

Rochdale Boroughwide Housing Limited

Directors' report and financial statements

Registered number 4394435

Year ended 31 March 2008

THURSDAY



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COMPANIES HOUSE

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Rochdale Boroughwide Housing Ltd

Board and Advisors

Board

Gill Walch (retired 17/3/08)
Ian Agnew (appointed Chair 17/3/08)
Derek Brown
Philomena Renshaw
Desmond Morris (Vice Chair)
Heather Stott (appointed 15/11/07)
Keith Gordon (retired 15/11/07)
Ian Harlow
Keith Barker
Roy Thompson
Councillor Michael C. Holly
Councillor Barbara Todd
Councillor Brian Davies
Councillor Dale Mulgrew

Advisors To Board

Dr A Wahid Choudhry (Advisor to Board – BME Issues)
Majid Khan (Advisor to Board – Youth Issues – retired 30/12/07)

Executive Officers

Acting Managing Director
Gareth Swarbrick

Business Support Director
Vacant

Operations Director
Andrew Toft (Appointed 7/1/08)

Technical Director
Eugene Wilson

Secretary and Registered Office

Lizbeth Helen Alasvand
Rochdale Boroughwide Housing Ltd.
PO Box 69,
The Old Post Office,
The Esplanade,
Rochdale
OL16 1AE.

Auditors

KPMG LLP
St James' Square,
Manchester,
M2 6DS.

Internal Auditors

Deloitte & Touche LLP,
(P.O. Box 500),
2 Hardman St,
Manchester.
M60 2AT

Bankers

The Co-operative Bank PLC,
PO Box 101,
1 Balloon Street,
Manchester,
M60 4EP.

Solicitors

RBH has its own Legal Team based at The Old Post Office

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

The Board of Directors presents its report and the audited financial statements for the year ended 31 March 2008.

Review of business and future developments

In the first year of its new ten-year agreement with Rochdale Council, RBH recorded a surplus of £956k (before accounting for pension costs). When taking account of reserves brought forward of £304k, RBH has reserves of £1.260M at 31 March (not including accounting for pension costs of £3,760k).

2007/08 was also the first year of the new repairs service contract delivered by RBH's in-house team. The contractor has kept costs within budget and has performed well against a series of key performance indicators (KPIs) with five of the six KPIs exceeding the agreed target. In addition, a number of service enhancements have been implemented to further improve the repairs service that tenants receive.

Overall, across all services, RBH has continued to demonstrate it is delivering value for money and has reported efficiency gains of £912k for 2007/8, £396k of which were cash releasing.

Other key developments and achievements for 2007/08 are as follows:

- ❑ RBH was successful in attaining renewal of the prestigious Construction Client Charter accreditation.
- ❑ RBH was the only Local Authority sector organisation to be awarded the British Safety Council's Sword of Honour for Health and Safety. Only 40 are awarded world-wide each year. Organisations need to have achieved 5 stars within the British Safety Council's Health and Safety audit to apply.
- ❑ Our year-end Decent Homes figure was 97.97%, placing Rochdale amongst the very best performing local authority areas.
- ❑ RBH commenced delivery of a £9.425M programme of environmental improvements across the whole of the Borough of Rochdale
- ❑ Work started on the establishment of a charitable subsidiary of RBH which is the Council's chosen vehicle to build new housing stock on sites identified across Rochdale. A pilot scheme on Croft Street to develop 22 properties is far advanced using a financial model that can be applied to all future schemes.
- ❑ Negotiations have continued regarding the setting up of a joint venture between RBH and one of its suppliers for the installation and monitoring of alarm systems in all properties.
- ❑ The RBH Community Kids programme (part of Communities First) was recognised as an example of innovation and good practice in the sector.
- ❑ RBH held its second Staff Conference in March 2008 an event which saw over 570 RBH employees come together to celebrate our successes of the past year and to look forward to future challenges and opportunities. Awards were presented recognising individuals and teams who have contributed excellently over the year and RBH also presented its two charities of the year, Springhill Hospice and the Robyn Brooks Trust with cheques for over £8,000 each.
- ❑ RBH achieved level 3 of the Local Government Equality Standard.

