Space New Living Limited

Financial Statements
For the Year Ended 31 March 2008

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For the Year Ended 31 March 2008

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Company Information
For the Year Ended 31 March 2008

Registered:
Industrial and Provident Societies Act 1965
Date of Registration: 18 October 1976
Registration Number: 21767R

The Housing Act 1996
Date of Registration: 18 October 1976
Registered by the Housing Corporation: L2156

Board of Management:
P Roche (appointed Chair 06/09/07)
B Harris (resigned 06/09/07)
M Faulkner (co-opted 28/09/07)
S Evans (resigned 22/02/07)
H Ferryman (co-opted 22/02/07, resigned 24/04/08)
P Forsyth
R F G Gardner OBE
B Grew (appointed 26/04/07)
M Jepson
P Jones (resigned 24/04/08)
A Lindsay (co-opted 03/04/08)
R Kirkwood (Vice Chair)
D Reid (nee Exley)
S Reuben
K Rourke
A Salmon (co-opted 30/11/06)

Principal Solicitors:
Howarth Goodman
8 King Street
Manchester
M60 8HG

Cobbetts Solicitors
Ship Canal House
King Street
Manchester
M2 4WB

Croftons
Television House
Mount Street
Manchester
M2 5FA

Secretary and Registered Office:
Phil Elvy
Southern Gate
729 Princess Road
Manchester
M20 2LT

Directors:
S Reuben (Managing Director)

External Auditors:
Beever & Struthers
St. George's House
215-219 Chester Road
Manchester
M15 4JE

Internal Auditors:
Mazars LLP
Merchant Exchange
Whitworth Street West
Manchester
M1 5WG

Principal Banker:
The Royal Bank of Scotland PLC
Salford Shopping Centre Branch
115 Mather Way
Salford
M6 5EH

Funder:
Cheshire Building Society
Castle Street
Macclesfield
Cheshire
SK11 6AF

Report of the Board of Management for the Year Ended 31 March 2008

The Board of Management is pleased to present its annual report and the audited financial statements for the year ended 31 March 2008.

Legal Status
The Association is incorporated under the Industrial and Provident Societies Act 1965 and is registered with the Housing Corporation as a Registered Social Landlord as defined by the Housing Act 1996.

Principal Activities
Space New Living Limited is a non-profit making charitable Association that provides affordable quality homes and housing services. The company trades as 'Space'.

Corporate Governance and the role of the Board
The rules governing the operations of the Association comprise the Model Rules 1998 formulated by the National Housing Federation (NHF). Space also complies with the NHF Code of Governance (revised and reissued May 2004).

Board members are drawn from a wide background and are selected to ensure they bring relevant experience, skills, diversity and understanding to the discussions and decision making process of the Board.

The Board meets formally at least 6 times a year for regular business including approval of the annual budget and business plan. Internal and external audit issues are addressed by the Group Audit Committee, together with all matters affecting internal controls assurance. A formal review of Space's governance arrangements has been completed during the year.

Directors
The Directors of the Association comprise the members of the Board of Management together with the Managing Director. Details of the Members of the Board of Management and Managing Director at 31 March 2008 are set out on page 1.

Review of the year
2007/8 was Space's first full year as a member of the Great Places Housing Group. The Association took over management of almost 600 properties from Manchester Methodist Housing Association (also a subsidiary of Great Places) on 1st April 2007, as a result becoming the largest stock managing traditional RSL in Salford. The Association's turnover and operating surplus increased accordingly.

The Association is close to achieving 100% compliance with the decent homes standard and continues to see improving performance in rent arrears and tenancy turnover achieving general needs results 4.5% and 10.8% respectively.

Disclosure of information to auditors
As far as the Board of Management as aware there is no relevant information of which the auditors are unaware.

The Board of Management has taken all steps that they ought to have taken as Board Members in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Report of the Board of Management
For the Year Ended 31 March 2008 (Continued)

Statement of the Board on Internal Controls Assurance

Area of responsibility

The Board acknowledges that it has overall responsibility for establishing, maintaining and monitoring the whole system of internal control and for reviewing its effectiveness. This responsibility applies to all the activities of the Association.

The Board recognises that no systems of internal control will provide absolute assurance and/or eliminate risk. The systems of internal control are designed to manage risk and provide reasonable assurance that business plan objectives will be achieved; that key performance indicators will be met; and expected process outcomes met. Our control systems also give reasonable assurance relating to the preparation and reliability of financial/operational information, and the safeguarding of the Association's assets and interests.

In meeting these responsibilities, the Board has adopted a risk-based approach to internal controls which are embedded within the governance and management culture of the Association. The Association has an ongoing and regularly reviewed process for identifying, evaluating and managing the risks it faces and also has a policy for "Dealing with Fraud and Misappropriation" that deals with identifying, evaluating and managing those risks.

This approach includes an annual review of the nature and extent of the risks facing the Association and is consistent with the principles of Turnbull, as set out in Housing Corporation Circular 07/07: Internal Controls Assurance.

IDENTIFICATION AND EVALUATION OF KEY RISKS

Responsibilities have been clearly defined for the identification, evaluation and control of significant risks. The Board, the Group Audit Committee and the Management all have clearly identified roles.

Group Audit Committee

The Group Audit Committee is responsible for making recommendations to the Board on the effectiveness of internal controls and management systems. It fulfils this role by reviewing the Internal and External Audit services and reviewing progress with risk management and management's progress in addressing control weaknesses. It considers the report on internal control, recommending it for approval by the Board. The Group Audit Committee Chair reports to the Board on the Committee's work.

