

Rochdale Boroughwide Housing Limited
Company accounts

Directors' report and financial statements
Registered number 4394435
Year ended 31 March 2009

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Rochdale Boroughwide Housing Ltd

Board and Advisors

Board

Jan Agnew (Chair)	Peter Brierley (appointed 14/05/08)
Derek Brown (retired 23/09/08)	Tim Byrne (appointed 23/09/08)
Philomena Renshaw (Vice Chair)	Tom Hilton (appointed 23/09/08)
Desmond Morris	Keith Gordon (appointed 06/03/09)
Heather Stott (retired 11/01/09)	Pat Coldough (appointed 15/05/08)
Brian Davies (retired 30/04/08)	Tereza Fitzsimons (appointed 15/05/08)
Ian Harlow	James Gartside (appointed 04/02/09)
Keith Barker (retired 23/09/08)	Jonathan Burns (appointed 15/05/08, retired 15/09/08)
Roy Thompson	Liz Thirsk (appointed 15/05/08, retired 05/11/08)
Michael C.Holly (retired 13/05/08)	
Barbara Todd (retired 09/05/08)	
Dale Mulgrew (retired 09/05/08 re-appointed 15/05/08)	

Advisors To Board

Dr A Wahid Choudhry
Noel Chambers

Executive Officers

Chief Executive
Gareth Swarbrick

Operations Director

Andrew Toft

Director of Property Services

Eugene Wilson

Business Support Director

Vacant at 31/03/09

Auditors

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

Deloitte & Touche LLP,

(P.O. Box 500),
2 Hardman St,
Manchester.
M60 2AT

Redesignated to

Director of Resources

Nickie Hallard appointed 22/6/09

Secretary and Registered Office

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

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

Statement of Chair and Chief Executive

During the last twelve months, RBH has remained firmly committed to providing the people of Rochdale with excellent services and at the same time has continued to take on new challenges and sought to adapt and meet the changing needs and expectations of customers. We have strengthened the way we work with the Council and on 24th November 2008 Gareth Swarbrick was appointed as Chief Executive. With the Council and other key partners we have continued to address key issues such as:

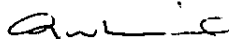
- Building new affordable houses for rent
- Contributing to the regeneration of the Borough
- Tackling financial exclusion
- Improving the look of estates through environmental works and an enhanced caretaking service
- Modernising the way in which customers can access our services.

We can be extremely proud of what we have achieved in 2008/09, which has only been possible because of the continued support, enthusiasm and hard work of tenants, leaseholders, Board Members, Councillors, staff and partner organisations. We are confident that the lead that RBH is taking in establishing an Investment and Involvement Commission to look into the strategic options for council housing in Rochdale in the future will ensure that tenants and leaseholders will continue to receive the services that they want and deserve from RBH for many years to come.



Ian Agnew

Chair of the board



Gareth Swarbrick

Chief Executive

Report of the Board of Directors for the Year Ended 31 March 2009

The Board of Directors presents its report and the audited financial statements for the year ended 31 March 2009.

Review of business and future developments

Once again RBH has recorded an in-year surplus (of £301k) before accounting for pension costs. When taking account of reserves brought forward of £1.260M, RBH has reserves of £1.561M at 31 March (not including accounting for pension costs of £4.187M).

2008/09 has been a year when our Value for Money and Procurement strategies have both been fully reviewed and updated with a strong focus on business development activity. The establishment of a charitable subsidiary, Brighter Horizons Ltd, as a development vehicle for new build and former RTB dwellings has perhaps been the most significant achievement over the last twelve months. The company is expected to begin trading early in 2009/10. Since year end, we have had confirmation that we will receive the social housing grant to help finance the project on Croft St. As neither Brighter Horizons, nor the joint venture company Safeguard Security Solutions Ltd were trading at 31st March 2009, these accounts are both group and company accounts.

