

HACKNEY HOMES LIMITED
(Company Limited by Guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For The Year Ended 31st March 2010

Hackney Homes Limited (Company Limited by Guarantee)

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Hackney Homes Limited (Company Limited by Guarantee)

Administrative Information

DIRECTORS

The following Directors, who are all non executive Board members, have remained in office up to the date on which the financial statements were approved (unless otherwise stated).

Council Nominees	Afolasade Bright Linda Kelly Samantha Lloyd Feryal Demirci Jonathan McShane	
Resident Members	Alice Burke Audrey Villas Brian Marsh Joel Gordon David Larkin Rupert Tyson	- Deputy Chair - Retired 21/09/09 - Appointed 21/09/09 - Chair
Independent Members	Terry Edwards Marie Photiou Asim Bhattacharyya Andrew McMillan Karen Dodds Pam Lockley Tom Tyson Danny Sutcliffe	- Retired 26/04/10 - Deputy Chair - Retired 21/09/09 - Appointed 21/09/09 - Appointed 02/11/09 - Appointed 21/09/09 - Retired 28/07/09

A register of interests in the Company is maintained at Christopher Addison House, with the Directors having no beneficial interests. The Board meets monthly and its composition reflects the range and mix of skills and experience required for the effective management of the Company.

A Chief Executive and Management Team support the Board and are responsible for the day to day running of the Company.

Chief Executive Secretary	Charlotte Graves Neil Isaac	The position does not come with a seat on the Board.
Executive Team	Charlotte Graves Neil Isaac Neehara Wijeyesekera Judith Morrison Jim Patterson Chris Tabi Jonathan Oxlade John Ferman David Saxon Elliot Brooks	Chief Executive Director of Finance & Resources Head of Resident Services Head of Leasehold and Right to Buy Services Head of Building Maintenance Interim Head of Estate Environment Head of Asset Management Housing Partners - Pathmeads Housing Partners - Mouchel Housing Partners - Pinnacle
Registered Office	Christopher Addison House 72 Wilton Way, Hackney London E8 1BJ	Auditor Baker Tilly UK Audit LLP First Floor 46 Clarendon Road Watford WD17 1JJ
Bankers	The Co-operative Bank PLC 151-155 Hoe Street Walthamstow, London E17 3AN	Solicitors Trowers and Hamlin Sceptre Court 40 Tower Hill London EC3N 4DX

Hackney Homes Limited (Company Limited by Guarantee)

Chair's Statement For the year ended 31st March 2010

I have great pleasure in presenting **Hackney Homes'** Financial Statements for the year ended 31 March 2010.

Hackney Homes is a Company Limited by Guarantee which was set up in December 2005 and commenced trading in April 2006. **Hackney Homes** is Hackney Council's Arms Length Management Organisation (ALMO). Working with Hackney Council, we deliver housing management and maintenance services to tenants and leaseholders, and manage capital and regeneration programmes.

Management Agreement

The Council has delegated **Hackney Homes** with the responsibility for the management of housing activities under Section 27 of the Housing Act 1985, (as amended by the Leasehold Housing and Urban Development Act 1993).

The role and responsibilities of **Hackney Homes** are set out in a Management Agreement with Hackney Council. This defines how **Hackney Homes** will operate and deliver services to council tenants and leaseholders. The Delivery Plan identifies how we will meet our obligations under the management agreement including a number of strategic objectives and targets we need to achieve and these issues inform the **Hackney Homes** Strategic Plan 2008-2013.

Our customers are tenants and leaseholders who live in properties that we manage through our housing management partners and Tenant Management Organisations. We are responsible for 22,746 rented properties, 7,398 leasehold properties and 1,276 freehold properties where freeholders pay estate service charges.

The Management Agreement was originally due to run until March 2011, but this was extended at the Council's Cabinet meeting on 19th July 2010 for a further three years, until March 2014.

Key Priorities

The **Mission** for **Hackney Homes** is "To deliver excellent, accessible services, and quality homes that people want to live in".

As part of this, **Hackney Homes** is committed to improving its service through sound investment and effective management of resources, keeping our residents, staff and partners at the heart of what we do. The resultant Business Objectives can be summarised as:

- Providing excellent, accessible services
- Delivering modern homes
- Running **Hackney Homes** well
- Helping to improve neighbourhoods.

These are reflected in our delivery plan. This has been agreed with the Council; it sets out how we contribute towards the Council's strategic objectives and sets **Hackney Homes'** targets for 2010/11 and future years.

Hackney Homes Limited (Company Limited by Guarantee)

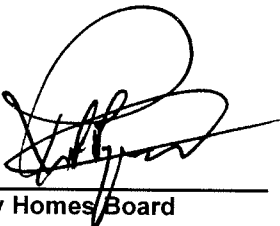
Chair's Statement For the year ended 31st March 2010

Performance

The last financial year has seen the consolidation of the significant progress we reported last year. Satisfaction with services has held up well at a time when £3m costs have been taken out of the service. We continue to deliver decent homes, having installed 3,600 kitchens and bathrooms last year and remain on track to complete the programme by December 2012.

Financially, our performance has been in line with expectations. By rigorous financial management and performance monitoring we have achieved our objective to break even for the year before adjustments made in respect of FRS17.

The next few years will present challenges given the state of the nation's finances and the projections for public expenditure. However, we recognise the confidence of the Council in extending the Management Agreement and we are sure that we can continue to work together to maximise the quality of service provided to our customers.


Rupert Tyson
Chair - Hackney Homes Board

Dated: 

Hackney Homes Limited (Company Limited by Guarantee)

Directors' Report For the year ended 31st March 2010

The Board is pleased to present its report and the audited financial statements of the Company for the year ended 31 March 2010.

Principal Activities

Hackney Homes Limited ("Hackney Homes") is a local authority controlled company whose sole member is Hackney Council. It was incorporated on 29 December 2005 as a private company limited by guarantee under the Companies Act 1985 with no share capital. It remained dormant until 31 March 2006, receiving no income and incurring no expenses.

On 1 April 2006, the housing management activities of Hackney Council were transferred to **Hackney Homes** and it commenced trading by way of its principal activity of housing management services. These accounts are for the fourth year of trading.