Internal Audit

Internal Audit provides the Board with an annual Summary Report on internal control, based upon its audits of both financial and non-financial systems in the year. Audits in 2007/08 have reviewed key internal control areas such as rent accounting, payroll, property services, asset management, ICT, Supported Housing, Development appraisal, risk management and customer care, in addition to a rigorous follow up process.

Report of the Board of Management
For the Year Ended 31 March 2008 (Continued)

Statement of the Board on Internal Controls Assurance

New internal auditors, Mazars, were appointed in April 2007 following a comprehensive EU compliant selection process. A carefully planned handover process included undertaking a detailed Audit Needs Analysis exercise, drawing on the perceptions of the control environment of a cross-section of the Group's managers, including the Executive Team.

This was followed by the development of a new three-year Internal Audit Plan which was approved by the Group Audit Committee in July 2007, the first year of which has been successfully implemented including all of the areas mentioned above. The plan is reviewed annually to ensure it remains up to date, relevant and reflective of the risk environment.

Each audit results in an action plan aimed at addressing control weaknesses and/or opportunities for adopting best practice. At each visit, the auditors also complete a review of the progress made in implementing the recommendations agreed in previous audits.

Risk management

The risk management process continually reviews the risks to the achievement of Space's goals and objectives. Through regular updates to the Business Review meeting and Group Audit Committee, it provides an assessment of the effectiveness of existing controls and the requirement and plans for strengthened controls.

The Association operates an inclusive process for risk identification, drawing upon the knowledge and ideas of staff from across the organisation. Responsibility for the evaluation and control of risk is clearly defined.

The Association recognises that embarking on new initiatives can present heightened or unpredictable levels of risk. Robust project management, together with regular reporting through the "Major new initiatives" report help ensure that the Association's risk management balances learning from previous projects with a well planned forward looking approach.

ENVIRONMENTAL AND CONTROL PROCEDURES

The Board retains responsibility for defining and ensuring compliance with organisational objectives and values, establishing strategies and policies to achieve the objectives. The Board also retains responsibility for approving the budget and financial accounts and meeting all regulatory requirements. A range of policies and procedures cover operational control issues such as delegated authority, treasury management, health and safety, procurement and fraud prevention and detection.

Governance

The Association's governance framework has been independently reviewed and revised in 2007, ensuring compliance with best practice. The framework sets out the focus of authority through terms of reference for Committees and a clear scheme of delegation. The senior management of the Association has considered, the assurance framework in relation to the internal control activities for which they are responsible and a report has been considered and reviewed by the Group Audit Committee on behalf of the Board.

Report of the Board of Management
For the Year Ended 31 March 2008 (Continued)

Strategies, Policies and Procedures
The Association ensures that its policies and procedures are kept up to date, relevant and reflect best practice. In the Autumn the Board approved a fundamentally updated set of Financial Regulations and this is being supported by a revised Schedule of Delegated authority which is currently being rolled out. During the year other policies and strategies that have been reviewed include the Procurement Policy, the Regeneration Policy, the Equality and Diversity Strategy, the Hedging Strategy and the Growth Strategy.

INFORMATION AND FINANCIAL REPORTING SYSTEMS

Financial reporting processes include a long term business plan, detailed budgets for the year ahead, detailed management accounts produced monthly and forecasts for the remainder of the financial year. These are reviewed in detail by management and are considered and approved by the Board. The Board also regularly reviews a range of key performance indicators produced within a balanced scorecard to assess progress towards the achievement of key business objectives, targets and outcomes.

Financial planning, accounting and reporting
The Board receives regular financial management reports, incorporating progress against the annual budgets, explanation of variances and corrective action taken. Revised forecasts are presented to the Board for approval. The accounts are prepared by competent and experienced finance staff utilising clear accounting policies. Budget holders receive monthly budget reports and participate in meetings with finance staff to review financial performance and project future outturn.

Performance monitoring and reporting
The Board receives regular performance monitoring information in a summary balanced scorecard format, identifying actual and projected performance against key targets. More detailed supporting information is provided where performance on high-level indicators is not in line with targets. Management consider the full scorecard monthly, identifying performance trends and initiating corrective action where necessary. In addition, managers and staff review performance for arrears, voids, lettings and repairs regularly, often on a weekly basis.

MONITORING AND CORRECTIVE ACTION

A process of regular management reporting on control issues provides assurance to management and to the Board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those that may have a material impact on the Financial Statements and delivery of our services.

Management Review
A programme of regular meetings ensure that the Association is focused on its business objectives, working to agreed targets and budgets, and responsive to customer, staff and stakeholder requirements. To fulfil this function, management receive reports from all business areas.

Benchmarking and external reviews
The Association participates in a range of benchmarking activity, welcomes reviews from third parties such as external audit, the Housing Corporation, the Audit Commission's Housing Inspectorate and Chartermark assessors, and measures its success through participation in appropriate award competitions.

These activities help identify instances of good and poor performance and practice, as well as control weaknesses. Careful considered action plans feature clear responsibility and timescales for implementation, and progress is monitored by Management and the Group Audit Committee.