Principal risks and uncertainties

Following on from the review of strategic risks to RBH in 2006/07, RBH identified key operational risks to the business and has developed an Operational Risk Register. The aim is to identify and manage the risks via a further action plan.

The key strategic risks around business continuity are being addressed with meetings between RBH, RMBC and Impact Partnership. On one occasion in 2007/08, it was necessary to send employees based in the town centre home due to the river in Rochdale town centre flooding. This was merely a precaution due to underground car parks being affected rather than the office accommodation being affected.

Key Performance Indicators

Rent collection figures were solid with the year end target for rent collection (excluding water charges) of 97.8% being achieved.

Our re-let time for void properties reduced to 34 days from 37 in the previous year. RBH is looking to build on this further by implementing recommendations from a systems review of the current process.

Tenant satisfaction with the repairs service continued to rise in 2007/8, achieving 93.4%.

Government timescales for RTB notices continue to be met in 100% of cases.

The table below shows RBH performance for 2007/8 and 2006/7.

Indicator	Target 2006/7	Actual 2006/7	Target 2007/8	Actual 2007/8
% Rent Collected (excluding water)	97.6%	98.6%	97.8%	97.8%
Empty Properties % rent lost	1.6%	1.4%	1.3%	1.3%
Empty Properties – average days to relet	35	37	35	34
Repairs – average time to complete non-urgent repairs	10	11	10	9
Repairs - % urgent jobs completed in Government timescales	97.5%	93.5%	97.8%	96.2%
Repairs - % completed in priority timescales	93.5%	95%	95.0%	96.7%
Repairs – satisfaction with service	90%	93%	90%	93%
Right to Buy applications actioned within Government timescales	100%	100%	100%	100%
Personnel - % days lost to sickness	4%	4.3%	4%	3.7%
Complaints - % answered in 15 working days	97%	93%	97%	93.2%
Overall Tenant Satisfaction	82.5%	82.5%	76%	82%

Our Governance Arrangements

The Main Board of RBH comprises six tenants, four councillors and three independents.

RBH's Board has the ultimate responsibility for the internal governance of the organisation. Its role is to direct the work of the organisation, determine its strategic direction, deliver its commitments under the Management Agreement, approve overall expenditure, and approve the policies of the organisation.

The Board of RBH is committed to the delivery of high quality housing services to its customers, and RBH's aims and objectives embrace the key principles of good governance, i.e. openness, inclusiveness, integrity and accountability.

Both the Board and staffing structures have been developed to ensure that there is an informed and effective decision making process within the organisation.

The Board structure of RBH reflects the organisation's commitment to tenant involvement with tenants having the largest share of the Main Board.

All Board members receive comprehensive training to clarify their roles and responsibilities and to equip them with the knowledge and skills required to carry out their roles effectively.

The Main Board met 8 times in 2007/08.

The Board was assisted by 4 Sub-Committees that have delegated powers and written terms of reference. The new tenant led Area Panels began in November 2007 and the tenant led Boroughwide service improvement panels will follow in 2008/9.

Performance Management Sub-Committee

This group examines performance management information in detail and make decisions on any actions required. It consists of 2 nominated tenants and 3 Board Members.

The Sub-Committee met 4 times in 2007/08.

Audit, Risk and Governance Sub-Committee

This Sub-Committee provides the facility for Board members to meet the Company's external auditors, to discuss their report on the annual accounts, and review the scope and results of the internal audit work programme. The Sub-Committee also monitors and advises the Main Board on compliance with the Company's Risk Management Action Plan and takes the lead on governance to drive forward continuous improvement.

The Sub-Committee met 3 times in 2007/08.

Finance and Value For Money Sub-Committee

The Finance Sub-Committee is responsible for determining the financial strategy and policies of the company and keeping them under review. It met on 4 occasions during the year and received regular reports on company expenditure and commitments against approved budgets.

The Sub-Committee carried out a review of the Company's annual budget and management fee and made recommendations to the Board in respect of service developments and opportunities for savings and the redirection of existing resources.

Staffing Sub-Committee

The Staffing Sub-Committee considers all staffing and personnel related issues and makes recommendations to the Board in respect of remuneration, variations to the authorised establishment and amendments to conditions of service.