Other key developments and achievements for 2008/09 are as follows:

- RBH has built upon its track record of delivering efficiencies by achieving cash releasing savings during the year in excess of £750,000, a significant proportion of which have been re-invested in service improvements
 - For the fifth year running RBH were awarded the International Health and Safety Award.
 - Our year-end Decent Homes figure was 98.2%, placing Rochdale amongst the very best performing local authority areas.
 - The RBH Community Kids programme (part of Communities First) was a finalist in the UKHA awards
- Board of Directors presents its report and the audited financial statements for the year ended 31 March 2009.

Future Developments for 2009/10

- RBH is continuing to implement the recommendations from the access to services review, reconfiguring the office network and how customers access our services. This includes the establishment of a financial inclusion team to advise tenants on money matters and debt reduction to reduce the number of cases of tenants in arrears being taken to court.
- In the new financial year, RBH will implement a revised pay structure following a pay and grading review.
- A revised appraisal / competency framework is being developed to focus and enhance employee performance and recognise good qualities in staff.
- An Investment and Involvement Commission will be established by RBH, RMBC and tenants to investigate the future options for the housing Revenue Account (HRA) and the future ownership, management and maintenance of the Council's housing stock, headed by an independent chair

Principal risks and uncertainties

Both the Strategic and Operational risk registers have been monitored and updated via the Audit, Risk and Governance Sub-Committee throughout the year.

The key strategic risks are around:

- Business Continuity – RBH is reviewing its IT support arrangements with the Council and Impact (the service provider) and the Business Continuity Team is meeting on a regular basis to plan our response to a flu pandemic.
- Insufficient funding to maintain services and Decent Homes – RBH is taking a lead role in the local HRA future options review

Key Performance Indicators

Rent collection figures are slightly down on last year (excluding water charges), but still extremely good given the current economic climate.

The average void relet times reduced to 27 days following the implementation of new working methods as a result of the Viper project recommendations. This has led to the reduction in % rent lost.

The increase in personnel % days lost due to sickness has risen slightly in 2008/9 due to increased long term sickness

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

The table below shows RBH performance for 2007/8 and 2008/9.

Indicator	Target 2007/8	Actual 2007/8	Target 2008/9	Actual 2008/9
% Rent Collected (excluding water)	97.8%	97.8%	97.9%	97.4%
Empty Properties % rent lost	1.3%	1.3%	1.3%	1.1%
Empty Properties – average days to relet	35	34	33	27
Repairs – average time to complete non-urgent repairs	10	9	10	11
Repairs - % urgent jobs completed in Government timescales	97.8%	96.2%	97.9%	98.8%
Repairs - % completed in priority timescales	95.0%	96.7%	96%	97.6%
Repairs – satisfaction with service	90%	93%	93%	93%
Right to Buy applications actioned within Government timescales	100%	100%	100%	100%
Personnel - % days lost to sickness	4%	3.7%	4%	4.2%
Complaints - % answered in 15 working days	97%	93.2%	97%	97.6%
Overall Tenant Satisfaction	76%	82%	82.5%	81%

Our Governance Arrangements

The Main Board of RBH comprises six tenants, four councillors and three independents. As at 31st March 2009 there are no vacancies.

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 7 times in 2008/09.

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 2009.

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 4 Board Members.

The Sub-Committee met 4 times in 2008/09.

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 2008/09.

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 2 occasions during the year and received regular reports on company expenditure and commitments against approved budgets.

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 2008/09.

Staffing Sub-Committee have been involved with the pay and grading review since the pilot scheme in 2004 and have been involved in agreeing relevant procedures, monitoring progress and finally being involved with the final package of proposals in terms of giving them the opportunity to comment on the proposals being developed. The Board, however, actually approved the final 2 reports which related to the full set of proposals and then the outcome of consultation.

Policy and practice on payment of creditors

It is the policy of the Company to pay its creditors within 30 days. However, to help smaller businesses through the current economic climate, RBH has chosen to pay undisputed invoices within 10 days of receipt of invoice wherever possible. Overall, 96.7% of invoices were paid within 30 days of receipt.

