Common	Total £000
			Fund £000	
At 1 April 2008	63,397	125,779	121	189,297
Prior year adjustment surplus on first tranche shared ownership sales	-	11,629	-	11,629
At 1 April 2008 restated	63,397	137,408	121	200,926
Surplus	-	8,268	-	8,268
Actuarial gain on pension scheme	-	152	-	152
<b>As at 31 March 2009</b>	<b>63,397</b>	<b>145,828</b>	<b>121</b>	<b>209,346</b>

Trust	Acquisition £000	Free £000	Common	Total £000
			Fund £000	
At 1 April 2008	5,759	106,132	121	112,012
Prior year adjustment surplus on first tranche shared ownership sales	-	8,546	-	8,546
At 1 April 2008 restated	5,759	114,678	121	120,558
Surplus	-	5,404	-	5,404
<b>As at 31 March 2009</b>	<b>5,759</b>	<b>120,082</b>	<b>121</b>	<b>125,962</b>

The Common Fund is a designated reserve established in accordance with the rules of the Trust for such charitable purposes as the Board may from time to time determine.

Acquisition reserves represent negative goodwill i.e. the excess of the aggregate fair values of the identifiable assets and liabilities of the entities acquired over the acquisition costs. This arises as a consequence of the Trust's combination at no consideration with South East London Consortium Housing Association Limited (SELCHA), Dalco Homes Limited, Refugee Housing Association Limited, Llangattock Housing Association Limited, Granta Housing Society Limited, Threshold Support and the Walbrook Group.

## 21. Capital commitments

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
Capital expenditure that has been contracted for	<b>198,768</b>	242,216	181,731	193,625
Capital expenditure that has been authorised by the Board but has not yet been contracted for	<b>110,556</b>	30,908	110,556	21,892

The amount contracted for at 31 March 2009 will be funded from private finance loans, Social Housing Grant and the proceeds of sales. The Board expects the expenditure they have authorised to be fully financed in this way. Under regulations approved by the Board, appropriate officers and employees may authorise expenditure to certain levels, and such authorised expenditure is included above.

Included within capital commitments is expenditure to be defrayed in the following year in respect of improvements under Spiritra's major repairs programme which is included as a provision at note 17 above (£2,882,000 contracted, £6,850,000 authorised not contracted).

## 22. Operating leases

The Partnership holds several office premises on non-cancellable operating leases, and also holds in addition a number of leases to provide temporary accommodation for asylum seekers. At 31 March 2009 the Partnership had annual commitments under these leases as follows:

	2009		2008	
	Land and Buildings £000	Other £000	Land and Buildings £000	Other £000
Leases expiring in:				
Less than one year	<b>5</b>	<b>100</b>	5	100
Two to five years	<b>3,311</b>	<b>96</b>	2,656	102
Over five years	<b>655</b>	<b>57</b>	523	59
	<b>3,971</b>	<b>253</b>	3,184	261

# Notes to the financial statements continued

## 23. Pensions

The total pension costs for Metropolitan Housing Trust for the year were £1,298,000 (2008: £1,350,000) and for the Partnership were £2,834,000 (2008: £3,024,000).

Metropolitan Housing Trust, Metropolitan Support Trust, Granta Housing Society and Clapham Park Homes participate in the Social Housing Pension Scheme (SHPS). The Scheme is funded and is contracted out of the state scheme.

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

The Scheme operated a single benefit structure, final salary with a 1/60th accrual rate until 31 March 2007. From April 2007 there are three benefit structures available, namely:

- Final salary with a 1/60th accrual rate
- Final salary with a 1/70th accrual rate
- Career average revalued earnings with a 1/60th accrual rate.

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Metropolitan Housing Trust, Metropolitan Support Trust, Granta Housing Society, Spiritita, Hallmark and Clapham Park Homes have elected to operate the final salary with a 1/60th accrual rate and the career average revalued earnings with a 1/60th accrual rate benefit structure for active members.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate.