Review of Results

Total income for the year was £43.7m (2008/09; £43.2m). This was made up of the management fee for 2009/10 of £42.1m (2008/09; £40.7m) and £1.6m (2008/09; £2.5m) of other operating income from other council departments and TMO's. Under the Management Agreement with Hackney Council, **Hackney Homes** receives a management fee to carry out the business of managing and maintaining the housing stock on behalf of Hackney Council. This is included in the Profit and Loss Account as "Turnover".

The financial statements have been prepared in accordance with the requirements of FRS17. The impact of this is to move from break-even, to a profit of £796k (2008/09; £486k).

The figures below **exclude the impact of FRS17**.

Staff costs associated with delivering front line services are included in cost of sales at £29.9m (2008/09; £30.6m). The other operating income of £1.6m (2008/09; £2.5m) relates to work carried out for other Hackney Council departments and Tenant Management Organisations – TMO's - with no associated profit.

The balance of expenditure (excluding interest) of £13.7m (2008/09; £12.7m) is on administrative expenses.

As part of the Management Agreement with Hackney Council, **Hackney Homes** continuously seeks to improve the efficiency of the services it provides. Any surpluses after tax will be transferred to the accumulated reserves of Hackney Council's Housing Revenue Account (HRA) and may then be used to finance service improvements with the agreement of Hackney Council.

As at 31 March 2010 Hackney Council owes **Hackney Homes** a net amount of £1.8m (2008/09; £0.3m). This is made up of the inter-company balance owed to Hackney Council of £0.7m (2008/09; £1.6m), offset by Trade Debtors due from Hackney Council of £2.5m (2008/09; £1.9m).

These financial statements reflect predominantly staffing costs. In addition, Hackney Homes manages Hackney Council budgets that do not appear within these numbers. Performance statistics for Hackney Homes are collated in a number of areas including turnaround of complaints, staff sickness and payment of invoices.

Review of Business critical indicators

The end of year report (see **Hackney Homes** website – our performance, March 2010 Performance Report) shows that at the end of March of the 23 core indicators, 17 areas have either hit the target or ended the year within 10% of the target. Of particular note is the strong performance in the management of rent collection (including historical arrears) where the target of 98.70% has been exceeded by an outturn of 99.24%. On the repairs service, 2009/10 has shown significant

Hackney Homes Limited (Company Limited by Guarantee)

Directors' Report For the year ended 31st March 2010

improvements in key areas. Repair appointments made and kept, emergency repairs and major adaptations have all exceeded their targets with resident satisfaction levels only narrowly missing their targets with regards to overall satisfaction levels and the quality of work.

Performance on the management of the Decent Homes Programme continues to be high with almost 1,200 properties having been upgraded to the decency standard during the year. Both Estate Environment indicators have also performed well with the grounds maintenance performance having exceeded the target. On complaints, there have been strong performances with Members Enquiries and Stage 1 complaints responses narrowly missing the targets during an election year. For the remainder of indicators, the Hackney Homes Leasehold and Income Division has met targets both for service charge and major works recovery and on payment of invoices, the end of year outcome is only marginally behind the target

Risks and Uncertainties Facing the Company

The principal risk facing the Company has not changed and dependent on performance, Hackney Council has the power to terminate the Management Agreement for delegating management of its housing stock. However the successful Audit Commission inspection and sustained good performance secured the contract for the full five year term to 31 March 2011 and this has now been extended by a three year extension approved by the Cabinet on 19th July 2010.

The Company's risk management procedures are currently in line with those of Hackney Council. As part of this and our own internal control procedures, a Risk Register is maintained of all the material risks impacting on the Company which is reviewed at the monthly Audit and Finance Committee meetings.

Insurance

The Company maintains insurance policies for members of the Board, the Management Team and other employees against liabilities in relation to the Company.

Employee Involvement

Hackney Homes is committed to involvement and excellent communications with its staff. To support this, **Hackney Homes** recognises a number of trade unions representing the staff, and the **Hackney Homes** Joint Committee includes trade union membership. This provides a mechanism for formal negotiation and consultation with staff and trade unions on significant matters affecting the Company.

Hackney Homes has a documented Equal Opportunities Strategy, Policy and action plan covering service delivery, access, facilities and employment. **Hackney Homes** works in partnership with Hackney Council in its *Hackney Diversity in Employment forum* and has its own *Equality and Diversity group* with key stakeholders including the recognised Trade Unions.

The new Single Equality Act will bring in a single positive Equality duty and in addition the Equality standard for local government provides a framework for **Hackney Homes** to demonstrate best practice. Performance monitoring, Equality Impact assessments and training of staff are monitored by **Hackney Homes** Executive Team and the Board. Established support programmes are in place for staff including "Carefirst" and "Workstep (Disability support)". These also include monitoring of recruitment of disabled applicants to ensure awareness, access of opportunity and to address barriers. **Hackney Homes** strategic, delivery and local service plans and Board reports address relevant performance and impact for Equalities and Diversity.

Directors' Retirement Provisions

In accordance with the Memorandum & Articles of Association, one Resident Board Member and one Independent Board Member shall retire at the AGM. Those to retire shall be those who have been longest in office since they last became Board Members.

Hackney Homes Limited (Company Limited by Guarantee)

Directors' Report For the year ended 31st March 2010

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Hackney Homes Limited website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Political Contributions

The Company made no contributions to political organisations in 2009/10. (2008/09 = £nil)

Charitable Contributions

The Company made no contributions to charitable organisations in 2009/10. (2008/09 = £nil)

Disclosure of information to the Auditor

At the date of making this report each of the Company's Directors, as set out on page 2, confirm the following:

- In so far as each Director is aware, there is no relevant information needed by the Company's auditor in connection with preparing its report of which the Company's auditor is unaware.
- Each Director has taken all the steps that he or she ought to have taken as a Director in order to make them aware of any relevant information needed by the Company's auditor in connection with preparing its report and to establish that the Company's auditor is aware of that information.

Hackney Homes Limited (Company Limited by Guarantee)

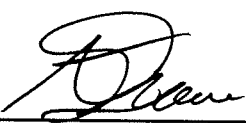
Directors' Report For the year ended 31st March 2010

Auditor

Baker Tilly UK Audit LLP has indicated its willingness to continue in office and a resolution for its re-appointment will be put to the annual general meeting.