RBH is working with suppliers of non-stocked items to enable them to be level 3 compliant with Barclaycard facilities. Suppliers need to be able to show VAT on a line-by-line basis for each transaction. This will further reduce transaction processing costs and be beneficial to suppliers, who will be paid by Barclaycard in a 3-day timescale.

At the year-end, there were 6 days purchases in trade creditors (2007/08 was 7 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 27th August 2009 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 2009, 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.

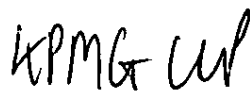
Opinion

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 2009 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

21 October 2009

Date

Income and Expenditure Account RBH Ltd

Year ended 31 March 2009

	Note	2009 £000	2008 £000
Turnover	2	32,691	32,101
Operating costs		(33,011)	(32,377)
Operating surplus/(deficit)		(320)	(276)
Interest receivable and other income		132	175
Interest payable and similar charges		-	-
Other finance income/(expense)	18	90	29
Surplus/ (deficit) on ordinary activities before taxation		(98)	(72)
Taxation on surplus/ (deficit) from ordinary activities	6	(28)	(34)
Surplus/(Deficit) on ordinary activities after taxation		(126)	(106)
Transfer to/from reserves	13	-	-
Surplus/ (deficit) for the year		(126)	(106)
Revenue reserves brought forward	13	(2,500)	(2,394)
Revenue reserves carried forward	13	(2,626)	(2,500)

All amounts relate to continuing activities.

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

Balance Sheet RBH Ltd

As at 31 March 2009

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 2009).

	Note	2009 £000	2008 £000
Current assets			
Stock	8	290	287
Debtors	9 and 11	1,734	1,055
Cash at bank and in hand / Short term investments		2,300	3,812
		4,324	5,154
Creditors: amounts falling due within one year	10	(2,724)	(3859)
Net current assets		1,600	1,295
Provision for future tax liabilities		(28)	(35)
Net assets excluding pension liabilities		1,572	1,260
Pension Asset / (Liability)		(4,198)	1,566
Net liabilities including pension liabilities		(2,626)	2,826
Reserves			
Pension reserve	13	(11)	5,326
Restricted Reserve		11	
Income and Expenditure Account – pension costs		(4,187)	(3,760)
Income and Expenditure Account – operating surplus : 7 and 13		1,561	1,260
		(2,626)	2,826

These financial statements were approved by the Board on 27th August 2009 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 2009

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

	Note	2009 £000	2008 £000
Net cash inflow/(outflow) from operating activities	14a	(1,616)	1,190
Capital Expenditure		-	-
Returns on investments and servicing of finance		-	-
Interest received		132	175
Interest paid		-	-
Net cash inflow from returns on investments		(1,484)	175
Taxation			
Corporation tax paid		(28)	(33)
Increase/(Decrease) in cash and investments	14c	(1,512)	1,332

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

Statement of total recognised gains and losses

For the year ended 31 March 2009

This statement summarises the total recognised gains and losses.

	Note	2009 £000	2008 £000
Revenue surplus/(deficit) for the year		(126)	(106)
Restricted Reserve		11	-
Actuarial gain/(loss) recognised in the pension scheme	18	(5,337)	12,302
Total gains and losses relating to the financial year		(5,452)	12,196

Reconciliation of movements in funds

For the year ended 31 March 2009

	Note	2009 £000	2008 £000
Revenue (deficit)/ surplus for the year		(126)	(106)
Restricted Reserve		11	-
Other recognised gains and losses relating to the year		(5,337)	12,302
Net addition/(reduction) to funds		(5,452)	12,196
Brought forward FRS 17 adjustment		2,826	(9,370)
Closing funds		(2,626)	2,826

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. Measures put in place to address the deficit, by increasing employers' contributions etc have proven successful, but the current economic climate and the revaluation of the fund have resulted in a deficit in 2008/9.. 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. A stocktake was completed over the weekend of 27th March to 31st March including the agreement of stock to be transferred to SSSL on 1st April 2009.