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

During the accounting period paid contributions at the rate of 12.2% to 14.7%. Member contributions varied between 4.85% and 6.8%.

As at the balance sheet date there were 505 active members of the Scheme employed by Metropolitan Housing Trust, Metropolitan Support Trust, Granta Housing Society, Spiritita, Hallmark and Clapham Park Homes. The annual pensionable payroll in respect of these members was £17,188,000. Metropolitan Housing Trust, Metropolitan Support Trust, Granta Housing Society, Spiritita, Hallmark and Clapham Park Homes continues to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify on a consistent and reasonable basis the share of underlying assets and liabilities belonging to individual participating employers. This is because the scheme is a multi-employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from total scheme assets. Accordingly, due to the nature of the Scheme, the accounting charge for the period under FRS 17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2008 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £1,527m. The valuation revealed a shortfall of assets compared with the value of liabilities of £663m, equivalent to a past service funding level of 70%.

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

<b>Valuation Discount Rates:</b>	<b>% per annum</b>
Pre-retirement	7.8
Non-Pensioner post-retirement	6.2
Pensioner post-retirement	5.6
Pensionable earnings growth	4.7
Price inflation	3.2
Pension increases:	
Pre-88 GMP	0.0
Post-88 GMP	2.8
Excess over GMP	3.0

Expenses for death in service insurance, administration and PPF levy are included in the contribution rate

The valuation was carried out using the following demographic assumptions:

- Mortality pre-retirement: PA92 Year of Birth, long cohort projection, minimum improvement 1% per annum
- Mortality post-retirement: 90% S1PA Year of Birth, long cohort projection, minimum improvement 1% per annum.

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

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

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

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

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

Employers that have closed the Scheme to new entrants are required to pay an additional employer contribution loading of 3.0% to reflect the higher costs of a closed arrangement.

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

## Notes to the financial statements continued

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

A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan). The Regulator has reviewed the recovery plan for the SHPS Scheme and confirmed that, in respect of the September 2005 actuarial valuation, it does not propose to issue any scheme funding directions under Part 3 of the Pensions Act 2004. A copy of the recovery plan in respect of the September 2008 valuation will be forwarded to the Regulator in due course.

As a result of pension scheme legislation there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

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

### **Spirita (formerly Rushcliffe Homes)**

Nottinghamshire Admission Agreement Etc Pension Fund, which is administered by Nottinghamshire County Council. The fund is a defined benefits scheme based on final pensionable salary, contributions being charged to the profit and loss account over employees' working lives with the Society. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation of the whole fund was at 31 March 2008.

The pensions cost for the year represents contributions payable by the Society and amounted to £140,000.

The valuation was updated by the actuary on an FRS17 basis as at 31 March 2009.

The major assumptions used in this valuation were:

	<b>2009</b>	2008
Rate of increase of salaries	<b>4.50%</b>	5.10%
Rate of increase in pensions in payment	<b>3.00%</b>	3.60%
Discount rate	<b>6.70%</b>	6.10%
Inflation assumption	<b>3.00%</b>	3.60%
Expected return on equities	<b>6.90%</b>	7.50%
Expected return on government bonds	<b>4.00%</b>	4.60%
Expected return on other bonds	<b>0.00%</b>	N/A
Expected return on property	<b>6.40%</b>	6.50%
Expected return on other assets	<b>3.00%</b>	5.25%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

#### **Scheme assets**

The fair value of the scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised; and the present value of the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

<b>Statement of Recognised Gains and Losses</b>	<b>As at 31 March 2009</b>	As at 31 March 2008
Actual return less expected return on Pension Scheme assets	<b>(1,106)</b>	(466)
Experience gains and losses	-	198
Changes in assumptions underlying the present value of the scheme liabilities	<b>1,302</b>	(105)
Actuarial gain/(loss) in pension scheme	<b>196</b>	(373)
Increase/(decrease) in irrecoverable surplus from membership fail and other factors	-	-
<b>Actuarial gain/(loss) recognised in STRGL</b>	<b>196</b>	(373)