Members of the Sub-Committee also meet with management and trade unions on a half yearly basis at a Joint Consultative Committee and are called upon to hear disputes, grievances and disciplinary appeals.

The Sub-Committee met on 4 occasions in 2007/08.

Policy and practice on payment of creditors

It is the policy of the Company to pay its creditors within 30 days.

At the year-end, there were 7 days purchases in trade creditors (2006/07 was 8 days).

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

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

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

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK 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 company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.'

Disclosure of information to auditors

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

Under applicable law the Board are also responsible for preparing a Board Report that complies with that law.

Statement of Directors on Risk Management and Internal Control

Risk Management

The directors acknowledge their ultimate responsibility for ensuring that the Company has in place a framework for managing exposure to strategic and operational risks. RBH's Risk Management Strategy is designed to identify, analyse and treat all risks and lead to risk management being embedded into the Company's culture. Regular reports on major risks are received by the Audit Sub-Committee. The strategy will be reviewed annually to ensure it remains fit for purpose.

Internal Control

It is also the directors' responsibility to establish and maintain systems of internal financial control that are appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Company or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposal.

Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss.

Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Company's assets;
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board and Management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;


- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through relevant sub-committees comprising Board members and others;
- the directors review reports from management, from internal auditors, from the external auditors and from their own Audit Sub-Committee to provide reasonable assurance that the control procedures are in place and are being followed. The Internal Auditors make regular reports to the Board via the Audit Sub-Committee;
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports;

RBH's comprehensive set of policies and procedures also includes data protection, whistle-blowing, health and safety, complaints handling and Register of Interests for Board members. All policies and procedures are monitored to ensure they are relevant and up to date and RBH employs Deloitte to be Internal Auditors, to test and highlight weaknesses in these. Any weakness that is highlighted is reported back to the Senior Management Team and the Audit, Risk and Governance Sub-Committee, and addressed accordingly. The main weaknesses were discussed in Principal Risks and Uncertainties.

Auditors

Following a re-tender exercise KPMG LLP have been successfully reappointed as auditors of Rochdale Boroughwide Housing Ltd until the 31 March 2010.

The report of the Directors was approved on 28th August 2008 and signed on its behalf by:



Liz Alasvand
Company Secretary



Ian Agnew
Chair of the Board

Report of the independent auditors, KPMG LLP, to the members of Rochdale Boroughwide Housing Limited

We have audited the financial statements of Rochdale Boroughwide Housing Limited for the year ended 31 March 2008, which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

The directors' responsibilities for preparing the Directors Report and the Financial Statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Director's Responsibilities on page 6.

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. We also report to you whether, in our opinion, the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company 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 Company is not disclosed.

We read the other information contained in the Director's Report, 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 further 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 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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its deficit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP

Chartered Accountants
St James Square
Manchester, M2 6DS

Registered Auditor

Date

KPMG LLP

14 October 2008

Income and expenditure account

Year ended 31 March 2008

	Note	2008 £000	2007 £000
Turnover	2	32,101	28,192
Operating costs		(32,377)	(30,032)
Operating surplus/(deficit)		(276)	(1,840)
Interest receivable and other income		175	173
Interest payable and similar charges		-	-
Other finance income/(expense)	18	29	(79)
Surplus/ (deficit) on ordinary activities before taxation		(72)	(1,746)
Taxation on surplus/ (deficit) from ordinary activities	6	(34)	(33)
Surplus/(Deficit) on ordinary activities after taxation		(106)	(1,779)
Transfer to/from reserves	13	-	-
Surplus/ (deficit) for the year		(106)	(1,779)
Revenue reserves brought forward	13	(2,394)	(615)
Revenue reserves carried forward	13	(2,500)	(2,394)

All amounts relate to continuing activities.

The notes on pages 12 to 18 form part of these financial statements.

Balance sheet

As at 31 March 2008

The balance sheet summarises the financial position of the Company. It shows the value of the Company's assets and liabilities at the end of the financial year (31 March 2008).