Report of the Board of Management
For the Year Ended 31 March 2008 (Continued)

Statement of the Board on Internal Controls Assurance

Dealing with Fraud and Misrepresentation
The Group Audit Committee regularly reviews the Fraud register. The register includes details of actual and attempted fraud and details of the actions subsequently to ensure learning takes place. Following an attempted cheque fraud, the Association met with its bankers to ensure the control environment was appropriate, whilst following instances of cash fraud, procedures were tightened up and efforts renewed to minimise the receipt of cash.

CONCLUSION

The Board has been assured by the Audit Committee that it has received a report regarding internal controls and that the Committee has conducted its own review of the effectiveness of the systems currently in place.

The Board believes that the overall control structures are satisfactory and no control weaknesses have resulted that have led to any material financial loss to the organisation.

The Board confirms that it is satisfied there are on-going processes in place to identify, evaluate, control and manage any significant risks faced by the organisation. These processes have been in place throughout the year under review, up to the date of the annual report and accounts, and they are regularly reviewed by the Board.

The Board confirms that it is satisfied there are on-going processes in place to identify, evaluate, control and manage any significant risks faced by the organisation. These processes have been in place throughout the year under review, up to the date of the annual report and accounts, and they are regularly reviewed by the Board.

Political and Charitable Donations
During the year Space contributed £3,773 (2007: £4,330) to local charities and community groups.

Employees
Employees are kept informed on matters affecting them and made aware of the general financial and economic factors influencing the company. The company operates an open transparent approach to employee communication through a communication strategy, which includes regular briefings, presentations and consultations.

The Association is an equal opportunities employer and applications from all persons are fully and fairly considered, having regard to the aptitudes and abilities of the applicant. In the event of disability, every effort is made to ensure that employment continues and appropriate training is given. Career development and promotion of disabled people is, as far as possible, identical to that of other employees.

Equal Opportunities and Diversity
The Association is committed to providing equal opportunities to staff, and potential and existing tenants. Space's policies reflect the value it places on diversity in all aspects of its work.

Annual General Meeting
The Annual General Meeting will be held on 10th September 2008.

Phil Elvy
Secretary
17th July 2008

Report of the Independent Auditors to the members of Space New Living Limited

We have audited the financial statements on pages 9 to 35 for the year ended 31 March 2008 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on pages 13 to 15.

The report is made solely to the Association's members, as a body, in accordance with Section 9 of the Friendly and Industrical and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state tot 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 and auditors

The Board's responsibilities for preparing the Report of the Board and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Board's Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the Financial Statements give a true and fair view and are properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1 of the Housing Act 1996 (as amended by the Housing Act 2004) and the Accounting Requirements for Registered Social Landlords General Determination 2006. We also report to you if the Association has not kept proper accounting records, if the association has not maintained a satisfactory control over its transactions and if we have not received all the information and explanations which are necessary for the purposes of our audit.

We read other information contained in the Report of the Board and consider whether it is consistent with the audited Financial Statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimates and judgments made by the association's Board 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 Space New Living Limited (continued)

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 2008 and of its surplus for the year then ended.

- the financial statements have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, Schedule 1 of the Housing Act 1996 (as amended by the Housing Act 2004) and the Accounting Requirements for Registered Social Landlords General Determination 2006; and

- the information given in the Report of the Board is not inconsistent with the financial statements.

Beever and Struthers
Chartered Accountants and
Registered Auditors.
St. George's House
215-219 Chester Road
Manchester
M15 4JE

Date: 17th July 2008

Income and Expenditure Account
For the Year Ended 31 March 2008

	Notes	2008 £'000	2007 £'000
Turnover	3	**11,424**	8,874
Operating Costs	3	**(8,879)**	(6,717)
Operating Surplus		**2,545**	2,157
Surplus on sale of fixed assets	5	**163**	522
Interest receivable	6	**156**	90
Interest payable and similar charges	7	**(2,474)**	(2,186)
Surplus on ordinary activities before taxation	8	**390**	583
Taxation on surplus on ordinary activities	9	**-**	-
Surplus on ordinary activities for the year	21	**390**	583

All recognised gains and losses are included in this statement.

All amounts relate to continued activities.

The above surpluses are the historical cost surpluses.

The notes on pages 13 to 35 form an integral part of these financial statements.

Balance Sheet as at 31 March 2008

	Notes	2008 £'000	2007 £'000 Re-stated
Tangible Fixed Assets			
Housing properties at Cost	13	**126,818**	126,958
Less: Social Housing Grant	13	**(69,529)**	(69,471)
Less: Depreciation	13	**(3,673)**	(2,981)
		53,616	54,506
Other fixed assets	14	**234**	301
		53,850	54,807
Current Assets			
Stock	15	**540**	141
Debtors	16	**3,430**	1,280
Cash at bank and in hand		**1,933**	791
		5,903	2,212
Less Creditors: Amounts falling due within one year	17	**(3,402)**	(2,682)
Net Current Assets/(Liabilities)		**2,501**	(470)
Total Assets Less Current Liabilities		**56,351**	54,337
Creditors: Amounts falling due after more than one year	18	**42,963**	41,339
Capital and Reserves			
Called-up Share capital	20	**-**	-
Designated reserves	21	**-**	3,025
Revenue reserves	22	**13,388**	9,973
Total Funds		**13,388**	12,998
		56,351	54,337

The notes on pages 13 to 35 form an integral part of these financial statements.

The financial statements were approved by the Board of Management on 17th July 2008 and were signed on its behalf by:

Chairman:..............................

Secretary:..............................

Board Member:..............................

