

Income and expenditure account

	2009 £'000	2008 £'000
TURNOVER	29,439	31,216
Operating costs	(21,162)	(23,676)
OPERATING SURPLUS	8,277	7,540
Surplus on sale of housing properties	2,999	1,195
SURPLUS ON ORDINARY ACTIVITIES BEFORE INTEREST	11,276	8,735
Investment income received	537	241
Interest receivable	45	216
Interest payable	(11,037)	(9,145)
SURPLUS ON ORDINARY ACTIVITIES BEFORE TAXATION	821	47
Taxation on surplus on ordinary activities	(216)	388
SURPLUS ON ACTIVITIES AFTER TAXATION	605	435

Senior staff remuneration 2009.

Number of staff on salary band

£100-105K
x ONE

£80-85K
x ONE

£70-75K
x Three



FINANCIAL ACCOUNTS
2009



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2009

BALANCE SHEET

Fixed assets

	2009 £'000	2008 £'000
Tangible assets	354,213	305,908
Housing properties:- cost/ value less depreciation	354,213	305,908
Less: social housing grant	-87,456	-72,575
	266,757	233,333
Other tangible fixed assets	4,831	4,322
Joint ventures - share of assets	7,637	395
Joint ventures - share of liabilities	-7,637	-395
Other investments	9,270	6,284
	280,858	243,939

Current assets

	2009 £'000	2008 £'000
Properties held for sale	27,890	23,728
Debtors	7,244	6,208
Investments		
Cash at bank and in hand	3,737	5,010
	38,871	34,946

Creditors

	2009 £'000	2008 £'000
Amounts falling due within one year	22,634	-14,021
NET CURRENT ASSETS	16,237	20,925
TOTAL ASSETS LESS CURRENT LIABILITIES	297,095	264,864

Creditors

	2009 £'000	2008 £'000
Amounts falling due after more than one year	240,071	207,990
PROVISIONS FOR LIABILITIES AND CHARGES	563	347
CAPITAL AND RESERVES		
Share capital (non-equity)		
Designated reserve	9,692	9,678
Revenue reserve	25,603	25,012
Revaluation reserve	21,166	21,837
	56,461	56,527
	297,095	264,864

BALANCE SHEET COMMENTARY

After a difficult year in 2008 caused by the credit crunch and its impact on house sales, 2009 saw a significant upturn in profitability despite negligible sales activity, the surplus for the year rising from

£47k
to
£821k
before tax

Turnover fell 5.7% from £31.22m to £29.44m. Within this figure income from social housing lettings rose by 3.6% from £15.97m to 19.73m. Set against this, shared ownership first tranche sales fell from £8m to less than £1m. There were also increases in income generated from rent and management fees on student properties.

Despite the growth in rental income, rent losses from empty social housing lettings fell by £13K.

Operating costs were down at

£21.6m
compared with
£23.68m
in 2008

The cost of shared ownership first tranche sales mirrored the drop in sales values, falling from £6.16m to £0.82m. Increases that offset this reduction featured the following key items:

- An increase of £0.99m in affordable housing routine maintenance costs, reflecting the considerable growth in numbers in recent years – stock has grown 25% over the last five years
- An increase of £0.74m in expenditure on management and services, likewise linked to the growth in the number of homes

The surplus arising on the sales of housing properties principally comprises the disposal of two developments outside our core area – in Chatham and Shrewsbury – which we are no longer managing, plus further disposals of individual properties where ongoing maintenance costs did not warrant further investment.

Investment income rose because of increased earnings from our investment in the Beach Student Accommodation Fund and our new investment in Wakley Residences Limited, which is also linked to student accommodation.

Interest payable rose from

£9.14m
to
£11.04m

reflecting our continued high level of development activity and the continued ownership of properties originally intended for sale on a shared ownership basis.

No tax is payable on these results.