The report of the Board was approved and authorised for issue by the Board on 20 September 2010 and signed on its behalf by:

Rupert Tyson 
Chair Hackney Homes Board

Neil Isaac 
Company Secretary

Dated: 20/09/10

Date: 20/09/10

Hackney Homes Limited (Company Limited by Guarantee)

Statement on Internal Control

The Board of Directors acknowledges its ultimate responsibility for ensuring that the Company has in place a system of controls that is appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- The reliability of financial information used within the Company or for publication;
- The management of risks that are significant to the fulfilment of our business objectives;
- The maintenance of proper accounting records; and
- The safeguarding of company assets against unauthorised use or disposal.

It is the Board of Directors' responsibility to establish and maintain systems of internal control. Such systems are designed to manage and provide reasonable but not absolute assurance against material financial misstatement or loss. The system of internal control includes the following key elements:

- Formal policies and procedures, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring and evaluation of controls and restrict the unauthorised use of the Company's assets;
- Experienced and suitably qualified staff to take responsibility for important business functions. Annual employee development review procedures have been established to maintain and improve standards of performance;
- Regular internal audit to undertake reviews on the effectiveness of internal controls;
- The establishment of written policies and procedures and a scheme of delegated authorities designed to ensure that proper accounting records are maintained;
- A risk management framework in which priority risks are reviewed by the Board and Management Team;
- Forecasts and budgets are prepared which allow the Board of Directors and management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term. Regular management accounts are prepared promptly, providing timely, relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;
- All significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures, through the Board of Directors and officers of the Company;
- The Board of Directors receives the external Auditor's report. Any actions necessary to correct weaknesses identified by internal or external audit are incorporated into the service plan agreed by the Board. This is monitored by the Audit and Finance Committee.
- A full range of insurance including fidelity guarantee is in place to safeguard assets.

During the year management has received regular reports from the internal auditors covering the effectiveness of the systems of operational and financial controls. On behalf of the Board, management has reviewed the effectiveness of systems of internal control in existence for the year ended 31 March 2010. No weaknesses were found in the internal controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the Auditor's report on the financial statements. The Board of Directors is satisfied that this remains the case up to the date of signing these documents.

The Board of Directors is also of the opinion that the Company has suitable internal controls for maintaining adequate accounting records, safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

The Board of Directors is also required to indicate when the financial statements are prepared other than on the basis that the Company is a going concern.

Hackney Homes Limited (Company Limited by Guarantee)

Annual Governance Statement For the year ended 31st March 2010

1. Introduction

Hackney Homes is a Company Limited by Guarantee set up in December 2005 and commenced trading in April 2006. **Hackney Homes** is the Council's Arms Length Management Organisation (ALMO). Working with the London Borough of Hackney, we deliver housing management and maintenance services to tenants and leaseholders, and manage capital and some regeneration programmes.

Governance

Hackney Homes is governed by a Board of Directors. The Board oversees all the activities of the Company and consists of five councillors, five independents and six residents (including the chair). One of the residents' seats is currently vacant, but an election has been held and the post will soon be filled.

Independent and Resident Board membership is refreshed on a rotational basis. An open recruitment and selection process is followed for the appointment of independent board members and a skills gap analysis is undertaken of the Board before going to advertisement. Resident Board members are elected by direct elections and the Council appoints the five councillors.

Three new Independent board members were appointed and one new Resident Board member was elected in the last financial year.

Management Agreement

The Council has delegated **Hackney Homes** with the responsibility for management of housing activities under Section 27 of the Housing Act 1985, (as amended by the Leasehold Housing and Urban Development Act 1993).

The role and responsibilities of **Hackney Homes** are set out in a Management Agreement with Hackney Council. This defines how it will operate and deliver services to council tenants and leaseholders. The Strategic Plan 2008 – 2013 together with the annual Delivery Plan identifies how we will meet our obligations under the management agreement including a number of strategic objectives and operational targets that we need to achieve.

Being a limited company **Hackney Homes** is required to produce annual audited accounts for which the Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law requires the Directors to prepare accounts for each period which give a "true and fair view" of the state of affairs of the Company and of the profit or loss of the Company for that period.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Hackney Homes Limited (Company Limited by Guarantee)

Annual Governance Statement For the year ended 31st March 2010

2. Scope of Responsibility

Hackney Homes is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. **Hackney Homes** together with the London Borough of Hackney also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The management / operational arrangements in **Hackney Homes** need to reflect and support this approach.

In discharging this overall responsibility, **Hackney Homes** is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

This statement explains how **Hackney Homes** meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

3. The Purposes of the Governance Framework (Please see the diagrams below that show Hackney Homes key documents and how they are monitored with the Council)