Cash Flow Statement
For the year ended 31 March 2008

	Notes	2008 £'000	2008 £'000	2007 £'000	2007 £'000
Net cash inflow from operating activities	i		**994**		3,875
Returns on investments and servicing of finance:					
Interest received		**156**		90	
Interest paid		**(2,854)**		(2,220)	
Net cash outflow from returns on investments and servicing finance			**(2,698)**		(2,130)
			(1,704)		1,745
Taxation					
Tax paid			**-**		-
Capital Expenditure & Financial Investment:					
Acquisition and construction of housing properties		**(510)**		(6,313)	
Social Housing and other grants received		**(329)**		298	
Purchase of other fixed assets		**(25)**		(72)	
Surplus on sale of housing properties		**1,343**		1,757	
Net cash inflow/(outflow) from capital expenditure and financial investment			**479**		(4,330)
Net cash outflow before management of liquid resources and financing	iii		**(1,225)**		(2,585)
Financing:					
Housing loans received		**37,419**		1,000	
Housing loans repaid		**(35,056)**		(211)	
Loan issue costs incurred		**(17)**		(84)	
Amortisation of issue costs		**21**		21	
Net cash inflow from financing			**2,367**		726
Increase/(Decrease) in cash	ii		**1,142**		(1,859)

Notes to the Cash Flow Statement
for the year ended 31 March 2008

	2008 £'000	2007 £'000
i. Reconciliation of operating surplus to net cash flow from operating activities		
Operating surplus	**2,545**	2,157
Depreciation charges	**796**	717
Capitalised development cost	**(22)**	(140)
(Increase)/Decrease in debtors	**(2,150)**	453
Increase in stock & Work in Progress	**(399)**	-
Increase in creditors	**224**	688
Net cash inflow from operating activities	**994**	3,875

ii. Reconciliation of net cashflow to movement in net debt	2008 £'000	2007 £'000
(Increase)/Decrease in cash in the period	**(1,142)**	1,859
Loan repaid	**(35,056)**	(211)
Loan received	**2,500**	1000
Intergroup loan received	**34,919**	-
Issue costs incurred	**(17)**	(84)
Amortisation of issue costs	**21**	21
Changes in net debt	**1,225**	2,585
Net debt at 1 April	**39,561**	36,976
Net debt at 31 March	**40,786**	39,561

iii. Analysis of changes in net debt	At 1 April 2007 £'000	Cash Flows £'000	Other Changes £'000	**At 31 March 2008 £'000**
Cash in hand and at bank	791	1,142		**1,933**
Debt due within one year	(144)	(8)		**(152)**
Debt due after one year	(40,208)	32,581	(21)	**(7,648)**
Intergroup loan	-	(34,919)		**(34,919)**
	(39,561)	(1,204)	(21)	**(40,786)**

Notes to the Financial Statements
For the Year Ended 31 March 2008

1 Legal Status

The Association is registered under the Industrial and Provident Societies Act 1965 and is also registered with the Housing Corporation as a Registered Social Landlord as defined by the Housing Act 1996 (as amended by the Housing Act 2004).

2 Principal Accounting Policies

Basis of accounting

The financial statements have been prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002 and in accordance with applicable Accounting Standards and Statements of Recommended Practice. The financial statements comply with the Housing Act 1996 (as amended by the Housing Act 2004), the Industrial and Provident Societies Regulations 1969, the Accounting Requirements for Registered Social Landlords General Determination 2006 and the Statement of Recommended Practice : Accounting by registered social landlords Update 2005. The financial statements are prepared on the historical cost basis of accounting.

Turnover

Turnover represents rent and service charge income receivable, revenue grants from the Housing Corporation, fees and other income.

Fixed Assets - Tangible

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is charged on a straight-line basis, to residual value, over the expected useful economic lives of the assets at the following annual rates:

Housing Properties – New Build	1%
Housing Properties – Rehabilitation	2%
Freehold Office Building	1.67%
Leasehold Office Improvements	Over the term of the Lease
Motor Vehicles	25%
Office Furniture and Equipment	25%
Computer Equipment	25%

Housing Properties

Housing properties are principally properties available for rent and are stated at cost less Social Housing Grant and accumulated depreciation.

All properties are reviewed for impairment annually, and where housing properties have suffered a permanent diminution in value, the fall in value is recognised after taking account of any related capital grants.

Housing Properties in the course of construction are stated at cost and not depreciated.

Housing properties are transferred to completed properties when they are ready for letting.

Housing properties have been restated to remove outright sales housing stock which has now been correctly included as work in progress in Note 15.

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

2 Accounting Policies (Continued)

Social Housing Grant

Where housing developments have been financed wholly or partly by Social Housing Grant, the cost of such developments has been reduced by the amount of grant received.

Social Housing Grant can be recycled by the Association under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the Social Housing Grant can be used for projects approved by the Housing Corporation. In certain circumstances, Social Housing Grant may be repayable, and in that event, is a subordinated unsecured repayable debt.

Social Housing Grant not yet expended in respect of housing properties in the course of construction is shown as a current liability.

Capitalisation of Interest and Administration Costs

Interest on the loan financing a development is capitalised up to the date of practical completion, based on the average cost of borrowing.

Administration costs relating to development activities are capitalised only to the extent that they are incremental to the development process and directly attributable to bringing the property to its intended use.

Pension Costs

The cost of providing retirement pensions and related benefits is charged to the income and expenditure account over the periods benefiting from the employees' services, with the pension cost being determined in accordance with advice from a professionally qualified independent Actuary.