	Note	2008 £000	2007 £000
Current assets			
Stock	8	287	326
Debtors	9 and 11	1,055	1,215
Cash at bank and in hand / Short term investments		<u>3,812</u>	<u>2,480</u>
		5,154	4,021
Creditors: amounts falling due within one year	10	(3,859)	(3,705)
Net current assets		1,295	316
Provision for future tax liabilities		<u>(35)</u>	<u>(12)</u>
Net assets excluding pension liabilities		1,260	304
Pension Asset / (Liability)		1,566	(9,674)
Net liabilities including pension liabilities		2,826	(9,370)
Reserves			
Pension reserve	13	5,326	(6,976)
Income and Expenditure Account – pension costs		(3,760)	(2,698)
Income and Expenditure Account – operating surplus	7 and 13	<u>1,260</u>	<u>304</u>
		2,826	(9,370)

These financial statements were approved by the Board on 28th August 2008 and were signed on its behalf by:



Ian Agnew, Chair

The notes on pages 12 to 18 form part of these financial statements

Cash flow statement

For the year ended 31 March 2008

This statement summarises the inflows and outflows of cash during the year.

	Note	2008 £000	2007 £000
Net cash inflow/(outflow) from operating activities	14a	1,190	(1,378)
Capital Expenditure			110
Returns on investments and servicing of finance			
Interest received		175	173
Interest paid		-	-
Net cash inflow from returns on investments		175	173
Taxation			
Corporation tax paid		(33)	(33)
Increase/(Decrease) in cash and investments	14c	1,332	(1,128)

The notes on pages 12 to 17 form part of these financial statements.

Statement of total recognised gains and losses

For the year ended 31 March 2008

This statement summarises the total recognised gains and losses.

	Note	2008 £000	2007 £000
Revenue surplus/(deficit) for the year		(106)	(1,779)
<u>Actuarial gain/(loss) recognised in the pension scheme</u>	18	<u>12,302</u>	<u>3,912</u>
Total gains and losses relating to the financial year		12,196	2,133

Reconciliation of movements in funds

For the year ended 31 March 2008

	Note	2008 £000	2007 £000
Revenue (deficit)/ surplus for the year		(106)	(1,779)
<u>Other recognised gains and losses relating to the year</u>		<u>12,302</u>	<u>3,912</u>
Net addition/(reduction) to funds		12,196	2,133
<u>Brought forward FRS 17 adjustment</u>		<u>(9,370)</u>	<u>(11,503)</u>
Closing funds		2,826	(9,370)

Notes (forming part of the financial statements)

The following notes provide more detailed information in order to assist in the interpretation of the main financial statements.

1 Principal Accounting Policies

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of preparation

The financial statements have been prepared on the historical cost basis of accounting.

The accounts have been prepared on a going concern basis.

Rochdale Boroughwide Housing has implemented the accounting changes required as a result of Financial Reporting Standard (FRS) 17. The impact of FRS 17 is to show the current cost of future pension liabilities that have accrued in the year in the Company's income and expenditure account. FRS 17 also requires that the surplus or deficit on the pension scheme at year-end is shown as a liability on the balance sheet. RBH can report a surplus for the first time this year. Measures put in place to address the previous deficit, by increasing employers' contributions etc have proven successful. The Management Fee from Rochdale Council is allowed to vary to reflect any changes in employer's payments to the pension fund and the Council has agreed to support all pension fund liabilities as and when they fall due.

Turnover

Turnover represents income fees received from Rochdale MBC for the management and maintenance of Rochdale MBC's housing stock and other income from operating activities.

Fixed Assets and Depreciation

RBH currently has no fixed assets. The computer equipment shown in 2005/6 accounts was transferred to The Council for leasing to RBH over the next 4 years. Office buildings, furniture and equipment, computer equipment, plant and vehicles are all rented or leased.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value and are issued on a First in first out (FIFO) basis.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. The HMRC have declared that ALMOs are considered as "not trading" with their parent council and are therefore exempt from corporation tax to the extent that surpluses are generated through this relationship.

Designated Reserves

The Company may choose to make a transfer to reserves to meet its anticipated future obligations. No reserve was established in 2007/8.

Pension Costs

The Company participates in the Local Government Pension Fund (LGPf) Superannuation scheme. The scheme is a final salary pension scheme and retirement benefits to employees of the Company are funded by contributions from all participating employers and employees in the scheme. Payments are made to the Greater Manchester Pension Fund operated by Tameside MBC. These payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable to the various participating organisations. The pension reserve represents the impact of actuarial gains and/or losses, which have been accounted for in the Statement of Total Recognised Gains and Losses.

