

The logo for Eastend Homes, featuring the words "east" and "end" stacked vertically in a white sans-serif font, followed by a white house icon, and then the word "HOMES" in a larger, bold, white sans-serif font.

east  
end **HOMES**



# EastendHomes

Financial Statements 2005/2006

## **EASTENDHOMES LIMITED**

Financial Statements for the Year ended 31 March, 2006

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## **EASTENDHOMES LIMITED**

### **BOARD MEMBERS**

<b>Martin Young</b>	<b>Chair</b>
<b>Bernard Cameron</b>	<b>Vice Chair</b>
<b>Cllr Louise Alexander</b>	
<b>Jack Bradley</b>	
<b>Margaret Clarke</b>	
<b>Lesley Johnson</b>	
<b>Cllr Denise Jones</b>	
<b>Joanna Killian</b>	
<b>Tom Madden</b>	
<b>Neil McAree</b>	
<b>Cllr Ashton McGregor</b>	
<b>Mary Nepstad</b>	
<b>Richard Roberts</b>	
<b>Abdal Ullah</b>	
<b>Cllr Motin Uz-Zaman</b>	

### **EXECUTIVE TEAM**

<b>Paul Bloss</b>	<b>Chief Executive</b>
<b>Patrick Shaw</b>	<b>Director of Finance &amp; Resources</b>
<b>John Henderson</b>	<b>Director of Housing</b>
<b>Steve Inkpen</b>	<b>Director of Regeneration &amp; Strategy</b>

### **SECRETARY**

**Patrick Shaw**

**EASTENDHOMES LTD**  
**REGISTERED OFFICE AND ADVISORS**

**Registered office**

Tayside House  
31 Pepper Street  
London  
E14 9RP

**Auditors**

Beever and Struthers  
Alpertons House  
Bridgewater Road  
Wembley  
Middlesex HA0 1EH

**Solicitors**

Trowers & Hamlins  
Sceptre Court  
40 Tower Hill  
London EC3N 4DX

**Bankers**

Barclays Bank plc  
1 Churchill Place  
London E14 5HP

**Legal status**

Registered Company, number 4516155.  
Registered Charity, number 1107691.  
Registered by the Housing Corporation, number L4434.

## **EASTENDHOMES LIMITED**

### **Report of the Board of Management for the Year ended 31 March 2006**

The Board is pleased to present its report and the audited financial statements for EastendHomes Limited for the year ended 31 March 2006

#### **The Association**

EastendHomes was established in 2002 as a community led housing association to accept the transfer of homes from the London Borough of Tower Hamlets as part of their Housing Choice programme and the first transfer, MileEnd East, took place on 11 April 2005. Housing Choice is a programme to regenerate parts of the borough and bring all social housing to the decent homes standard by 2010.

EastendHomes is a company limited by guarantee and a registered charity administered by a voluntary Board of Management. It is also registered with the Housing Corporation as a Registered Social Landlord.

The Board of Management comprises 15 non-executive directors listed on page 3; 5 resident members elected by the residents, 4 local authority members nominated by the London Borough of Tower Hamlets and 6 independent members. These non-executive members are responsible for the overall direction of EastendHomes.

#### **Principal activities**

EastendHomes is in business to provide its residents of Tower Hamlets with quality homes, sustainable estates, and effective and efficient local housing services. EastendHomes' principal activities are to effectively manage, maintain and develop homes, and to improve and regenerate its estates.

During the year EastendHomes accepted the transfer of three estates from the London Borough of Tower Hamlets; Mile End East, Island Gardens and St Georges. Currently it provides 2,773 homes in the London Borough of Tower Hamlets.

#### **Tenant led**

EastendHomes is committed to developing effective resident involvement in the management of its estates and in the overall governance arrangements of EastendHomes. Tenants and leaseholders have significant representation on the main board of EastendHomes and comprise a majority on each of the local boards and steering groups on the estates where we work. EastendHomes believes that direct accountability to the local community and resident involvement in decision making are key elements in the overall strategy to improve service standards and provision.

#### **Results for the year**

The results for its first year of trading show a surplus of £638,000.

During the year EastendHomes began work on regenerating the neighbourhoods around three estates, spending £4.6 million out of a £100 million five year programme.