Improvements to Properties

The Association capitalises expenditure on housing properties which it classifies as improvements or enhancements, and which either increase the useful life of the property or reduce the ongoing running costs of the property. This may include expenditure required to ensure the property meets any requirements of revised legislation or regulations, provided it meets the above criteria. Like for like expenditure of a replacement nature is not capitalised.

Major Repairs Reserve

The Association has a designated reserve for future major repairs expenditure on all properties in so far as the major repairs expenditure does not attract grants from the Housing Corporation or Local Authorities.

Surpluses and Deficits on the Sale of Properties

Properties developed for shared ownership and other property sales, are not included in Turnover and Cost of Sales, but are shown as a separate item after the operating surplus in the Income and Expenditure Account in accordance with Financial Reporting Standard 3.

2 Accounting Policies (Continued)

Properties Managed by Agents
Where the Association carries the financial risk on property managed by agents all the income and expenditure from the property is included in the Income and Expenditure Account.

Where the agency carries the financial risk, the income and expenditure account includes only the amounts receivable by the Association.

Leased Assets
Rentals payable in respect of operating leases are charged to the Income and Expenditure Account on a straight-line basis over the lease term.

Loan Issue Costs
The cost of raising loan finance is initially capitalised and offset against the total of the loan and is written off in the Income and Expenditure account at a constant rate over the term of the loan.

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

3 Turnover, Operating Costs and Operating Surplus/(Deficit)

Year ended 31 March 2008 -	**Turnover**	**Operating Costs**	**Operating Surplus/ (Deficit)**
	£'000	**£'000**	**£'000**
Income and Expenditure from Social Housing Lettings			
Housing Accommodation	**9,624**	**(8,164)**	**1,460**
Supported Housing	**568**	**(178)**	**390**
Keyworker Accommodation	**284**	**(322)**	**(38)**
Shared Ownership Accommodation	**128**	**(71)**	**57**
	10,604	**(8,735)**	**1,869**
Other Social Housing Activities:			
Supporting People Contract Income	**51**	**-**	**51**
Properties owned, but managed by other organisations	**429**	**-**	**429**
Maintenance/Development Consultancy Fees & Other income	**146**	**-**	**146**
Non-Social Housing Activities	**194**	**(144)**	**50**
Market Rented			
Total	**11,424**	**(8,879)**	**2,545**

Year ended 31 March 2007 -	Turnover	Operating Costs	Operating Surplus/ (Deficit)
	£'000	£'000	£'000
Income and Expenditure from Social Housing Lettings			
Housing Accommodation	7,207	(5,966)	1,241
Supported Housing	482	(256)	226
Keyworker Accommodation	302	(270)	32
Shared Ownership Accommodation	109	(80)	29
	8,100	(6,572)	1,528
Other Social Housing Activities:			
Supporting People Contract Income	54	-	54
Properties owned, but managed by other organisations	408	-	408
Maintenance/Development Consultancy Fees & Other Income	117	-	117
Non-Social Housing Activities			
Market Rented	195	(145)	50
Total	8,874	(6,717)	2,157

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

4 Income and Expenditure from lettings

	2008					2007				
	Housing Accomm-odation	Supported Housing	Keyworker	Shared Ownership	Total	Housing Accomm-odation	Supported Housing	Keyworker	Shared Ownership	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income										
Rents	9,167	483	284	128	10,062	6,913	396	302	109	7,720
Service Charges	457	85	-	-	542	294	86	-	-	380
Net rents etc. from Lettings	9,624	568	284	128	10,604	7,207	482	302	109	8,100
Grants receivable	-	-	-	-	-	-	-	-	-	-
Total Income from Lettings (see note 3)	9,624	568	284	128	10,604	7,207	482	302	109	8,100
Expenditure										
Services	608	61	120	-	789	336	63	118	1	518
Housing Management	3,516	81	91	61	3,749	2,319	57	66	-	2,442
Routine Maintenance	2,460	6	27	2	2,495	1,921	47	31	1	2,000
Planned Maintenance	196	-	-	-	196	114	-	-	-	114
Major Repairs Expenditure	680	3	3	-	686	634	17	3	-	654
Rent losses from bad debts	107	-	27	(4)	130	205	-	-	-	205
Other costs	-	-	-	-	-	-	29	-	64	93
Depreciation – properties	597	27	54	12	690	437	43	52	14	546
Total Expenditure on Lettings	8,164	178	322	71	8,735	5,966	256	270	80	6,572
Operating Surplus on Letting Activities (see note 3)	1,460	390	(38)	57	1,869	1,241	226	32	29	1,528
Void Losses	182	14	119	1	316	92	3	84	-	179

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

5 Sale of Assets

	2008 £'000	2007 £'000
Sale proceeds	**688**	1,357
Less: Cost of sale	**(525)**	(835)
Surplus for year	**163**	522

6 Interest Receivable

	2008 £'000	2007 £'000
Interest receivable from unlisted investments	**69**	54
Interest Receivable from subsidiary undertakings	**87**	36
	156	90

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

7 Interest Payable and similar charges

	2008 £'000	2007 £'000
On bank loans, overdrafts and other loans	**2,205**	2,333
Loan interest recharged from parent company	**502**	-
Less: interest capitalised	**(233)**	(147)
Total	**2,474**	2,186

Capitalised interest charged at rates of 4.5% (receivable) and 6.5% (payable).