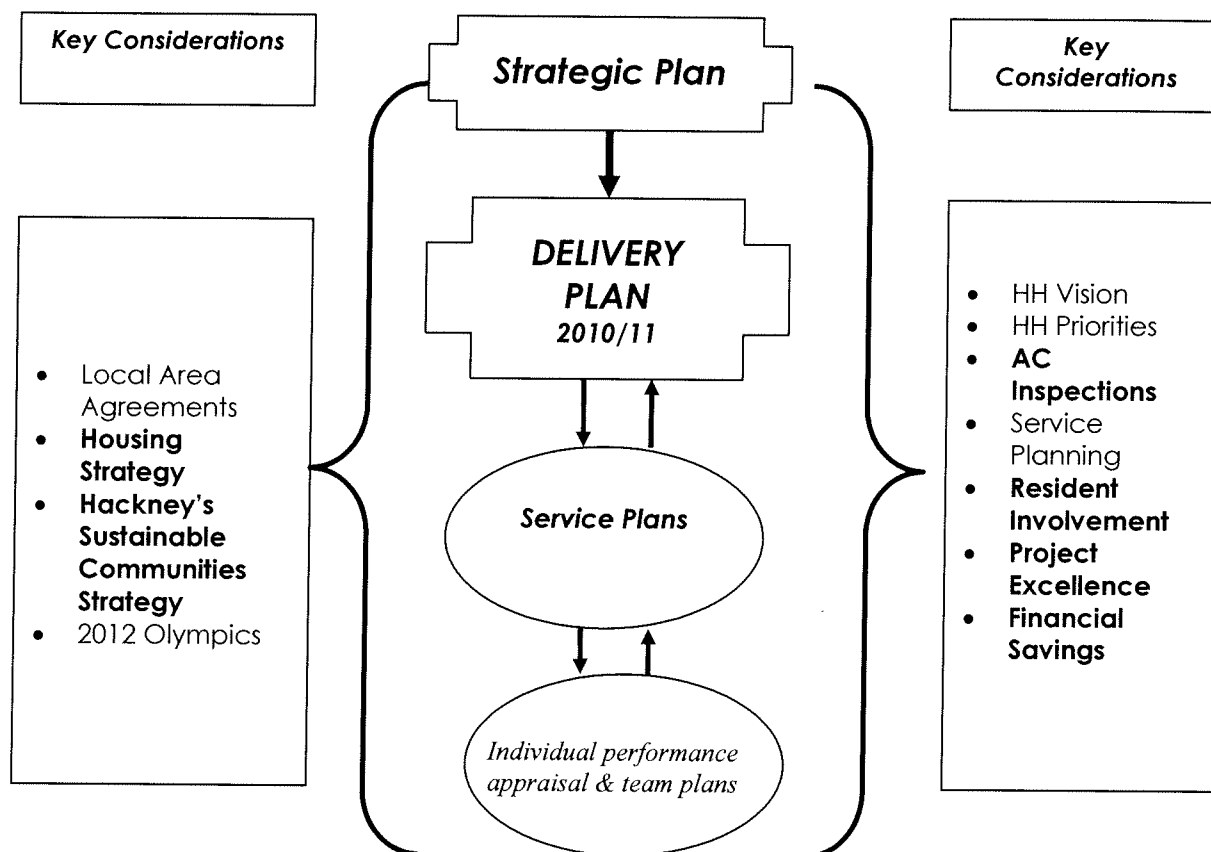
The governance framework comprises the systems and processes, and culture and values by which **Hackney Homes** is directed and controlled and its activities through which it accounts to and engages with its customers. It enables **Hackney Homes** to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on ongoing processes designed to identify and prioritise the risk to the achievement of **Hackney Homes**'s policies, aims and objectives. It is also to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.

The governance framework has been in place within **Hackney Homes** for the year ended 31 March 2010 and up to the date of approval of the Council's Annual Report and Statement of Accounts.

Hackney Homes Limited (Company Limited by Guarantee)

Annual Governance Statement For the year ended 31st March 2010



4. The Governance Framework

The key elements of the governance framework in which **Hackney Homes** functions are detailed on page 8, above.

5. Review of Effectiveness

Reliance is placed on the monitoring function of various committees including:

At Board of Directors Level -

- ◆ The Board;
- ◆ HR Committee;
- ◆ Service Improvement Committee;
- ◆ Audit and Finance Committee; and
- ◆ The Standards and Ethics Committee

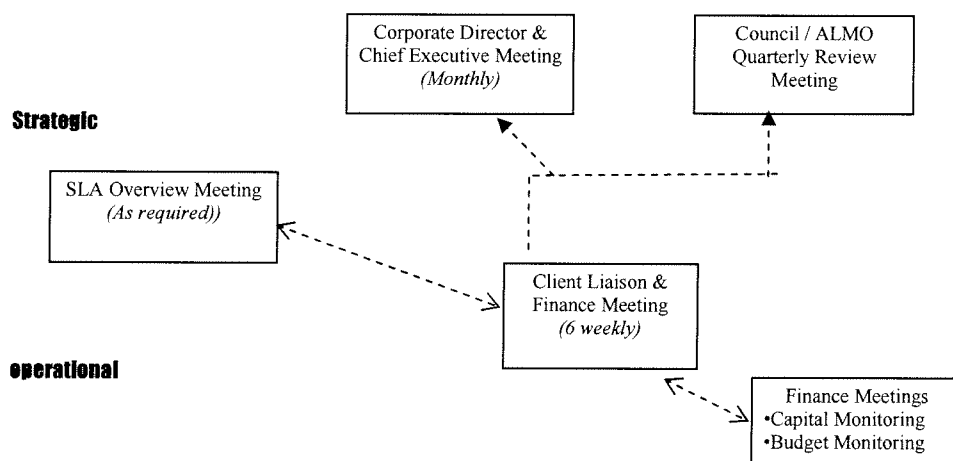
At Officer Level -

- ◆ The Executive Team;
- ◆ Mayor's Review meeting;
- ◆ The HH Procurement Board; and
- ◆ Client side review meeting (see diagram below)

Hackney Homes Limited (Company Limited by Guarantee)

Annual Governance Statement For the year ended 31st March 2010

London Borough of Hackney's Client & Relationship Management with Hackney Homes




December 09

In addition, there is a role played by internal and external audit.

Rupert Tyson 
Chair Hackney Homes Board

Dated: 20/9/10

Neil Isaac 
Company Secretary

Date: 20/9/10

Hackney Homes Limited (Company Limited by Guarantee)

Independent Auditor's Report to the Member of Hackney Homes Limited

We have audited the financial statements on pages 15 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As more fully explained in the Directors' Responsibilities Statement set out on pages 6 to 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2010 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit ~~for~~



ANDREW MONTEITH (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1st Floor
46 Clarendon Road
Watford
WD17 1JJ

22nd September 2010

Hackney Homes Limited (Company Limited by Guarantee)

Profit and Loss Account For the year ended 31st March 2010

	Notes	2010		2009		
		Excluding FRS17 £'000	FRS17 adjustments £'000	Excluding FRS17 £'000	FRS17 adjustments £'000	Total for the Year £'000
Turnover	1	42,123	-	40,719	-	40,719
Cost of sales	2	(29,857)	1,394	(29,602)	(13)	(29,615)
Gross Profit/(Loss)		12,266	1,394	11,117	(13)	11,104
Other operating income	3	1,567	-	2,485	-	2,485
Administrative expenses		(13,723)	93	(13,710)	(3)	(13,713)
Operating Profit/(Loss)	4	110	1,487	(108)	(16)	(124)
Interest receivable	5	17	-	115	502	617
Interest payable	6	(14)	(691)	(7)	-	(7)
Profit on ordinary activities before taxation		113	796	-	486	486
Taxation	14	(113)	-	-	-	-
Profit on ordinary activities after taxation for the financial year		-	796	-	486	486

All of the above results derive from continuing activities.