<b>Projections for the year to 31 March 2010</b>	<b>As at 31 March 2010</b>
Service cost	<b>123</b>
Interest cost	<b>310</b>
Return on assets	<b>(199)</b>
<b>Total</b>	<b>234</b>
<b>Employer contribution</b>	<b>150</b>

## Notes to the financial statements continued

	<b>As at 31 March 2009</b>	As at 31 March 2008
<b>Reconciliation of opening and closing balances</b>		
<b>Opening defined benefit obligation</b>	<b>5,259</b>	4,744
Service cost	<b>187</b>	197
Interest cost	<b>328</b>	260
Actuarial losses (gains)	<b>(1,302)</b>	105
Losses (gains) on curtailments	<b>4</b>	(23)
Liabilities extinguished on settlements	-	-
Liabilities assumed in a business combination	-	-
Estimated funded benefits paid (net of transfers in)	<b>(45)</b>	37
Past service costs	-	-
Contributions by scheme participants	<b>82</b>	(61)
Unfunded pension payments	-	-
<b>Closing defined benefit obligation</b>	<b>4,513</b>	5,259
	<b>As at 31 March 2009</b>	As at 31 March 2008
<b>Net pension asset</b>	<b>4,513</b>	5,259
Present value of funded obligation	<b>(3,617)</b>	(4,290)
Fair value of scheme assets (bid value)	<b>896</b>	969
<b>Net liability</b>	<b>-</b>	-
Present value of unfunded obligation	<b>-</b>	-
Unrecognised past service cost	<b>896</b>	969
<b>Net liability in balance sheet</b>	<b>896</b>	969
	<b>As at 31 March 2009</b>	As at 31 March 2008
<b>Profit and loss account</b>	<b>£000</b>	£000
Current service cost	<b>187</b>	197
Interest on obligation	<b>328</b>	260
Expected return on scheme assets	<b>(299)</b>	(290)
Past service costs	-	61
Losses (gains) on curtailments/settlements	<b>4</b>	23
<b>Total</b>	<b>220</b>	<b>251</b>
<b>Actual return on Scheme assets</b>	<b>(807)</b>	<b>(176)</b>

<b>Reconciliation of opening and closing surplus</b>	<b>As at 31 March 2009 £000</b>	As at 31 March 2008 £000
Surplus deficit at beginning of year	<b>(969)</b>	(485)
Current service cost	<b>(187)</b>	(197)
Employer contributions	<b>140</b>	140
Unfunded pension payments	-	-
Past service costs	-	(61)
Other finance income	<b>(72)</b>	30
Settlements/curtailments	<b>(4)</b>	(23)
Actuarial gain/loss	<b>196</b>	(373)
<b>Surplus deficit at end of year</b>	<b>(896)</b>	(969)

<b>Fair value of Scheme assets</b>	<b>As at 31 March 2009 £000</b>	As at 31 March 2008 £000
<b>Opening of fair value of scheme assets</b>	<b>4,290</b>	4,259
Expected return	<b>256</b>	290
Actuarial gain (losses)	<b>(1,106)</b>	(466)
Contribution by employer including unfunded benefits	<b>140</b>	140
Contributions by scheme participants	<b>82</b>	67
Assets acquired in a business combination	-	-
Estimated total benefits paid (net of interests in)	<b>(45)</b>	-
Receipt of bulk transfer value	-	-
<b>Fair value of Scheme assets at end of period</b>	<b>3,617</b>	4,290

<b>Amounts for the current and previous periods</b>	<b>Year to March 2009 £000</b>	Year to March 2008 £000	Year to March 2007 £000	Year to March 2006 £000	Year to March 2005 £000
Defined benefit obligation	<b>(4,513)</b>	(5,259)	(4,744)	(4,593)	(3,759)
Scheme assets	<b>3,617</b>	4,290	4,259	3,895	3,161
Surplus / Deficit	<b>(896)</b>	(969)	(485)	(698)	(598)
Experience adjustments on Scheme assets	<b>(1,106)</b>	(466)	-	-	-
Experience adjustments on Scheme liabilities	-	198	-	-	-