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 2008/9.

Restricted Reserves

The restricted reserve in 2008/9 relates to a legacy for the benefit of one of the sheltered housing schemes.

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	2009	2008
Management Fee Income	28,605	28,352
Other income	4,086	3,749
	32,691	32,101

3 Surplus/ (Deficit) on ordinary activities before taxation

	2009	2008
	£000	£000

Is stated after charging:

Auditors remuneration (including VAT):

Internal auditors	49	46
External Auditors - in their capacity as auditors	27	25
External Auditors - For other services	4	14
	80	85

4 Employee information

	2009	2008
	No.	No.

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

Housing management	201	205
Housing maintenance	278	274
Administrative and clerical	117	127
	596	606

Staff costs for the above persons were:

	2009	2008
	£000	£000
Wages and salaries	13,677	13,537
Social security costs	897	892
Other pension costs	1,589	1,454
	16,163	15,883

5 Directors emoluments

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

	2009	2008
	£000	£000
Aggregate emoluments payable to Directors (including pension contributions)	269	300

The reduction in 2008/9 is due to the Business Support Director post being left vacant until the appointment of the Chief Executive in November 2008. Gareth Swarbrick, the Acting Managing Director was appointed as Chief Executive and has redesignated the Business Support Director post as a Director of Resources, with more emphasis on the financial development of RBH. This post was filled in June 2009.

The Company's Chief Executive was paid £103,000 including pension contributions, in 2008/09. The Managing Director was paid £99,000 in 2007/08. The Chief Executive is a normal member of the LGPS final salary pension scheme and does not receive any enhanced benefits.

Bands	No of directors:
£70k to £80k	1
£80k to £90k	1
£90k to £100k	0
£100k to £110k	1

	2009	2008
	£000	£000
Board Member Expenses	10	11

6 Taxation

Analysis of charge in period

	2009 £000	2008 £000
UK Corporation tax		
Current tax on income for the period	28	34
Adjustments in respect of prior periods	-	-
Total current tax	28	34

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)

	2009 £000s	2008 £000s
Group		
Surplus / (Deficit) before pension costs	301	956
<u>Pension costs</u>		
Employer Contributions	1,586	1,455
Current Service Cost	(1,485)	(2,191)
Past Service Cost	(606)	(24)
Settlements and Curtailments	(12)	(331)
Interest	90	29
Sub-total of pension costs	(427)	(1,062)
Reported Surplus / (Deficit) for the year	(126)	(106)

Reserves not including pension costs

	£000s	£000s
In year Surplus / (Deficit)	301	956
Brought forward surpluses	1,260	304
Total Reserves carried forward	1,561	1,260

8 Stock

	2009 £000s	2008 £000s
Gross Stock	313	307
Provision for slow moving stock	(23)	(20)
Net Stock carried forward	290	287

9 Debtors

	2009 £000	2008 £000
Amounts receivable within one year:		
Rochdale MBC		
Management fee	-	-
Other	680	196
Prepayments	-	-
<u>Accrued income</u>	<u>731</u>	<u>483</u>
	1,411	679
Other debtors		
External debtors	30	99
Prepayments	293	277
<u>Accrued income</u>	<u>0</u>	<u>0</u>
<u>Sub-total other debtors</u>	<u>323</u>	<u>376</u>
Total	1,734	1,055

10 Creditors

	2009 £000	2008 £000
Amounts falling due within one year:		
Rochdale MBC		
Payments on account	-	-
Other	270	77
<u>Accruals and deferred income</u>	<u>1,027</u>	<u>1,643</u>
	1,297	1,720
Other creditors		
Trade creditors	890	1,302
HM Customs and Excise	132	485
<u>Accruals and deferred income</u>	<u>405</u>	<u>352</u>
<u>Sub-total other creditors</u>	<u>1,427</u>	<u>2,174</u>
Total	2,724	3,859

11 Provision for liabilities

	2009 £000	2008 £000
At beginning of year	20	8
Utilised during the year	(3)	(8)
<u>Amounts provided during the year</u>	<u>6</u>	<u>20</u>
At end of year	23	20

Also 3k bad debt provision in both years.

