

A1 HOUSING BASSETLAW LIMITED
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2006

Company Registration No. 5233802



A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

DIRECTORS AND OFFICERS

DIRECTORS

Michael Bowskill (Chairman)	Independent member
Councillor Frank Martin (Vice-Chair)	Council member
Roy Tomlinson (Vice-Chair)	Tenant member
Councillor Perry Offer	Council member
Councillor Anthony Tromans	Council member
Councillor Jose Barry	Council member
Councillor Michael Kerrigan	Council member
John Mead	Tenant member
Heather Mcmillan	Tenant member
Vaughan Thomas	Tenant member
Caroline Mason	Independent member
Penny Murch	Independent member
Alison Palmer	Independent member
Philip Whitehead	Independent member

SECRETARY

Richard Jennings

- Appointed 1 July 2005

Bernard Coleman

- Resigned 1 July 2005

REGISTERED OFFICE

Carlton Forest House
Hundred Acre Lane
Worksop
Nottinghamshire
S81 0NT

AUDITORS

Baker Tilly
Chartered Accountants
Park House
Station Square
Coventry
CV1 2NS

EXECUTIVE MANAGEMENT TEAM

Bernard Coleman	Managing Director	
Steve Fuller	Director of Housing Management	
Don Spittlehouse	Director of Technical Services	
Richard Jennings	Director of Corporate Services	
Joice Richards	Director of Strategy and Change	- Appointed 6 March 2006

A1 HOUSING BASSETLAW LIMITED

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DIRECTORS' REPORT

The directors submit their report and the financial statements of A1 Housing Bassetlaw Limited for the year ended 31 March 2006.

PRINCIPAL ACTIVITIES

The Company's principal activity during the year was the management and maintenance of the housing stock on behalf of Bassetlaw District Council (BDC), these numbered 7,156 units as at 31 March 2006 (7,303 at 31 March 2005). The company was established as an Arms Length Management Organisation in accordance with a Government policy initiative for local authority housing management.

A1 Housing Bassetlaw Limited is responsible for the day-to-day management of the housing services which includes housing management, warden services, housing repairs, capital works and technical and design services.

Under a management agreement with Bassetlaw District Council, A1 Housing Bassetlaw Limited receives funding to manage and maintain the housing stock on behalf of Bassetlaw District Council. This is shown in the Company's profit and loss account under the heading 'Turnover'.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

An additional £62 million will be made available for A1 Housing to bring homes in Bassetlaw up to the Government's 'Decent Homes' standard, this is subject to A1 Housing receiving a two star rating from the Audit Commission's inspectors.

In May 2005 the Audit Commission inspected A1 Housing, the inspection resulted in a disappointing zero star rating, with uncertain prospects for improvement. This result delayed access to an additional £62 million to improve Council houses in Bassetlaw.

The major weaknesses identified by the inspectors were:

- Lack of customer care across the service.
- Aids and adaptations were taking a long time.
- The non-urgent cyclical/planned repairs service was poor, taking up to six months for completion.
- The ALMO did not treat value for money as a priority
- There was confusion about the respective responsibilities of A1 Housing and Bassetlaw District Council.

In order to access the additional money A1 Housing have to demonstrate to the Audit Commission sufficient improvement when we are re-inspected in December 2006. To do this we agreed an Improvement Plan with Bassetlaw District Council to deliver the necessary changes, some of the key aspects were:

- Introduction of a corporate Customer Care Strategy that has been agreed with Tenant and Resident Associations.
- Investing additional resources in clearing the current backlog of adaptations to Council houses.
- The development of regular estate inspections by officers, A1 Housing Board Members, local tenant representatives and officers from the Council.
- A review of the Council's Repairs Policy to reduce the number of emergency and urgent jobs and increase expenditure on planned maintenance.
- Market testing elements of our services against private sector companies including the window factory, joiners shop, repairs to empty properties and general responsive repairs.
- Resolving the confusion over responsibilities of A1 Housing and Bassetlaw District Council.

A1 HOUSING BASSETLAW LIMITED

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DIRECTORS' REPORT

As part of the Improvement Plan, in March 2006, A1 Housing employed Housing Consultancy Partnership (all experienced Audit Commission inspectors) to carry out a mock inspection using Audit Commission procedures. The result of this inspection was to rate A1 Housing as 1 star with promising prospects for improvement.

Part of the Improvement Plan involved re-structuring A1 Housing following the market testing of A1's Building Repairs Service. The re-structuring has caused A1 Housing short-term financial pain, amounting to £103,000. In the long term the changes do represent Value for Money, for example windows are now procured 48% cheaper than the now closed, in-house manufacturing facility, this alone will lead to annual savings in excess of £200,000 based on last years volumes.

The March 2006 inspection shows A1 Housing have made considerable progress since last year, and that we are on the right road to achieve 2 stars in December 2006. A1 Housing are now working on addressing the key weaknesses identified in the March 2006 inspection, these include:

- Improving the allocations and lettings service
- Improving the supported housing service, including the sustainability of 3 sheltered schemes
- Improving leasehold management
- Improving Value For Money across all service areas, building on the improvements since 2005
- Improving the approach to dealing with Anti-Social Behaviour
- Improving tenant and resident involvement
- Developing an overarching customer care strategy

In order to monitor progress at A1 Housing we record a number of performance indicators. Managers monitor these on a monthly basis. We have delivered improvements since A1 Housing was created and our key performance indicators on empty properties; repair timescales and rent have all improved.