The notes on pages 20 to 32 form part of these statements

Hackney Homes Limited (Company Limited by Guarantee)

Statement of Total Recognised Gains and Losses For the year ended 31 March 2010

	Notes	2010		2009		
		Excluding FRS17 £'000	FRS17 adjustments £'000	Excluding FRS17 £'000	FRS17 adjustments £'000	Total for the Year £'000
Retained Profit for the year	7, 16	-	796	-	486	486
Actuarial Loss in Pension Scheme	16	-	(35,764)	-	(12,995)	(12,995)
Exceptional item - adjustment of opening year balances resulting from change of valuation basis	16	-	-	-	(336)	(336)
Total Recognised Loss relating to the Financial Year		-	(34,968)	-	(12,845)	(12,845)

Hackney Homes Limited (Company Limited by Guarantee)

Balance Sheet

As at 31st March 2010

	Notes	Excluding FRS17	2010 FRS17 adjustments	Total for the Year	Excluding FRS17	2009 FRS17 adjustments	Total for the Year
		£'000	£'000	£'000	£'000	£'000	£'000
Current assets							
Debtors	10	3,399	-	3,399	3,068	-	3,068
Cash at bank and in hand	11	1,010	-	1,010	2,992	-	2,992
Creditors: Amounts falling due within one year	12	4,409	-	4,409	6,060	-	6,060
Net Current Assets		(4,331)	-	(4,331)	(5,664)	-	(5,664)
Provisions for liabilities and charges	13	78	-	78	396	-	396
Net Assets excluding Pension Liabilities		(78)	-	(78)	(396)	-	(396)
Pension deficit	20	-	-	-	-	-	-
Net Assets Including Pension Deficit		-	(41,536)	(41,536)	-	(6,568)	(6,568)
		-	(41,536)	(41,536)	-	(6,568)	(6,568)
Capital and reserves							
Excluding pension scheme deficit		-	-	-	-	-	-
Pension scheme deficit		-	(41,536)	(41,536)	-	(6,568)	(6,568)
Member's Deficit		-	(41,536)	(41,536)	-	(6,568)	(6,568)

The financial statements on pages 15 to 32 were approved and authorised for issue by the Board of Directors on 20 September 2010 and were signed on its behalf by:

Rupert Tyson
Chair Hackney Homes Board

Neil Isaac
Company Secretary

Dated: 20/9/10

Date: 20/9/10

Hackney Homes Limited (Company Limited by Guarantee)

Cash Flow Statement For the year ended 31st March 2010

	Notes	2010 £'000	2009 £'000
Reconciliation of Net Cash Flow from Operating Activities			
Operating profit/(loss) for the year per Profit and Loss account		1,597	(124)
(Increase)/decrease in debtors	10	(331)	435
(Decrease)/increase in creditors	12	(1,336)	413
(Decrease)/increase in provisions	13	(318)	316
Difference between pension scheme contributions and amounts charged to profit and loss account		(1,487)	16
Net cash (outflow)/inflow from operating activities		(1,875)	1,056

Hackney Homes Limited (Company Limited by Guarantee)

**Cash Flow Statement
For the year ended 31st March 2010**

	Notes	2010 £'000	2009 £'000
Net Cash Flow from Operating Activities		(1,875)	1,056
Returns on investments and servicing of finance			
Interest received	5	17	115
Interest paid	6	(14)	(7)
Net cash inflow from financing activities		<u>3</u>	<u>108</u>
Corporation tax paid in the year	14	(110)	-
(Reduction)/increase in Cash for the Year		<u>(1,982)</u>	<u>1,164</u>
Net Funds at beginning of year		2,992	1,828
Net Funds at end of year	17	<u>1,010</u>	<u>2,992</u>

Hackney Homes Limited (Company Limited by Guarantee)

Accounting Policies For the year ended 31st March 2010

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements:

Basis of Preparation

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Hackney Homes Limited is a company limited by guarantee and does not have a share capital.

Going Concern

Hackney Homes has consistently operated within its budgets and has worked with the Council to ensure that the Housing Revenue Account Medium Term Financial Plan is sustainable. Forecasts based on the latest available data have indicated that this situation should continue for the foreseeable future. The extension of the Management Agreement with London Borough of Hackney for a further three years until March 2014 has further reinforced the Directors view that Hackney Homes remains a going concern. The Directors have considered the impact of FRS17 on the going concern status of the Company. As FRS 17 reporting requirements do not have any impact on the Company's ability to meet debts as they fall due and the pension costs are met by the management fee, the Directors are satisfied that the Company is a going concern.

Turnover and Other Operating Income

Turnover represents property management fees and associated income. Other operating income comprises cost recoveries for work carried out for housing associations and other Hackney Council departments, with no associated profit.

Turnover and other operating income are stated net of Value Added Tax. Management fees are recognised on a time apportioned basis and other operating income is recognised on the basis of work done.

Fixed Assets and Depreciation

The Company owns no fixed assets. Hackney Council owns or leases all buildings, plant, equipment, furniture and ICT hardware. When the Company was first incorporated, an agreement stating this was made between the Company and Hackney Council. The Company is not required to pay any rent, lease or hire charge for the use of these fixed assets.

Pensions

The Company is a scheduled body in the Local Government Pension Scheme. The scheme is a defined benefit statutory pension scheme based on final pensionable salary. For defined benefit schemes the amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs. Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses.

Hackney Homes Limited (Company Limited by Guarantee)

Accounting Policies For the year ended 31st March 2010

The defined benefit scheme is funded, with the assets held separately from the Company in separate trustee administered funds. For **Hackney Homes** the fund is administered by Hackney Council. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. Under FRS17, the pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the Company has a legal or constructive obligation to settle the liability.

For the year ended 31 March 2010, FRS17 (Revised) was applied as disclosed in note 20 to the financial statements.

Taxation

The tax status of **Hackney Homes Limited** is such that transactions with Hackney Council since the inception of **Hackney Homes Limited** in December 2005 lack the necessary element of commerciality to amount to trading and are therefore not subject to tax. Only profit as a result of commercial trading activities with third parties and interest receivable is taxable.

Deferred Taxation

Deferred tax liabilities are recognised in respect of all timing differences that have originated, but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are only recognised if it is considered that there is a reasonable expectation that these will be recoverable in the foreseeable future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Cash and Liquid Resources

Cash for the purpose of the cash flow statement, comprises cash in hand, deposits repayable on demand, less overdrafts payable on demand. Liquid resources represent balances on deposit that are readily available to the Company.