At the year end we had not drawn from our £50million loan facility with Barclays Bank plc.

## **EASTENDHOMES LIMITED**

### **Report of the Board of Management for the Year ended 31 March 2006**

#### **Future developments**

EastendHomes has been successful in achieving a positive mandate from tenants to regenerate three other estates in Tower Hamlets; Chicksand West, Glamis, and Holland and Denning. We aim to take transfer of these estates during the coming year.

We will also consult with residents on two other estates, Collingwood and Horwood, and Shadwell and Solander, to assess their needs and put together a plan to improve their homes to decent homes standards.

#### **Internal controls**

The Board is responsible for EastendHomes system of internal control and for its review. The system of internal control is designed to manage rather than eliminate the risk of failure to meet corporate objectives. It can provide reasonable, but not absolute assurance against the possibility of material misstatement or loss.

During the year under review, EastendHomes has operated an ongoing process of risk management that enables it to identify, evaluate and manage the significant risks it faces. The Board is responsible for reviewing and managing the process.

The Board has adopted a process to review and gain assurance on the effectiveness of the system of internal control by the following means:

- a full programme of risk management activity overseen by the Finance and Audit Committee;
- regular reports from management covering performance and financial matters including key performance indicators;
- the outcome of the internal audit programme and the annual external audit and
- external review by the Housing Corporation.

The system of internal control established by the Board consists of:

- sound corporate governance arrangements including the adoption of the National Housing Federation's Code of Governance, with the exception of the recommendation that maximum Board membership should be twelve;
- long term strategic plans with specific targets and objectives;
- a system of controls over financial operations and budgetary control;
- policies and procedures that are commensurate with EastendHomes' standing orders and
- contingency planning arrangements to ensure the security of data, the ability to recover computer systems and maintain services in the event of major interruption.

There are no significant internal control issues that require disclosure in the annual financial statements. EastendHomes has complied in full with the requirements of Housing Corporation Circular R2 - 25/01, "Internal Controls Assurance".

## **EASTENDHOMES LIMITED**

### **Report of the Board of Management for the Year ended 31 March 2006**

#### **Statement of the Board's responsibilities**

The Companies Act and housing legislation require the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association, and of the surplus or deficit for that period. In preparing the financial statements, the Board is required to:-

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

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association, and to enable it to ensure that the financial statements comply with the Companies Act 1985, the Housing Act 1996 (as amended by the Housing Act 2004) and the Accounting Requirements for Registered Social Landlords General Determination 2000. It has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the association and to prevent and detect fraud and other irregularities.

#### **Going concern**

After making enquiries the board has a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

#### **Annual general meeting**

The annual general meeting will be held on 21 September 2006.

#### **Auditors**

A resolution to reappoint Beever and Struthers Chartered Accountants as external auditors shall be proposed at the annual general meeting.

**Approved by the Board and signed on its behalf by:**



**Martin Young (Chair)**

**3rd July 2006**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**

## **EASTENDHOMES LTD**

We have audited the financial statements on pages 10 to 32.

This report is made solely to the association's members as a body, in accordance with Schedule 1 paragraph 16 to the Housing Act 1996 and Companies Act, 1985. Our audit work has been undertaken so that we might state to the association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The association's Board of Management is responsible for preparing the Board of Management's report and as described on page 7, the financial statements in accordance with applicable United Kingdom 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 Companies Act 1985, the Housing Act 1996 (as amended by Housing Act 2004) and the Accounting Requirements for Registered Social Landlords General Determination 2000. We also report to you, if in our opinion a satisfactory system of control over transactions has not been maintained, if the association has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the directors' remuneration and transactions with the association is not disclosed.

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 or material inconsistencies with the financial statements.

### **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 an 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
EASTENDHOMES LTD**

**Opinion**

In our opinion, the financial statements;

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the association's affairs as at 31 March 2006 and of its surplus for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 (as amended by the Housing Act 2004) and the Accounting Requirements for Registered Social Landlords General Determination 2000; and
- are consistent with the information given in the board report.