2 Analysis of turnover

	£000	£000
Turnover	2008	2007
Management Fee Income	28,352	26,326
Other income	3,749	1,866
	32,101	28,192

3 Surplus/ (Deficit) on ordinary activities before taxation

	2008	2007
	£000	£000

Is stated after charging:

Auditors remuneration (including VAT):

Internal auditors	46	43
External Auditors - in their capacity as auditors	25	22
External Auditors – For other services	14	2
	85	71

4 Employee information

	2008	2007
	No.	No.

The average number of persons employed during the year, expressed as equivalent full time employees was:

Housing management	205	164
Housing maintenance	274	257
Administrative and clerical	127	131
	606	552

Staff costs for the above persons were:

	2008	2007
	£000	£000
Wages and salaries	13,537	12,149
Social security costs	892	844
Other pension costs	1,454	1,234
	15,883	14,227

5 Directors emoluments

The remuneration paid to the managers of the Company (the Board, Managing Director and Directors) was:

	2008	2007
	£000	£000
Aggregate emoluments payable to Directors (including pension contributions)	300	330

The reduction in 2007/8 is due to 2 directors retiring in April 2007 and not being replaced immediately. One of the posts has now been filled.

The £300k includes £87k, which was paid to the directors as compensation for loss of office.

The Company's Acting Managing Director was paid £99,000 including pension contributions, in 2007/08. The Managing Director was paid £102,000 in 2006/07. The Acting Managing Director is a normal member of the LGPS final salary pension scheme and does not receive any enhanced benefits.

Bands	No of directors:		
Up to £50k	2		
£50k to £60k	1		
£80k to £90k	1		
£90k to £100k	1		
		2008	2007
		£000	£000
Board Member Expenses		11	6

6 Taxation

Analysis of charge in period

	2008 £000	2007 £000
UK Corporation tax		
Current tax on income for the period	34	33
<u>Adjustments in respect of prior periods</u>	-	-
Total current tax	34	33

Factors that may affect future tax charges

If the scale of non-council sourced income were to significantly increase, this will have an impact on the level of corporation tax payable in future years.

7 Reconciliation of Surplus / (Deficit)

	2008 £000s	2007 £000s
Surplus / (Deficit) before pension costs	956	(525)
<u>Pension costs</u>		
Employer Contributions	1,455	1,234
Current Service Cost	(2,191)	(2,278)
Past Service Cost	(24)	
Settlements and Curtailments	(331)	(131)
Interest	29	(79)
<u>Sub-total of pension costs</u>	(1,062)	(1,254)
Reported Surplus / (Deficit) for the year	(106)	(1,779)

Reserves not including pension costs

In year Surplus / (Deficit)	956	(525)
Brought forward surpluses	304	829
<u>Total Reserves carried forward</u>	1,260	304

8 Stock

	2008 £000s	2007 £000s
Gross Stock	307	326
Provision for slow moving stock	(20)	0
<u>Net Stock carried forward</u>	287	326

9 Debtors

	2008 £000	2007 £000
Amounts receivable within one year:		
Rochdale MBC		
Management fee	-	-
Other	196	221
Prepayments	-	116
<u>Accrued income</u>	<u>483</u>	<u>355</u>
	679	692
Other debtors		
External debtors	99	22
Prepayments	277	463
<u>Accrued income</u>	<u>0</u>	<u>38</u>
<u>Sub-total other debtors</u>	<u>376</u>	<u>523</u>
Total	1,055	1,215

10 Creditors

	2008 £000	2007 £000
Amounts falling due within one year:		
Rochdale MBC		
Payments on account	-	-
Other	77	73
<u>Accruals and deferred income</u>	<u>1,643</u>	<u>1,821</u>
	1,720	1,894
Other creditors		
Trade creditors	1,302	305
HM Customs and Excise	485	256
<u>Accruals and deferred income</u>	<u>352</u>	<u>1,250</u>
<u>Sub-total other creditors</u>	<u>2,174</u>	<u>1,811</u>
Total	3,859	3,705

11 Provision for liabilities

	2008 £000	2007 £000
At beginning of year	8	-
Utilised during the year	(8)	-
<u>Amounts provided during the year</u>	<u>20</u>	<u>8</u>
At end of year	20	8

Also 3k bad debt provision in both years.