Provisions

Provisions are made for obligations that have arisen at the balance sheet date which are expected to give rise to a transfer of obligations, the timing and quantum of which are subject to uncertainties.

Hackney Homes Limited (Company Limited by Guarantee)

Notes to the Financial Statements For the year ended 31st March 2010

This is **Hackney Homes**' fourth year of trading. Where appropriate, adjustments to the Financial Statements caused by FRS17 have been shown separately.

1. Analysis of Turnover

Turnover is wholly attributable to the principal activities of the Company and arises solely within the United Kingdom. It is shown net of Value Added Tax for goods and services provided to third parties.

	Year Ended 31 March 2010 £'000	Year Ended 31 March 2009 £'000
Management Fee paid by Hackney Council in respect of Housing Management and Support Services	<u>42,123</u>	<u>40,719</u>

2. Cost of Sales

Cost of sales is made up of costs associated with delivering front line services. In the main, they relate to staffing costs for the Housing and Property Services Directorates.

3. Other Operating Income

Other operating income relates to works carried out for other Hackney Council departments and housing associations with no associated profit.

4. Operating Profit/(Loss)

Operating profit/(loss) is stated after charging:

	Year Ended 31 March 2010 £'000	Year Ended 31 March 2009 £'000
Amounts payable to Baker Tilly UK Audit LLP and its associates in respect of both audit and non-audit services.		
Audit services		
- statutory audit	40	36
Other services		
- Other services relating to taxation	<u>11</u>	<u>12</u>

Hackney Homes Limited (Company Limited by Guarantee)

Notes to the Financial Statements For the year ended 31st March 2010

5. Interest Receivable

	2010			2009		
	Excluding FRS 17 Adjustments	FRS17 Adjustments	Total for the year ended 31 March 2009	Excluding FRS 17 Adjustments	FRS17 Adjustments	Total for the year ended 31 March 2008
	£'000	£'000	£'000	£'000	£'000	£'000
Interest was received on :						
Bank Deposits	17	-	17	115	-	115
FRS17 pension scheme interest: Expected return on pension scheme assets	-	-	-	-	4,854	4,854
Interest on pension scheme liabilities	-	-	-	-	(4,352)	(4,352)
	<u>17</u>	<u>-</u>	<u>17</u>	<u>115</u>	<u>502</u>	<u>617</u>

6. Interest Payable

	2010			2009		
	Excluding FRS 17 Adjustments	FRS17 Adjustments	Total for the year ended 31 March 2009	Excluding FRS 17 Adjustments	FRS17 Adjustments	Total for the year ended 31 March 2008
	£'000	£'000	£'000	£'000	£'000	£'000
Bank Interest	8	-	8	7	-	7
Interest on late payment of tax	6	-	6	-	-	-
FRS17 pension scheme interest: Expected return on pension scheme assets	-	(3,686)	(3,686)	-	-	-
Interest on pension scheme liabilities	-	4,377	4,377	-	-	-
	<u>14</u>	<u>691</u>	<u>705</u>	<u>7</u>	<u>-</u>	<u>7</u>

7. Statement of Total Recognised Gains and Losses

Differences between the pension assumptions and valuation bases used by the actuary and FRS17 lead to accounting adjustments. These include a profit for the year of £796,000 (£486,000 for 08/09). On 1 April 2006 an opening pension liability of £8.809 million was transferred to **Hackney Homes** at the commencement of trading and no consideration was paid in relation to this. This was because no physical assets or liabilities were acquired other than a pension scheme which was fully funded on an actuarial basis. This opening balance on an FRS 17 basis was written off on transfer through the Statement of Total Recognised Gains and Losses for the year ended 31 March 2007.

Hackney Homes Limited (Company Limited by Guarantee)

Notes to the Financial Statements For the year ended 31st March 2010

8. Employees

The average number of people employed by the Company during the year, analysed by category was:

	Year Ended 31 March 2010	Year Ended 31 March 2009
Director's Office	4	4
Housing Services	327	320
Property Services	372	383
Finance and Resources	63	64
Woodberry Down	14	18
	<u>780</u>	<u>789</u>

The staff costs of these persons were as follows:

	Year Ended 31 March 2010	2010 FRS17 Adjustments	Year Ended 31 March 2010	Year Ended 31 March 2009	2009 FRS17 Adjustments	Year Ended 31 March 2009
	£'000	£'000	£'000	£'000	£'000	£'000
Wages and salaries	25,104	-	25,104	24,636	-	24,636
Social security costs	2,009	-	2,009	2,002	-	2,002
Pensions	4,111	(1,487)	2,624	3,906	16	3,922
Other costs	214	-	214	104	-	104
Total	<u>31,438</u>	<u>(1,487)</u>	<u>29,951</u>	<u>30,648</u>	<u>16</u>	<u>30,664</u>

Total pension costs comprise current service costs of £2.440million (£2.837million for 08/09), past service costs of £0.065million (£1.085 million for 08/09) and the impact of curtailments and settlements of £0.119 (£nil for 08/09).

9. Directors

The Directors are defined as being the members of the Board of **Hackney Homes Limited**. None of the Directors received any remuneration or taxable benefits and none were members of the pension scheme. They are entitled to reimbursement of incidental expenses incurred when attending Board meetings and other formal events in their capacity as Board members.

Hackney Homes Limited (Company Limited by Guarantee)

Notes to the Financial Statements For the year ended 31st March 2010

10. Debtors: Amounts falling due within one year

	Year Ended 31 March 2010 £'000	Year Ended 31 March 2009 £'000
Trade Debtors – due from Hackney Council	2,499	1,946
Other Debtors	1,899	1,122
Total	<u>4,398</u>	<u>3,068</u>
Less : Provision for doubtful debts	(999)	-
Net debtors	<u>3,399</u>	<u>3,068</u>

11. Cash at bank and in hand

	Year Ended 31 March 2010 £'000	Year Ended 31 March 2009 £'000
Bank Overdraft	(32)	(339)
Cash Held on Deposit	1,040	3,330
Petty Cash	2	1
Total	<u>1,010</u>	<u>2,992</u>

12. Creditors: Amounts falling due within one year

	Year Ended 31 March 2010 £'000	Year Ended 31 March 2009 £'000
Trade Creditors	124	96
Inter Company Balance with Hackney Council	698	1,604
Other Taxation and Social Security	1,910	1,520
Other Creditors	533	558
Accruals and Deferred Income	1,063	1,886
Corporation tax	3	-
Total	<u>4,331</u>	<u>5,664</u>

Included within other creditors are unpaid pension contributions of £462,480 (2008/2009: £464,769).