The £23k slow moving stock provision relates to central heating and other stocked 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 2009 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 £000	Pension Reserve £000	Restricted Reserve £000	Total Reserves
At beginning of year	(2,500)	5,326	-	2,826
Legacy for benefit of Falinge Mews	-	-	11	11
Revenue surplus/(deficit) for year	(126)	-	-	(126)
Actuarial gain/(loss) recognised in the pension scheme	-	(5,337)	-	(5,337)
At end of year	(2,626)	(11)	11	(2,626)

	2009 £000	2008 £000
Pension reserve	(11)	5,326
Restricted reserve	11	0
Income and Expenditure Account	(2,626)	(2,500)
Total Reserves	(2,626)	2,826

14 Notes to the cash flow statement

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

	2009 £000	2008 £000
Operating Surplus/ (Deficit)	(320)	(276)
Depreciation	-	-
(Increase)/Decrease in stock	(6)	18
(Increase)/Decrease in debtors	(679)	160
Increase/(Decrease) in creditors	(1,135)	176
Movement in Tax Provision	(7)	1
Movement in provisions	3	20
Restricted Fund receipt	11	-
Pension current service cost	1,485	2,191
Pension Settlements and Curtailments	12	331
Past service costs	606	24
Pension contributions	(1,586)	(1,455)
Net cash inflow / (outflow) from operating activities	(1,616)	1,190

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

	2009 £000	2008 £000
Increase/(Decrease) in cash in the year	(590)	288
Change in net debt resulting from cash flows	(922)	1,044
Net funds at start of year	3,812	2,480
Net funds at end of year	2,300	3,812

c) Analysis of changes in net funds

	At 1 April 2008 £000	Cash Flows £000	At 31 March 2009 £000
Cash and investment	3,812	(1,512)	2,300
Debt due within one year	-	-	-
Debt due after one year	-	-	-
Net funds	3,812	(1,512)	2,300

15 Related Party Disclosures

The Company is wholly owned by Rochdale Council. Total Company turnover was £32.7M including £28.6M from the Council in management fee.

Acting as Board members does not allow tenant Board members 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, Cllr. Brian Davies, Cllr Pat Coldough, Cllr Tereza Fitzsimons, Cllr James Gartside, Cllr Jonathan Burns and Cllr Liz Thirsk. The following Board members have also undertaken material transactions with RBH: Barbara Todd Chair of Greave Tenants and Residents Association and Derek Brown, Heather Stott Peter Brierley, Tim Byrne and Keith Gordon as Directors of Rochdale Federation of Tenants and Residents Associations (ROFTRA). All transactions are on an arms-length basis.

RBH Ltd has a wholly owned subsidiary company, Brighter Horizons, and a joint venture company registered with Companies House. RBH has a 50% interest in the joint venture company (Safeguard Security Solutions Ltd (SSSL)).

Neither company has traded in 2008/9. The Property Services Director, Eugene Wilson is also a director of SSSL and G M Procure, a consortia set up to deliver effective collective procurement in the North West. Andrew Toft, Operations Director, is also a director of Harrogate Youth Build Trust.

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 years, as follows:

Future Leasing Obligations	At 31/3/09 £000s			At 31/3/08 £000s		
	1 year	2 - 5 years	Over 5 Yrs	1 year	2 - 5 years	Over 5 Yrs
Land & Buildings	377	1,296	346	361	1,340	653
Other	87	158	0	82	213	0
Grand Total	464	1,454	346	443	1,553	653

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 £1.5865M (2008: £1.455M). There were no outstanding or prepaid contributions at either the beginning or end of the year.