*Beever and Struthers*

**Beever and Struthers  
Chartered Accountants  
Registered Auditor**

**Alperton House  
Bridgewater Road,  
Wembley  
Middlesex  
HA0 1EH**

**3rd July 2006**

**EASTENDHOMES LIMITED**

**INCOME AND EXPENDITURE ACCOUNT  
AND STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS  
for the year ended 31 March 2006**

	Notes	2006 £'000
Turnover	2	5,324
Operating costs	2	(6,384)
Operating deficit	2	(1,060)
Surplus on the sale of properties		1,568
Interest receivable and similar income	5	145
Interest payable and similar charges	6	(15)
Surplus for the year	7	638
Income and Expenditure Account brought forward		0
Income and Expenditure Account carried forward		638

The notes on pages 13 to 32 form an integral part of these financial statements.

Movements in reserves are shown in note 16.

All amounts relate to continuing activities.

There is no difference between the surplus for the year stated above and its historical cost equivalent.

**STATEMENT OF TOTAL RECOGNISED SURPLUSES AND DEFICITS**

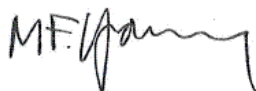
	Notes	2006 £'000
Surplus for the year	16	638
Unrealised Actuarial loss in Pension plan (note 19)	16	(185)
Total recognised surplus relating to the year		453

**EASTENDHOMES LIMITED**

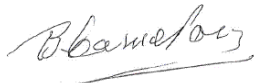
**BALANCE SHEET**  
as at 31 March 2006

	Notes	2006 £'000
<b>Tangible fixed assets</b>		
Housing properties	9	7,414
Less: Capital grant	9	(10)
Depreciation	9	(96)
		<hr/> 7,308
<b>Other tangible fixed assets</b>	10	718
		<hr/> 8,026
<b>Current assets</b>		
<b>Debtors</b>	11	1,773
Cash at bank and in hand		11,977
		<hr/> 13,750
<b>Creditors</b>		
Amounts falling due within one year	12	(13,997)
		<hr/> (247)
<b>Net current liabilities</b>		<hr/> (247)
<b>Total assets less current liabilities</b>		<hr/> <hr/> 7,779
<b>Creditors</b>		
Amounts falling due after more than one year	13	6,649
<b>Provision for liabilities and Charges</b>	14	677
<b>Capital and reserves</b>		
Non equity share capital	15	-
<b>Income and expenditure account</b>	16	453
		<hr/> <hr/> 7,779

The notes on pages 13 to 32 form an integral part of these financial statements.  
The financial statements were approved by the Board on 3rd July 2006 and signed on its behalf by



**Martin Young (Chair)**



**Bernard Cameron (Vice Chair)**



**Patrick Shaw (Secretary)**

**EASTENDHOMES LIMITED**  
**CASH FLOW STATEMENT**  
for the year ended 31 March 2006

	Notes	2006	
		£'000	£'000
Net cash inflow from operating activities	1		8,513
<b>Returns on investments and servicing of finance</b>			
Interest received		72	
Interest paid		(15)	
		<hr/>	
Net cash inflow from returns on investments and servicing of finance			57
<b>Capital expenditure and financial investment</b>			
Acquisition and construction of housing properties		(3,283)	
Other grant received		5,451	
Net proceeds on sale of housing properties		1,568	
Purchase of other tangible assets		(329)	
		<hr/>	
Net cash inflow from capital expenditure and financial investment			3,407
			<hr/>
Net cash inflow before financing			11,977
<b>Financing</b>			
Housing loans received		1,200	
Housing loans repaid		(1,200)	
		<hr/>	
Net cash flow from financing			0
			<hr/>
Increase in cash	3		11,977
			<hr/> <hr/>

**EASTENDHOMES LIMITED**  
**NOTES TO CASH FLOW STATEMENT**  
for the year ended 31 March 2006

**1. RECONCILIATION OF OPERATING DEFICIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2006 £'000
Operating deficit	(1,060)
Depreciation charges	184
Increase in debtors	(1,721)
Increase creditors	11,110
	<hr/>
	8,513
	<hr/>