Hackney Homes Limited (Company Limited by Guarantee)

Notes to the Financial Statements For the year ended 31st March 2010

13. Provisions for liabilities and charges

	Year Ended 31 March 2010	Year Ended 31 March 2009
	£'000	£'000
At beginning of the year	396	80
Utilised during year	(318)	(42)
Charge to the profit and loss account for the year	-	358
At end of the year	<u>78</u>	<u>396</u>

During 2009/10, staff costs relating to the Transfer of Undertakings (Protection of Employment) Regulations were settled. The remaining provision relates to outstanding tribunal cases.

14. Taxation

	Year Ended 31 March 2010	Year Ended 31 March 2009
	£'000	£'000
Current tax		
UK corporation tax on profit for the year	3	-
Adjustment in respect of prior periods	110	-
Tax on profit on ordinary activities	<u>113</u>	<u>-</u>
FACTORS AFFECTING TAX CHARGE FOR THE YEAR		
The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:		
Profit on ordinary activities before tax	909	486
Profit multiplied by the standard rate of corporation tax applicable to small company in the UK of 21% (2009: 21%)	<u>191</u>	<u>102</u>
Difference between pension scheme contributions and amounts recognised in the profit and loss account	(78)	(102)
Adjustment in respect of prior years	(110)	-
Tax charge for the year	<u>3</u>	<u>-</u>

In line with other ALMO's **Hackney Homes Limited's** activities with Hackney Council do not amount to trading for Corporation Tax purposes. This is based on the guidance issued by HM Revenue & Customs - BIM58210 - "Grant aided bodies: arms length management organisations." This notice states "the arrangements that we have seen between an ALMO and its Council member lack the necessary level of commerciality to amount to trading."

Hackney Homes Limited (Company Limited by Guarantee)

Notes to the Financial Statements For the year ended 31st March 2010

When dealing with an ALMO, provided its Memorandum and Articles of Association and arrangements are in line with this, any surpluses arising and similarly any losses, are therefore outside the scope of Corporation Tax.

The Directors have therefore prepared the accounts on the basis of non-trading status and the Company will only be liable to Corporation Tax on its activities with third parties and interest received. In the year under review, trading with third parties gave rise to neither a profit nor a loss, but interest totalling £17K was received and the appropriate provision has been made.

15. Member's Interest

The Company is limited by guarantee and does not have any share capital. The liability of the member to contribute to any deficiency of assets is £1 and the member has no rights to the income or assets of the Company except on winding up.

16. Profit and Loss Account

	2010			2009		
	Profit and Loss Account Excluding Pension Asset £'000	Pension Reserve £'000	Total Member's Capital and Reserves £'000	Profit and Loss Account Excluding Pension Asset £'000	Pension Reserve £'000	Total Member's Capital and Reserves £'000
At beginning of the year	-	(6,568)	(6,568)	-	6,277	6,277
Retained Profit for the year	-	796	796	-	486	486
Other recognised gains and losses:						
Exceptional Item – Restatement of last years closing balance	-	-	-	-	(336)	(336)
Net actuarial losses	-	(35,764)	(35,764)	-	(12,995)	(12,995)
At end of the year	-	(41,536)	(41,536)	-	(6,568)	(6,568)

17. Analysis of net funds

	At 1 April 2009 £'000	2010 Cash Flow £'000	At 31 March 2010 £'000	At 1 April 2008 £'000	2009 Cash Flow £'000	At 31 March 2009 £'000
Deposits	3,330	(2,290)	1,040	2,060	1,270	3,330
Petty cash	1	1	2	2	(1)	1
Bank overdraft	(339)	307	(32)	(234)	(105)	(339)
Cash in hand at bank	2,992	(1,982)	1,010	1,828	1,164	2,992

Hackney Homes Limited (Company Limited by Guarantee)

Notes to the Financial Statements For the year ended 31st March 2010

18. Ultimate controlling body

The Company is a wholly owned subsidiary undertaking of Hackney Council, a local authority. No one party controls the Company as, under the Memorandum and Articles of Association, Hackney Council can only appoint one third of the board, with the balance of Directors being drawn from Hackney Council tenants (including leaseholders) and members of the wider community.

The largest group in which the results of the Company are consolidated is that headed by Hackney Council, whose consolidated accounts are available to the public and may be obtained from the Hackney Council website on www.Hackney.gov.uk, or by e-mailing Ian Williams – Corporate Director of Finance on Ian.Williams@Hackney.gov.uk, or writing to “The Communications Team, Hackney Homes Limited, 2nd Floor, Christopher Addison House, 72 Wilton Way, London, E8 1BJ.”

19. Related party disclosures

Hackney Homes has related party transactions with Hackney Council, to which Management fees of £42.1m (2008/2009 £40.7m) have been invoiced. Hackney Council also provides Legal, ICT, HR and other services to **Hackney Homes** to the value of £2.5 million (£2.8 million for 08/09). Included within other operating income are transactions with other Hackney Council departments amounting to £1.3million (2008/2009 £1.5million).

The maximum balance owed by Hackney Council during the year was £2.5 million (£16.2 million 08/09). The balance outstanding as at year-end is shown in note 10.

The amount owed by Hackney Homes to Hackney Council as at the year end is shown in note 12. These balances are repayable on normal commercial terms and do not bear interest.

All fixed assets used by **Hackney Homes** are either owned or leased by Hackney Council. No charge is made in respect of their use.

20. Retirement Benefits

The Company is a scheduled body of Hackney Council’s Local Government Pension Scheme, a funded defined benefit scheme. A full actuarial valuation of the fund was undertaken at 31 March 2010 with new contribution rates to apply from 1st April 2011.

The agreed rate for 2009/10 for the employer was 19.0% and this remains the rate for 2010/11.