Change of fund valuation method

Under the 2008 SORP, RBH has adopted the amendment to FRS 17, Retirement benefits. As a result, quoted securities held as assets in the defined benefit scheme are now valued at bid price rather than mid-market value. The effect of this change was a loss of £147k shown in the Actual less Expected Return on Assets.

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 14.60% for 2009/10, 15.70% for 2010/11, and 16.80% for 2011/12. 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	£7,345 million
Investment return per annum	6.3%
Salary scale increases per annum	4.6%
Pension increases per annum	3.1%

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 2009	At 31 March 2008
Discount rate	6.9%	6.9%
Salary increase rate	4.6%	5.1%
Pension increase rate	3.1%	3.6%
Rate of inflation	3.1%	3.6%
Scheme assets and expected rate of return		
Equities	7.0%	7.7%
Bonds	5.4%	5.7%
Property	4.9%	5.7%
Cash	4.0%	4.8%
 Total market value of assets	 £ 36,252M	 £42,182M
Value of scheme liabilities	(£40,450M)	(£40,616M)
Net pension asset/(liability)	(£4,198M)	£1,566M

Analysis of amounts charged to operating surplus/(deficit)

	2009	2008
	£'000	£'000
Current service cost and total operating charge	1,485	2,191
Past service cost	606	24
<u>Curtailment and Settlements</u>	<u>12</u>	<u>331</u>
Total operating charge	2,103	2,546

Analysis of amounts credited to other finance income

	2009	2008
	£'000	£'000
Expected return on pension scheme assets	2,959	2,637
<u>Interest on pension scheme liabilities</u>	<u>(2,869)</u>	<u>(2,608)</u>
<u>Net return</u>	<u>90</u>	<u>29</u>
Net Revenue Account Cost	2,012	2,517

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

	2009	2008
	£'000	£'000
Actual return less expected return on pension scheme assets	(10,324)*	693
Experience gains and losses arising on the scheme liabilities	0	1,155
<u>Changes in assumptions underlying the present value of the scheme liabilities</u>	<u>4,987</u>	<u>10,454</u>
Actuarial gain/(loss) recognised in STRGL	(5,337)	12,302

*This figure includes the adjustment of (£147k) in respect of the change in the valuation of assets from mid value to bid value.

Movement in surplus/(deficit) in the year

	2009	2008
	£'000	£'000
Asset / (Deficit) in scheme at beginning of year	1,566	(9,674)
Movement in year:		
Current service cost	(1,485)	(2,191)
Contributions	1,586	1,455
Past service cost	(606)	(24)
Impact of Settlements and Curtailments	(12)	(331)
Other finance income	90	29
<u>Actuarial gain/ (losses)</u>	<u>(5,337)</u>	<u>12,302</u>
Surplus/(Deficit) in scheme at end of year	(4,198)	1,566

History of experience of gains and losses

	2009	2008	2007	2006	2005
Difference between actual and expected return on scheme assets	(10,324)	693	226	4,182	1,156
Value of assets	36,252	42,182	37,333	33,344	25,869
% of scheme assets	(28.5%)	1.6%	0.6%	12.5%	4.5%
Experience gains and losses on scheme liabilities (a)	0	1,155	46	(1)	(1,935)
Present value of liabilities (b)	(40,450)	(40,616)	(47,007)	(45,676)	(34,774)
% of present value of scheme liabilities % (a)/(b)	N/A	2.8%	0.1%	0.00	5.6%
Total amount recognised in STRGL: (c)	(5,337)	12,302	3,912	(2,677)	(1,585)
Present value of liabilities (b)	(40,450)	(40,616)	(47,007)	(45,676)	(34,774)
% of present value of scheme liabilities % (c)/(b)	(13.2%)	30.3%	8.3%	5.9%	4.6%