8 Surplus on Ordinary Activities Before Taxation

	2008 £'000	2007 £'000
Surplus for the year is stated after charging:		
Depreciation of housing Properties	704	546
Depreciation of other fixed assets	92	171
Bad debts including transfer to provision from bad and doubtful debts	130	205
Auditors' remuneration (inclusive of VAT):		
In their capacity as auditors	13	18
In respect of other services	-	-

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

9 Taxation

	2008	2007
	£'000	£'000
United Kingdom Corporation Tax at 30%	-	-

The association has been granted exemption from taxation under the provision of Section 505 of the Income and Corporation Taxes Act 1988 because of its charitable status.

10 Emoluments to Board Members, the Managing Director and Directors

	2008	2007
	£	£
Emoluments of the Association's directors including pension contributions	**210,200**	280,896
Compensation for loss of office	**41,672**	70,000
	251,872	350,896
Emoluments of the highest paid director excluding pension contributions	**86,049**	47,579
Compensation for loss of office	**41,672**	70,000
	127,721	117,579

The Managing Director is an ordinary member of the pension scheme and a standard contribution of £12,828 was made in accordance with the ordinary terms of the scheme during the year (2007: £9,488).

Board Members received no emoluments during the year (2007: £nil).

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

11 Staff numbers and costs

The average weekly number of employees (full-time equivalents) employed by the Association during the year are analysed as follows:-

	2008 Number	2007 Number
Office Staff	**42**	66
Wardens, Caretakers and Cleaners	**12**	8
	54	74

The aggregate payroll costs of these persons were as follows:-

	2008 £'000	2007 £'000
Wages and salaries	**1,356**	1,698
Social security costs	**108**	128
Other pension costs	**102**	122
	1,566	1,948

Staff costs and numbers referred to above relate to permanent staff employed by the Association, including wardens, but excludes staff costs and numbers employed by the voluntary organisations at hostels.

12 Pension Obligations

General

Space New Living Limited participates in the Social Housing Pension Scheme (SHPS). The Scheme is funded and is contracted out of the state scheme. SHPS is a multi-employer defined benefit scheme. Employer participation in the Scheme is subject to adherence with the employer responsibilities and obligations as set out in the "SHPS House Policies and Rules Employer Guide".

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

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

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

Space New Living Limited has elected to operate the final salary with a 1/60th accrual rate benefit structure for active members as at 31st March 2007 and the career average revalued earnings with a 1/60th accrual rate benefit structure for new entrants from 1st April 2007.

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

12 Pension Obligations (Continued)

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

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

During the accounting period Space New Living Limited paid contributions at the rate of 12.30% to 14.05%. Member contributions varied between 4.7% and 8.45%. As at the balance sheet date there were 27 active members of the Scheme employed by Space New Living. The annual pensionable payroll in respect of these members was £102,000. Space New Living continues to offer membership of the scheme to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed at 30 September 2005 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £1,278 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £283 million, equivalent to a past service funding level of 82%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2007. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £1,760 million and indicated a decrease in the shortfall of assets compared to liabilities to approximately £209 million, equivalent to a past service funding level of 89%. Annual funding updates of the SHPS Scheme are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However they will provide a good indication of the financial progress of the scheme since the last full valuation.

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 30 September 2005.

12 Pension Obligations (Continued)

The financial assumptions underlying the valuation as at 30 September 2005 were as follows:

	% p.a.
Investment return pre retirement	7.2
Investment return post retirement	4.8
Rate of salary increases to 30 September 2010	5.0
Rate of salary increased from 1 October 2010	4.0
Rate of pension increases	2.5
Rate of price inflation	2.5

The valuation was carried out using the PA92C2025 mortality table for non-pensioners and PA92C2013 mortality table for pensioners. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

	Males Assumed life expectancy in years at age 65	Females Assumed life expectancy in years at age 65
Non-pensioners	20.4	23.3
Pensioners	19.4	22.4

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

Benefit structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary with 1/60th accrual rate	17.6
Final salary with 1/70th accrual rate	15.3
Career average revalued earnings with a 1/60th accrual rate	14.1

The long-term joint contribution rates required from employers and members where contributions are set their on an age related basis are:

Age	Under 30	30 – 40	Over 40
	Long-term joint contribution rate (% of pensionable salaries)		
Benefit structure			
Final salary with 1/60th accrual rate	16.1	17.1	18.1
Final salary with 1/70th accrual rate	13.8	14.8	15.8
Career average revalued earnings with a 1/60th accrual rate	12.6	13.6	14.6

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

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

12 Pension Obligations (Continued)

Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £283 million would be dealt with by the payment of deficit contributions of 4.4% of pensionable salaries with effect from 1 April 2007. These deficit contributions are in addition to the long-term joint contribution rates set out in the table above.

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

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

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

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

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit by 30 September 2020.

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

The next full actuarial valuation will be carried out as at 30 September 2008.

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

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

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

12 Pension Obligations (Continued)

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

Space New Living Limited has been notified by the Pension Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 31 March 2007. As of this date the estimated employer debt for 2007 was £3,537,000.

Pensions Trust's Growth Plan

Space New Living Limited participates in the Pensions Trust's Growth Plan. The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension Plan.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date.

From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The rules of the Growth Plan allow for the declaration of bonuses an/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses/investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as a at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these. The rules of the Growth Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the Employer to pay part of such contributions and may provide that the Employer shall pay the whole of them.