The £20k slow moving stock provision relates to central heating items that may be obsolete as they are parts for old boilers etc.

Equal Pay Claims – Contingent Liability

RBH is in the process of settling claims in respect of equal pay, following the Single Status Agreement introduced in 1997 by the National Joint Council for Local Government Services to bring together manual and white collar employees under one set of Terms and Conditions of employment. As at 31 March 2008 it is not possible to estimate with any certainty the likely financial impact in advance of such claims being made.

12 Constitution

RBH is a company limited by guarantee and does not have any share capital. There is only one "member" of the organisation. That "member" is Rochdale Council and the Company's articles of association state that no other person other than the Council Member shall be admitted to membership of the organisation.

13 Reserves

	Revenue Reserve	Pension Reserve	Total Reserves
	£000	£000	£000
At beginning of year	(2,394)	(6,976)	(9,370)
Revenue surplus/(deficit) for year	(106)	-	(106)
Actuarial gain/(loss) recognised in the pension scheme	-	12,302	12,302
At end of year	(2,500)	5,326	2,826

	2008	2007
	£000	£000
Pension reserve	5,326	(6,976)
Income and Expenditure Account	(2,500)	(2,394)
Total Reserves	2,826	(9,370)

14 Notes to the cash flow statement

a) Reconciliation of operating surplus to net cash inflow from operating activities

	2008	2007
	£000	£000
Operating Surplus/ (Deficit)	(276)	(1,779)
Depreciation	-	-
(Increase)/Decrease in stock	18	48
(Increase)/Decrease in debtors	160	(20)
Increase/(Decrease) in creditors	177	(810)
Movement in provisions	20	8
Pension current service cost	2,191	2,278
Pension Settlements and Curtailments	331	131
Past service costs	24	-
Pension contributions	(1,455)	(1,234)
Net cash inflow / (outflow) from operating activities	1,190	(1,378)

b) Reconciliation of net cash inflow to movement in net funds

	2008	2007
	£000	£000
Increase/(Decrease) in cash in the year	288	131
Change in net debt resulting from cash flows	1,044	(1,259)
Net funds at start of year	2,480	3,608
Net funds at end of year	3,812	2,480

c) Analysis of changes in net funds

	At 1 April 2007	Cash Flows	At 31 March 2008
	£000	£000	£000
Cash and investment	2,480	1,332	3,812
Debt due within one year	-	-	-
Debt due after one year	-	-	-
Net funds	2,480	1,332	3,812

15 Related Party Disclosures

The Company is wholly owned by Rochdale Council. Total Company turnover was £32.1M including £28.3M from the Council in management fee.

The six tenant Board members are Derek Brown, Philomena Renshaw, Keith Barker, Roy Thompson and Heather Stott (plus one vacancy following Gill Walch's resignation on 17.3.08). Acting as Board members does not allow them to influence their individual tenancies. During the year, because RBH's income is from the Council, the following Board members, as Councillors, have undertaken material transactions with Rochdale Boroughwide Housing: Cllr. Barbara Todd, Cllr. Dale Mulgrew Cllr. Michael Holly and Cllr. Brian Davies. The following Board members have also undertaken material transactions with RBH: Barbara Todd Chair of Greave Tenants and Residents Association and Derek Brown and Heather Stott as Directors of Rochdale Federation of Tenants and Residents Associations (ROFTRA). All transactions are on an arms-length basis.

16 Leasing

RBH has 10 year leases for a number of offices, a stores facility, and a 5 year lease for an office due to expire in 2011.