**2. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2006 £'000
Increase in cash in the year	11,977
Cash inflow from additional loan drawings	1,200
Cash outflow from loan repayments	(1,200)
	<hr/>
Net funds at 31 March 2006	<u>11,977</u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 31 March 2006	Cash Flows	At 1 April 2005
	£'000	£'000	£'000
Cash at bank and in hand	11,977	11,977	0
Debts due within one year	0	0	0
	<hr/>	<hr/>	<hr/>
	11,977	11,977	0
	<hr/>	<hr/>	<hr/>

**EASTENDHOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2006**

**1. PRINCIPAL ACCOUNTING POLICIES**

**Basis of Accounting**

The financial statements have been prepared in accordance with applicable accounting standards and in accordance with the Accounting Requirements for Registered Social Landlords General Determination 2000 and the Statement of Recommended Practice: Accounting by Registered Social Landlords (SORP), as updated in 2005. We have reviewed these accounting policies in line with the Financial Reporting Standard 18 – Accounting Policies (FRS 18). The financial statements are prepared on the historical cost basis of accounting.

**Turnover**

Turnover represents rental income, service charges and management fees receivable.

**Housing properties**

Housing properties are stated at cost less capital grants less depreciation and less provision for any impairment in value.

The cost of properties is their purchase price, together with any directly attributable expenditure incurred in respect of improvements. Items classified as improvements are works which result in an increase in an enhancement of the economic benefit of the property. Such enhancement can occur if the improvement works result in an increase in the net rental income such as additional rental income, a reduction in future maintenance costs or those that result in a significant extension of useful economic life. All other major works expenditure is charged to the Income and Expenditure Account.

No provision is made for major repairs except to the extent that they represent contractual obligations at the balance sheet date. Contractual obligations for major repairs are shown under creditors falling due within one year.

Only the direct overhead costs associated with improvements are capitalised.

Depreciation is provided to write down the cost of completed properties, net of grant, to their residual value over their expected useful economic lives, as follows:

Houses	-	100 years
Flats	-	75 years

For properties with an estimated useful life of more than 50 years, impairment reviews are carried out on an annual basis in accordance with Financial Reporting Standard 11 – Impairment of Fixed Assets and Goodwill (FRS 11).

Impairments resulting from a major reduction in service potential are recognised in the Income and Expenditure Account.

**Sales of housing properties**

Property sales are attributable to right to buy sales. The gain or loss on disposal of right to buy housing properties is recognised in the income and expenditure account at the date of transfer of title

**EASTENDHOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2006 (continued)**

**Other tangible fixed assets**

Other tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is provided to write the assets down to their residual values over their estimated useful economic lives, which are as follows:

Motor vehicles	-	3 years
Office furniture and equipment	-	5 years
Computer equipment	-	3 years
Office buildings	-	50 years

**Recognition of Finance Costs**

Interest on loans financing developments will be capitalised up to the date of practical completion of the scheme.

All costs of arranging loan facilities are amortised over the term of the loan.

**Capital grants**

Where properties have been financed wholly or partly by capital grants, the cost of those properties has been reduced by the amount of grant receivable. This policy is in contravention of the Companies Act 1985 but necessary to show a true and fair view and comply with the SORP.

**Pension costs**

The Association participates in two multi-employer defined benefit (final salary) contributory pension schemes administered independently by London Borough of Tower Hamlets and The Pensions Trust. The expected cost of providing pensions, as calculated periodically by professional qualified actuaries, is charged to the Income and Expenditure Account in order to spread the cost over the service lives of employees in the schemes in a way that the pension cost is a substantially level percentage of the current and future pensionable payroll.

**Taxation**

EastendHomes is registered for VAT. A large proportion of EastendHomes' income comprises rental income, which is exempt for VAT purposes and gives rise to a partial exemption calculation. Expenditure is therefore shown inclusive of VAT. Recoverable VAT arising from partially exempt activities is credited to the income and expenditure account.

The Association has charitable status and therefore is not subject to Capital Gains Tax or Corporation Tax on surpluses derived from charitable activities.

**Operating leases**

Rental paid under operating leases is charged to the income and expenditure account as incurred.

**Provisions**

EastendHomes only provides for contractual liabilities and pension commitments which exist at the balance sheet date.

**Treasury management**

EastendHomes adopts CIPFA's Code of Practice for Treasury Management in the Public Services (2001) and the accompanying Guidance Notes for Registered Social Landlords and follows the requirements of Housing Corporation Circulars (04/99 and 05/99).

**EASTENDHOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 March 2006 (continued)**

**Rent Setting**

EastendHomes adopts the Housing Corporation's rent setting proposals as set out in their publication Rent influencing regime: Implementing the rent restructuring framework, updated in their circular 05/05.

**EASTENDHOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2006**

**2. TURNOVER, OPERATING COSTS AND OPERATING DEFICIT**

	Turnover	2006 Operating Costs	Operating Deficit
	£'000	£'000	£'000
Income from social housing lettings	5,324	(6,384)	(1,060)
Turnover	<u>5,324</u>	<u>(6,384)</u>	<u>(1,060)</u>
			<b>Total</b>
			<b>£'000</b>
Income from social housing lettings			
Rent receivable			4,235
Service charges receivable			1,189
Other rents income			33
Gross rental income			<u>5,457</u>
less: rent losses from voids			(133)
Total turnover from social housing lettings			<u>5,324</u>
Operating costs on social housing lettings			
Management			(2,010)
Services			(1,145)
Routine maintenance			(1,753)
Planned maintenance			(669)
Major repairs			(510)
Bad debts			(201)
Depreciation of housing properties			(96)
Other costs			0
Total operating costs on social housing lettings			<u>(6,384)</u>
Operating deficit on social housing lettings			<u>(1,060)</u>

**EASTENDHOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2006**

**3. DIRECTORS' EMOLUMENTS**

The emoluments of the Chief Executive and Senior Management Team were £291,394 of which the emoluments of the Chief Executive who was the highest paid director were £99,495.

The Chief Executive is an ordinary member of London Borough of Tower Hamlets pension scheme. No enhanced or special terms apply.

None of the Members of the Board received any emoluments during the year.

**4. EMPLOYEE INFORMATION**

The average monthly number of persons employed during the year was:

	<b>2006</b>	
	<b>Number of staff</b>	<b>Full time equivalent</b>
<b>Full time</b>	<b>38</b>	<b>38</b>
<b>Part time</b>	<b>3</b>	<b>2</b>
	<hr/> <b>41</b>	<hr/> <b>40</b>
	<hr/>	<hr/>

	<b>2006</b>
	<b>£'000</b>
<b>Wages and salaries</b>	<b>1,215</b>
<b>Social security costs</b>	<b>104</b>
<b>Other pension costs</b>	<b>158</b>
	<hr/> <b>1,477</b>
	<hr/> <hr/>

**EASTENDHOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2006**

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2006</b> <b>£'000</b>
Deposit interest receivable from short-term investment of surplus cash balances	145

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**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2006</b> <b>£'000</b>
On bank loans, overdrafts and other loans	15

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**7. SURPLUS ON ORDINARY ACTIVITIES**

	<b>2006</b> <b>£'000</b>
Surplus on ordinary activities is stated after charging:	
Depreciation of housing properties	96
Depreciation of other tangible fixed assets	88
Auditors' remuneration:	
in their capacity as auditors	19
in other capacities	28
Office rent	72
Hire of other assets under operating leases	13

**8. TAXATION**

**The Association has charitable status.**

**EASTENDHOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2006**

**9. TANGIBLE FIXED ASSETS – HOUSING PROPERTIES**

	<b>Housing properties Total</b>
	<b>£'000</b>
<b>Cost</b>	
At 1 April 2005	0
Additions	7,424
Disposals	(10)
At 31 March 2006	<u>7,414</u>
<b>Depreciation</b>	
At 1 April 2005	0
Charged in year	(96)
At 31 March 2006	<u>(96)</u>
<b>Capital Grant (see note 13)</b>	
At 1 April 2005	0
Additions	(10)
Disposals	0
At 31 March 2006	<u>(10)</u>
<b>Net Book Value</b>	
At 31 March 2006	<u>7,308</u>
At 1 April 2005	<u>0</u>
	<b>2006</b>
	<b>£'000</b>
<b>Housing properties at cost comprise:</b>	
Freeholds	<u>7,414</u>

The cost of housing properties includes £2.8million transfer value of Island Gardens properties and £4.6million capitalised costs of refurbishment works and incremental overheads

The estimated vacant possession open market value of housing properties at the year end was £286million.

**EASTENDHOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2006**

**10. OTHER TANGIBLE FIXED ASSETS**

	<b>Office Buildings £'000</b>	<b>Computer Equipment £'000</b>	<b>Office Furniture &amp; Equipment £'000</b>	<b>Motor Vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>					
<b>At 1 April 2005</b>					
<b>Additions</b>	462	265	52	27	806
<b>Disposals</b>	0	0	0	0	0
<b>At 31 March 2006</b>	<u>462</u>	<u>265</u>	<u>52</u>	<u>27</u>	<u>806</u>
<b>Depreciation</b>					
<b>At 1 April 2005</b>	0	0	0	0	0
<b>Charge for the year</b>	(9)	(72)	(6)	(1)	(88)
<b>Disposals</b>	0	0	0	0	0
<b>At 31 March 2006</b>	<u>(9)</u>	<u>(72)</u>	<u>(6)</u>	<u>(1)</u>	<u>(88)</u>
<b>Net book value</b>					
<b>At 1 April 2005</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>At 31 March 2006</b>	<u>453</u>	<u>193</u>	<u>46</u>	<u>26</u>	<u>718</u>

**EASTENDHOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2006**

**11. DEBTORS**

	<b>2006</b> <b>£'000</b>
<b>Amounts falling due within one year:</b>	
<b>Rental debtors</b>	<b>450</b>
<b>Provision for bad and doubtful debts</b>	<b>(172)</b>
	<b>278</b>
<b>Leasehold debtors</b>	<b>208</b>
<b>Provision for bad and doubtful debts</b>	<b>(45)</b>
	<b>163</b>
<b>Other debtors</b>	<b>58</b>
<b>Prepayments and accrued income</b>	<b>313</b>
	<hr/>
	<b>812</b>
<b>Amounts falling due after more than one year:</b>	
<b>Loan arrangement fee</b>	<b>458</b>
<b>LBTH pension debtor</b>	<b>503</b>
	<hr/>
	<b>961</b>
	<hr/>
	<b>1,773</b>
	<hr/>

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

	<b>2006</b> <b>£'000</b>
<b>Trade creditors</b>	<b>1,846</b>
<b>Other creditors including other taxes and social security</b>	<b>7,494</b>
<b>Accruals and deferred income</b>	<b>2,958</b>
<b>Capital grant received in advance</b>	<b>1,660</b>
<b>Service charge balances due to leaseholders</b>	<b>39</b>
	<hr/>
	<b>13,997</b>
	<hr/>

**EASTENDHOMES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**for the year ended 31 March 2006**

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2006</b> <b>£'000</b>
Capital grant received in advance	<u><b>6,649</b></u>

During the course of the year, EastendHomes received ODPM gap funding of £8.3million. This funding was received to finance refurbishment works to the St Georges stock. This gap funding is being released over a five year period to match the capital costs of the refurbishment works.

**Housing loans**

The Association has agreed loan facilities of £50,000,000 with Barclays Bank plc. The association drew down £1,200,000 during the year at a rate of interest of 4.69%, and repaid this amount during the year. The facility includes a revolving credit facility for £10,000,000. Future loans will be secured by fixed charges on the association's housing assets. These loans are repayable on an amortising basis.

**14. PROVISION FOR LIABILITIES AND CHARGES**

During the year, a provision of £677,000 has been made in respect of EastendHomes' pension obligation under the London Borough of Tower Hamlets pension scheme. This is in accordance with the accounting requirements of FRS17 –Accounting for Retirement Benefits.

**15. NON-EQUITY SHARE CAPITAL**

The company is limited by guarantee and has no issued share capital. In the event of a winding up the members of the company are liable to subscribe for £1 each to satisfy their guarantee to the company.

## **EastendHomes**

Tayside House  
First Floor  
31 Pepper Street  
London E14 9RP

Telephone: 0207 517 4700

Fax: 0207 5150218

e-mail: via the website

Website: [www.eastendhomes.net](http://www.eastendhomes.net)

Out of hours service: 0800 376 1637

EastendHomes is a registered social landlord and registered charity no: 1107691