12 Pension Trust Growth Plan (Continued)

As at the balance sheet date there was 1 active member of the Plan employed by Space New Living Limited. Space New Living Limited continues to offer membership of the Plan to its employees. Space New Living Limited does not pay any contributions into the Growth Plan and the members contributions rate is at their own choosing.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30 September 2005 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £675 million and the Plan's Technical Provisions (i.e. past service liabilities) were £704 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a funding level of 96%.

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Plan as at 30 September 2006. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £747 million and indicated a surplus of assets compared to liabilities of approximately £2 million, equivalent to a funding level of 100.2%. Annual funding updates of the Growth Plan are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However they will provide a good indication of the financial progress of the Plan since the last full valuation.

Since the contribution rates payable to the Plan have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 30 September 2005.

The financial assumptions underlying the valuation as at 30 September 2005 were as follows:

	% p.a.
Investment return pre retirement	6.6
Investment return post retirement	4.5
Bonuses on accrued benefits	0.0
Rate of price inflation	2.5

The valuation was carried out using the PA92C2025 mortality table for non-pensioners and PA92C2015 mortality table for pensioners. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

12 Pension Trust Growth Plan (Continued)

	Males Assumed life expectancy in years at age 65	Females Assumed life expectancy in years at age 65
Non-pensioners	20.4	23.3
Pensioners	19.5	22.5

In determining the investment return assumptions the Trustee considered advice from the Scheme Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

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

In view of the small funding deficit and the level of prudence implicit in the assumptions used to calculate the Plan liabilities the Trustee has prepared a recovery plan on the basis that no additional contributions from participating employers are required at this point in time. In reaching this decision the Trustee has taken actuarial advice and has been advised that the shortfall of £29 million will be cleared within 5 years if the investment returns from assets are in line with the "best estimate" assumptions. "Best estimate" means that there is a 50% expectation that the return will be in excess of that assumed and a 50% expectation that the return will be lower than that assumed over the next 10 years. These "best estimate" assumptions are 7.6% per annum pre retirement and 4.8% per annum post retirement.

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

The next full actuarial valuation will be carried out as at 30 September 2008. An Actuarial Report will be prepared as at 30 September 2007 in line with statutory regulations.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan. The Trustee's current policy is that it only applies to employers with pre October 2001 liabilities in the Plan. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

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

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

12 Pension Trust Growth Plan (Continued)

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Space New Living Limited has been notified by the Pension Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2006. As of this date the estimated employer debt for 2007 was £6,000.

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

13 Tangible Fixed Assets – Housing Properties - restated

	Completed schemes				Under construction			
	Shared Ownership £'000	General Needs £'000	Supported Housing £'000	Keyworker £'000	Shared Ownership £'000	General Needs £'000	Supported Housing £'000	Total £'000
Cost								
At 1 April 2007	3,374	102,829	14,644	2,649	2,164	1,217	81	126,958
Additions	809	1,765	(1)	-	-	-	12	2,585
Capitalisation of major repairs	-	497	-	-	-	-	-	497
Disposals	(406)	(337)	-	-	-	-	-	(743)
Transfer to Group Company	-	-	-	-	(1,711)	(297)	-	(2,008)
First Tranche Proceeds	(449)	-	-	-	-	-	-	(449)
Capitalised Interest	-	-	-	-	22	35	6	63
Cap Interest Transferred to Group Co.	-	-	-	-	(78)	(7)	-	(85)
Transferred on completion	397	948	-	-	(397)	(948)	-	-
At 31 March 2008	3,725	105,702	14,643	2,649	-	-	99	126,818
Social Housing Grant								
At 1 April 2007	1,616	60,498	5,983	-	363	1,011	-	69,471
Additions	160	293	-	-	-	-	-	453
Disposals	(127)	(144)	-	-	-	-	-	(271)
Transfer to Group Company	-	-	-	-	-	(124)	-	(124)
Transferred on completion	363	887	-	-	(363)	(887)	-	-
At 31 March 2008	2,012	61,534	5,983	-	-	-	-	69,529
Depreciation								
At 1 April 2007	71	2,458	223	229	-	-	-	2,981
Charge for the year	12	570	68	54	-	-	-	704
Disposals	(4)	(8)	-	-	-	-	-	(12)
At 31 March 2008	79	3,020	291	283	-	-	-	3,673
Net Book Value								
At end of year	1,634	41,148	8,369	2,366	-	-	99	53,616
At beginning of year	1,687	39,873	8,438	2,420	1,801	206	81	54,506

	2008 £'000	2007 £'000
Housing Properties Comprise:		
Freehold	52,257	53,234
Long leasehold	1,359	1,272
	53,616	54,506

Expenditure to existing properties: £1,183k (2007: £1,406k) has been spent on works to existing properties, of which £497k (2007: £752k) has been capitalised, and £686k (2007: £655k) is revenue.

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

14 Tangible Fixed Assets – Other

	Leasehold Office Improvements £'000	Fixtures £'000	Computers £'000	Motor Vehicles £'000	Total £'000
Cost					
At 1 April	351	174	176	-	701
Additions	-	11	-	14	25
Disposals	-	(17)	(88)	-	(105)
At 31 March	351	168	88	14	621
Depreciation					
At 1 April	220	59	121	-	400
Charge for the year	29	35	28	-	92
Disposals	-	(17)	(88)	-	(105)
At 31 March	249	77	61	-	387
Net Book Value					
At end of year	102	91	27	14	234
At beginning of year	131	115	55	-	301

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

15 Stock

	2008 £'000	2007 £'000
Work in progress	**540**	141

This has been previously reported in Housing Fixed Assets, hence the re-stated Balance Sheet for 2007.