RBH is committed to making payments under operating leases in the next year, as follows:

	At 31/3/08 £000s			At 31/3/07 £000s		
Future Leasing Obligations	1 year	2 - 5 years	Over 5 Yrs	1 year	2 - 5 years	Over 5 Yrs
Land & Buildings	361	1,340	653	360	1,395	960
Other	82	213	0	86	268	26
Grand Total	443	1,553	653	446	1,663	986

17 Equality and Diversity

RBH's commitment to promoting equality and valuing diversity is outlined in its Equality and Diversity policy document. The policy describes how RBH will comply with race relations legislation, the Sex Discrimination Act 1975, and the Disability Discrimination Act 1995. RBH has employed an Equality and Diversity Manager to ensure that RBH meets its obligations in this respect.

18 Pensions

The Company participates in the Greater Manchester Fund of the Local Government Pension Scheme LGPS. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £1.455M (2007: £1.234M). There were no outstanding or prepaid contributions at either the beginning or end of the year.

The pension scheme provides benefits based on final pensionable pay, contributions being charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the Company.

The contributions are determined by a qualified actuary, and have been set at 13.60% for 2008/9, 14.60% for 2009/10 and 15.70% for 2010/11. The last formal valuation was 31 March 2007. The financial assumptions underlying the most recent valuation of the LGPS are as follows: -

Valuation method	Projected unit
Market value of assets	£9,153 million
Investment return per annum	6.9%
Salary scale increases per annum	5.1%
Pension increases per annum	3.6%

Financial Reporting Standard No 17

Under the requirements of FRS 17, the Company is required to disclose further information on its share of assets and liabilities of the LGPS on a market value basis at the end of the accounting period. This information is set out below:

Actuarial assumptions	At 31 March 2008	At 31 March 2007
Discount rate	6.9%	5.4%
Salary increase rate	5.1%	4.7%
Pension increase rate	3.6%	3.2%
Rate of inflation	3.6%	3.2%
Scheme assets and expected rate of return		
Equities	7.7%	7.8%
Bonds	5.7%	4.9%
Property	5.7%	5.8%
Cash	4.8%	4.9%
Total market value of assets	£ 42,182M	£37,333M
Value of scheme liabilities	(£40,616M)	(£47,007M)
Net pension asset/(liability)	1,566M	(£9,674M)

Analysis of amounts charged to operating surplus/(deficit)

	2008	2007
	£'000	£'000
Current service cost and total operating charge	2,191	2,278
Past service cost	24	-
<u>Curtailment and Settlements</u>	<u>331</u>	<u>131</u>
Total operating charge	2,546	2,409

Analysis of amounts credited to other finance income

	2008	2007
	£'000	£'000
Expected return on pension scheme assets	2,637	2,223
<u>Interest on pension scheme liabilities</u>	<u>(2,608)</u>	<u>(2,302)</u>
<u>Net return</u>	<u>29</u>	<u>(79)</u>
Net Revenue Account Cost	2,517	2,488

Analysis of amounts recognised in statement of total**Recognised gains and losses**

	2008	2007
	£'000	£'000
Actual return less expected return on pension scheme assets	(4,047)	226
Experience gains and losses arising on the scheme liabilities	5,895	46
<u>Changes in assumptions underlying the present value of the scheme liabilities</u>	<u>10,454</u>	<u>3,640</u>
Actuarial gain/(loss) recognised in STRGL	12,302	3,912

Movement in surplus/(deficit) in the year

	2008	2007
	£'000	£'000
Deficit in scheme at beginning of year	(9,674)	(12,332)
Movement in year:		
Current service cost	(2,191)	(2,278)
Contributions	1,455	1,234
Past service cost	(24)	-
Impact of Settlements and Curtailments	(331)	(131)
Other finance income	29	(79)
<u>Actuarial gain/ (losses)</u>	<u>12,302</u>	<u>3,912</u>
Surplus/(Deficit) in scheme at end of year	1,566	(9,674)

History of experience of gains and losses

	2008	2007
Difference between actual and expected return on scheme assets	(4,047)	226
Value of assets	42,182	37,333
% of scheme assets	(9.6%)	0.6%
Experience gains and losses on scheme liabilities (a)	5,895	46
Present value of liabilities (b)	40,616	47,007
% of present value of scheme liabilities % (a)/(b)	14.5%	(0.1%)
Total amount recognised in STRGL: (c)	12,302	3,912
Present value of liabilities (b)	40,616	47,007
% of present value of scheme liabilities % (c)/(b)	(30.3%)	(8.3%)