# Notes to the financial statements continued

## Metropolitan Support Trust – Public Service Scheme (NHS)

A number of staff employed by Metropolitan Support Trust during the course of the year contributed to the NHS pension scheme. The NHS Pension scheme is an unfunded defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As a consequence it is not possible for Metropolitan Support Trust to identify its share of the underlying scheme assets and liabilities.

Membership of this scheme is restricted to existing staff who are members and new staff who were already members by virtue of their previous National Health Service employment. The NHS scheme is funded centrally by the Treasury on a current cost basis.

## 24. Homebuy

	Partnership		Trust	
	2009 £000	2008 £000	2009 £000	2008 £000
Loans to home purchasers	<b>162,977</b>	134,499	<b>162,977</b>	134,499
Less: SHG	<b>(162,977)</b>	(134,499)	<b>(162,977)</b>	(134,499)
<b>Net Cost</b>	-	-	-	-

## 25. Legislative provisions

The Trust is incorporated under the Industrial and Provident Societies Act 1965. Its registration number is 16337R.

Under the requirements of FRS 8 transactions between the Partnership companies set out at note 13, which are controlled by MHT, are not separately disclosed as related party transactions.

## 26. Prior year adjustment

During the year the Partnership adopted SORP 2008 as a change in accounting policy and as such has restated the prior year comparatives. The effect of the prior year adjustment is highlighted below.

The effect of the prior year adjustment on shared ownership first tranche sales, cost of sales and staircasing on the Income and Expenditure account to 31 March 2008.

	I&E before prior year adjustment to 31 March 2008 £000	Prior year adjustment for 2007/08 £000	I&E after prior year adjustment to 31 March 2008 £000
<b>Partnership</b>			
<b>Turnover</b>	205,140	23,581	228,721
Operating costs	(182,686)	(20,901)	(203,587)
<b>Operating surplus</b>	22,454	2,680	25,134
Surplus on sale of properties in continuing operations	15,653	233	15,886
<b>Surplus on ordinary activities before interest and taxation</b>	38,107	2,913	41,020

**Trust**

<b>Turnover</b>	101,681	22,194	123,875
Operating costs	(80,781)	(19,912)	(100,693)
<b>Operating surplus</b>	20,900	2,282	23,182
Surplus on sale of properties in continuing operations	11,271	233	11,504
<b>Surplus on ordinary activities before interest and taxation</b>	32,171	2,515	34,686

Prior year adjustment shared ownership First Tranche Sales on Stock.

	<b>Balances before prior year adjustment 31 March 2008 £000</b>	<b>Prior year adjustment fixed asset transfer £000</b>	<b>Prior year adjustment impairment transfer £000</b>	<b>Balances after prior year adjustment 31 March 2008 £000</b>
<b>Stock</b>				
<b>Partnership</b>				
Materials	11	-	-	11
Work in progress Low Cost Home Ownership	-	11,632	(388)	11,244
Completed properties Low Cost Home Ownership	-	6,558	-	6,558
Work in progress Outright sales	5,797	-	-	5,797
Completed properties Outright Sales	4,624	-	-	4,624
	10,432	18,190	(388)	28,234
<b>Trust</b>				
Materials	-	-	-	-
Work in progress Low Cost Home Ownership	-	11,536	(388)	11,148
Completed properties Low Cost Home Ownership	-	5,825	-	5,825
Work in progress Outright sales	-	-	-	-
Completed properties Outright Sales	2,941	-	-	2,941
	2,941	17,361	(388)	19,914