16 Debtors

	2008 £'000	2007 £'000
a) Due after more than one year		
Due from subsidiary under-takings	386	555
b) Due within one year		
Rent and service charge arrears	926	650
Less: Provision for bad debts	(280)	(155)
	646	495
Amounts due from subsidiary undertakings	2,098	-
Prepayment and accrued income	56	102
Other debtors inc deposits	244	128
	3,044	725
Total debtors	**3,430**	1,280

17 Creditors: Amounts falling due within one year

	2008 £'000	2007 £'000
Housing Loans	**152**	144
Rent in Advance	**316**	191
Trade Creditors	**390**	270
Amounts owing to subsidiary undertakings	**355**	134
Social Housing Grant received in advance	-	184
Taxation And Social Security Payable	**39**	32
Accruals And Deferred Income	**1,614**	1,308
Loans Interest Accruals	-	402
Shared Ownership Client & Other Deposits	**4**	17
Recycled Capital Grant Fund (see note 19)	**410**	-
Disposal Proceeds Fund (see note 19)	**122**	-
	3,402	2,682

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

18 Creditors: Amounts falling due after more than one year	**2008 £'000**	2007 £'000
Housing Loans	**8,119**	40,683
Issue Costs	**(471)**	(475)
	7,648	40,208
Intercompany Loan	**34,919**	-
Recycled Capital Grant Fund (see note 19)	**241**	1,009
Disposal Proceeds Fund (see note 19)	**155**	122
	42,963	41,339

Loans are repayable at varying rates of interest in instalments. Housing loans are secured by specific charges on the association's housing properties and are repayable at varying rates of interest.

	2008 £'000	2007 £'000
Within one year	**152**	144
Between one and two years	**161**	152
Between two and five years	**542**	1,509
In five years or more	**7,416**	39,022
Less: issue costs	**(471)**	(475)
	7,800	40,352

In December 2007, Great Places Group completed a refinancing exercise. As a result, several housing loans held by MMHA, Space and Ashiana were repaid and refinanced through new Group facilities. The new facilities are loans made to Great Places Housing Group Limited and then on-lent to its subsidiaries under a guarantee structure. As such these loans are presented in MMHA, Space and Ashiana as intercompany loans.

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

19 RCGF and DPF Creditors:

a. Recycled Capital Grant Fund

	2008 £'000
As at 1st April 2007	1,009
Inputs to reserve:	
Grants recycled in	188
Interest accrued	53
Outputs to reserve:	
New build recycled out	(457)
Major repairs and works to existing stock	-
Other	(142)
As at 1st March 2008	**651**

b. Disposal Proceeds Fund

	2008 £'000
As at 1st April 2007	122
Inputs to reserve:	
Grants recycled in	143
Interest accrued	12
Outputs from reserve:	
New build recycled out	-
Major repairs and works to existing stock	-
Other	-
As at 1st March 2008	**277**

20 Called Up Share Capital

	2008 £	2007 £
Allotted Issued and Fully Paid non equity shares of £1 each:		
At start of the year	**41**	50
Issued during the year	**1**	4
Cancelled during the year	**(6)**	(13)
At the end of the year	**36**	41

Non-equity shares provide members with the right to vote at general meetings but do not provide any rights to interest, dividends or bonus. In the event of a winding up, the liability of individual members to contribute towards the liability of the company shall not exceed £1.

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

21 Reserves

	Other Major Repairs £'000	Revenue £'000	Total £'000
At 1 April 2007	3,025	9,973	12,998
Retained surplus	-	390	390
Transfer to revenue reserve	(3,025)	3,025	-
At 31 March 2008	-	13,388	13,388

22 Capital Commitments

	2008 £'000	2007 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	**3,809**	6,701
Capital expenditure that has been authorised by the Board of Management but has not yet been contracted for	**20,149**	8,856
	23,958	15,557

It is anticipated that these commitments will be funded by sale proceeds, SHG, loan funding and cash generated from operating activities.

23 Subsidiary Undertakings

The subsidiary undertakings of Space New Living Limited are:

Name	**Country of Registration**	**Nature of Business**
Cube Lifestyle Limited	England	Housing and Service Provision
City Road Developments Limited (Subsidiary of Cube Lifestyle Limited)	England	Dormant

Notes to the Financial Statements (Continued)
For the Year Ended 31 March 2008

24 Housing Stock as at 31st March

	2008 No. Units	2007 No. Units
Under development at end of year:-		
Housing accommodation	**11**	45
Shared ownership accommodation	**55**	69
Under management at year end:-		
Housing accommodation	**2,308**	2,406
Properties owned, managed by agents	**146**	146
Shared ownership accommodation	**95**	90
Keyworker accommodation	**105**	105
Supported housing	**82**	85
Managed on behalf of others	**747**	-
	3,549	2,946

25 Related Party Transactions

Two Space tenants are members of the Space Board. Their tenancies are on normal commercial terms and they cannot use their positions to their advantage. There are no other related party transactions.

26 Contingent Liability

At the balance sheet date there were no known contingent liabilities.

27 Ultimate Controlling Party

The ultimate controlling party of the Association is Great Places Housing Group Limited, which is a company registered under the Industrial and Provident Societies Act 1965 and a registered social landlord under the Housing Act. The consolidated accounts of Great Places are publicly available, accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members or investees of the group.