Hackney Homes Limited (Company Limited by Guarantee)

Notes to the Financial Statements For the year ended 31st March 2010

Financial Assumptions

The financial assumptions are summarised below:

	31 March 2010 p.a	31 March 2009 p.a
Rate of inflation	3.8%	3.1%
Rate of increase in salaries	5.3%	4.6%
Expected Return on assets	6.9%	6.4%
Rate of increase in pensions	3.8%	3.1%
Discount rate	5.5%	6.9%

Expected return on assets by category

Assets	Long Term Return at 31 March 2010 % p.a.	Long Term Return at 31 March 2009 % p.a.
Equities	7.8%	7.0%
Bonds	5.0%	5.6%
Property	5.8%	4.9%
Cash	4.8%	4.0%

The expected return on the assets is based on the long-term future expected investment return for each asset class at the beginning of the year

Long-Term Expected Return Assumptions

The expected return provided by the actuary's is based on total returns, which are specified by a risk premium relative to cash. This is the average annualised total return over twenty years.

Mortality

Life expectancy is based on the PFA92 and PMA92 tables, projected to calendar year 2033 for non-pensioners and 2017 for pensioners. Based on these assumptions the average life expectancies at age 65 are:

	Males	Females
Current Pensioners	20.8 years	24.1 years
Future Pensioners	22.3 years	25.7 years

Hackney Homes Limited (Company Limited by Guarantee)

Notes to the Financial Statements For the year ended 31st March 2010

Historic Mortality

Life expectancy is based on the PFA92 and PMA92 tables. The allowances for future life expectancy are:

Year Ended	Prospective Pensioners Year of birth, medium cohort and 1% p.a. minimum improvement from	Pensioners Year of birth, medium cohort and 1% p.a. minimum improvement from
31 March 2010	2007	2007
31 March 2009	Calendar year 2033	Calendar year 2017
31 March 2008	Calendar year 2033	Calendar year 2017
31 March 2007	Calendar year 2017	Calendar year 2004
31 March 2006	Calendar year 2004	Calendar year 2004

Fair Value of Employer Assets

Year Ended	31 March 2010 £'000	31 March 2009 £'000
Equities	51,968	36,514
Bonds	11,811	10,512
Property	7,874	7,192
Cash	7,087	1,106
Total	78,740	55,324

Balance Sheet

	31 March 2010 £'000	31 March 2009 £'000
Net Pension liability as at:		
Fair Value of Employer Assets	78,740	55,324
Present Value of Funded Liabilities	(120,276)	(61,892)
Net Underfunding in Funded Plans	(41,536)	(6,568)
Net pension liability	(41,536)	(6,568)
Amount in the Balance Sheet:		
Liabilities	41,536	6,568
Assets	-	-
Net pension liability	(41,536)	(6,568)

Hackney Homes Limited (Company Limited by Guarantee)

Notes to the Financial Statements For the year ended 31st March 2010

Recognition in the Profit or Loss Account

Year Ended	Year to 31 March 2010 £'000	Year to 31 March 2010 % of pay	Year to 31 March 2009 £'000	Year to 31 March 2009 % of pay
Current Service Cost	2,440	11.4%	2,837	13.7%
Past Service Cost	65	0.3%	1,085	5.2%
Losses on Curtailments and Settlements	119	0.6%	-	-
Recognised in administrative expenses	<u>2,624</u>	<u>12.3%</u>	<u>3,922</u>	<u>18.9%</u>
Interest Cost	4,377	20.5%	4,352	21.0%
Expected Return on Employer Assets	(3,686)	(17.3%)	(4,854)	(23.4%)
Recognised in interest receivable	<u>691</u>	<u>3.2%</u>	<u>(502)</u>	<u>(2.4)%</u>
Total	<u>3,315</u>	<u>15.5%</u>	<u>3,420</u>	<u>16.5%</u>
Actual Return on Plan Assets	<u>18,794</u>		<u>(16,036)</u>	

Reconciliation of Defined Benefit Obligation

Year Ended	31 March 2010 £'000	31 March 2009 £'000
Opening Defined Benefit Obligation	61,892	60,836
Current Service Cost	2,440	2,837
Interest Cost	4,377	4,352
Contributions by Members	1,388	1,318
Actuarial Losses/(Gains)	50,872	(7,837)
Past Service Costs	65	1,085
Losses on Curtailments	119	-
Estimated Benefits Paid	(877)	(699)
Closing Defined Benefit Obligation	<u>120,276</u>	<u>61,892</u>

Reconciliation of Fair Value of Employer Assets

Year Ended	31 March 2010 £'000	31 March 2009 £'000
Opening Fair Value of Employer Assets	55,324	67,113
Change in valuation of Opening Balance from mid-market to bid values	-	(336)
Expected Return on Assets	3,686	4,854
Contributions by Members	1,388	1,318
Contributions by the Employer	4,111	3,906
Actuarial Gains/(Losses)	15,108	(20,832)
Benefits Paid	(877)	(699)
Closing Fair Value of Employer Assets	<u>78,740</u>	<u>55,324</u>

Hackney Homes Limited (Company Limited by Guarantee)

Notes to the Financial Statements For the year ended 31st March 2010

Amounts for the current and previous accounting periods

	Year to 31 March 2010	Year to 31 March 2009	Year to 31 March 2008	Year to 31 March 2007
	£'000	£'000	£'000	£'000
Fair Value of Employer Assets	78,740	55,324	67,113	55,478
Present Value of Defined Benefit Obligation	(120,276)	(61,892)	(60,836)	(59,336)
(Deficit)/Surplus	<u>(41,536)</u>	<u>(6,568)</u>	<u>6,277</u>	<u>(3,858)</u>
Experience Gains/(Losses) on Assets	15,108	(20,832)	3,799	1,245
Experience (Losses)/Gains on Liabilities	-	-	(10,071)	11

Amounts Recognised in Statement of Total Recognised Gains and Losses (STRGL)

	Year to 31 March 2010	Year to 31 March 2009	Year to 31 March 2008	Year to 31 March 2007
	£'000	£'000	£'000	£'000
Actuarial (Losses)/Gains	(35,764)	(12,995)	10,004	5,695
Actuarial (Losses)/Gains recognised in STRGL	<u>(35,764)</u>	<u>(12,995)</u>	<u>10,004</u>	<u>5,695</u>
Cumulative Actuarial (Losses)/Gains	<u>(33,060)</u>	<u>2,704</u>	<u>15,699</u>	<u>5,695</u>

Projected Pension Expense for the Year to 31 March 2011

The Employers contributions for the year to 31 March 2011 are estimated to be £4,135,000.