## Notes to the financial statements continued

### Units in management: Partnership

	2009				2008			
	Owned and Managed	Owned and Managed by others	Managed	Total	Owned and Managed	Owned and Managed by others	Managed	Total
General needs rented housing	19,223	388	1,589	21,200	18,656	354	952	19,962
Housing for older people	3,250	-	831	4,081	3,264	40	112	3,416
Supported housing	1,618	1,292	380	3,290	1,629	1,377	532	3,538
Staff accommodation	37	11	5	53	36	10	-	46
Shared ownership	4,145	3	644	4,792	4,057	-	-	4,057
Leasehold units managed	-	-	1,982	1,982	-	-	2,986	2,986
Market renting	278	-	113	391	334	-	-	334
Nursing home	-	-	-	-	28	-	-	28
Private sector leasing	-	48	984	1,032	-	-	1,166	1,166
	<b>28,551</b>	<b>1,742</b>	<b>6,528</b>	<b>36,821</b>	<b>28,004</b>	<b>1,781</b>	<b>5,748</b>	<b>35,533</b>

### Units in management: Trust

	2009				2008			
	Owned and Managed	Owned and Managed by others	Managed	Total	Owned and Managed	Owned and Managed by others	Managed	Total
General needs rented housing	10,168	2,255	1,563	13,986	9,716	2,132	870	12,718
Housing for older people	601	775	-	1,376	559	813	56	1,428
Supported housing	1,049	1,251	10	2,310	1,025	1,274	194	2,493
Staff accommodation	24	11	4	39	24	10	-	34
Shared ownership	3,069	607	-	3,676	2,966	643	-	3,609
Leasehold units managed	-	-	1,982	1,982	-	-	2,018	2,018
Market renting	35	113	-	148	226	-	-	226
Private sector leasing	-	-	984	984	-	-	1,162	1,162
	<b>14,946</b>	<b>5,012</b>	<b>4,543</b>	<b>24,501</b>	<b>14,516</b>	<b>4,872</b>	<b>4,300</b>	<b>23,688</b>

**Metropolitan Housing Partnership** is the brand name for Metropolitan Housing Trust Limited. Metropolitan Housing Trust Limited Registered Office: Cambridge House, 109 Mayes Road, Wood Green, London N22 6UR. Charitable, registered under the Industrial & Provident Societies Act 1965, No. 16337R and registered with the Tenant Services Authority (TSA), the regulator of social housing, No. LO726.

**Metropolitan Support Trust** Registered Office: Cambridge House, 109 Mayes Road, London, N22 6UR. MST is registered in England and Wales No 01993366. Registered with the Tenant Services Authority (TSA), the regulator of social housing, No. LH3741 and registered with the Charity Commission, No. 298096.

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**Metropolitan Home Ownership** Registered Office: Cambridge House, 109 Mayes Road, Wood Green, London N22 6UR. Metropolitan Home Ownership is a trading name of Metropolitan Housing Trust Limited. Registered with the Tenant Services Authority (TSA), the regulator of social housing, No. LO726. Metropolitan Housing Trust is charitable registered under the Industrial and Provident Societies Act 1965 No. 16337R. Consumer Credit Licence No. 557055

**Metropolitan Living Limited** Registered Office: Cambridge House, 109 Mayes Road, Wood Green, London N22 6UR. Metropolitan Living Limited is registered at Companies House, No.04405968

**Granta Housing Society Limited** Registered Office: 1 Horizon Park, Barton Road, Comberton, CB3 7AF. Registered under the Industrial & Provident Societies Act 1965. Registered No. 21287R. Registered with the Tenant Services Authority (TSA) the regulator of social housing, No. LH1831. VAT registration No. 432 2776 58. Granta is an exempt charity. Inland Revenue registration No. XR58585

**Clapham Park Homes is a subsidiary of Metropolitan Housing Trust Limited** Registered Office: Cambridge House, 109 Mayes Road, London N22 6UR. Clapham Park Homes Limited is registered at Companies House: No. 05300630, registered with the Charity Commission: No. 1109769 and registered with the Tenant Services Authority (TSA), the regulator of social housing, No. L4467

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