We had 143 empty properties at the end of 2004-05, the target for 2005-06 was 130, and we achieved 138 by the end of 2005-06.

The percentage of urgent repairs within government timescales was 97.5% for 2004-05, with a target of 97.5% for 2005-06, we achieved 99.3%. The average time to complete non-urgent repairs had a target of 26 days, we achieved 22.3 days.

Current tenant arrears were £467,000 at the end of 2004-05, the target for 2005-06 was £427,000, we beat this target with current tenant arrears of £389,000.

Former Tenant Arrears were £562,000 at the end of 2004-05, the target for 2005-06 was £540,000, we beat this target with Former Tenant Arrears of £411,000.

A1 Housing and Bassetlaw District Council are both committed to delivering the Decent Homes work by the Government target of 2010/2011. Since setting up A1 Housing last year we have undertaken work on delivering the Decent Homes Standard.

The key focus for A1 Housing over the next year is to achieve a two star rating from the Audit Commission, resulting in the release of the additional £62 million to bring homes in Bassetlaw up to the Government's 'Decent Homes' standard.

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DIRECTORS' REPORT

DIRECTORS

The following directors have held office during the period

		Date of appointment	Date resigned
Michael Bowskill (Chair)	Independent Member	28 October 2004	
Councillor Frank Martin (Vice-Chair)	Council Member	16 September 2004	
Roy Tomlinson (Vice-Chair)	Tenant Member	16 September 2004	
Councillor Perry Offer	Council Member	16 September 2004	
Councillor Anthony Tromans	Council Member	16 September 2004	
Councillor Jose Barry	Council Member	16 September 2004	
Councillor Michael Kerrigan	Council Member	16 September 2004	
Helen Woodhead	Tenant Member	16 September 2004	10 November 2005
Kevin Somers	Tenant Member	16 September 2004	11 August 2005
John Mead	Tenant Member	16 September 2004	
Gill Benton	Tenant Member	16 September 2004	11 August 2005
Heather Mcmillan	Tenant Member	15 December 2005	
Vaughan Thomas	Tenant Member	10 November 2005	
Caroline Mason	Independent Member	28 October 2004	
Penny Murch	Independent Member	16 September 2004	
Alison Palmer	Independent Member	16 September 2004	
Philip Whitehead	Independent Member	16 September 2004	

POLITICAL AND CHARITABLE DONATIONS

The company made no contributions to political or charitable organisations.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board



M Bowskill Chairman

1 August 2006

A1 HOUSING BASSETLAW LIMITED

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DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF A1 HOUSING BASSETLAW LIMITED

We have audited the financial statements on pages 7 to 18.

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 directors and auditors

The directors' responsibilities for preparing the Annual Report 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 Directors' Responsibilities.

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, and whether the information given in the Directors' Report is consistent with the financial statements. We also 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 directors' remuneration and other transactions is not disclosed.

Basis of audit opinion

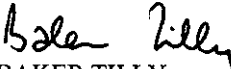
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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 United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs at 31 March 2006 and of its loss for the year then ended and 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.


BAKER TILLY
Registered Auditor
Chartered Accountants
Park House
Station Square
Coventry CV1 2NS

4 August 2006

A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2006

		Year to 31 March 2006 £'000	Period from 16 September 2004 to 31 March 2005 As restated £'000
	Notes		
Turnover	1	13,189	6,389
Operating costs	2	(13,139)	(6,378)
Operating profit		<u>50</u>	<u>11</u>
Exceptional restructuring costs	3	(103)	-
Interest payable	4	<u>(36)</u>	<u>(56)</u>
Loss on ordinary activities before taxation	5	(89)	(45)
Taxation	7	<u>8</u>	<u>(8)</u>
Retained loss for the period	12	<u>(81)</u>	<u>(53)</u>

All activities carried out in the period are classed as continuing activities.

A1 HOUSING BASSETLAW LIMITED

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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 March 2006

	Year to 31 March 2006 £'000	Period from 16 September 2004 to 31 March 2005 As restated £'000
(Loss)/profit for the year	(81)	34
Prior year adjustment	-	(87)
	<hr/>	<hr/>
Loss for the year	(81)	(53)
Actuarial loss	(758)	(2,699)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	(839)	(2,752)
	<hr/>	<hr/>

A1 HOUSING BASSETLAW LIMITED

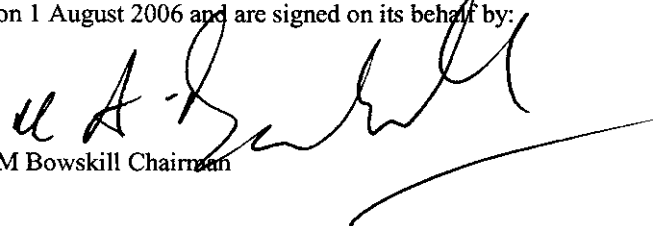
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BALANCE SHEET

31 March 2006

	<i>Notes</i>	2006 £'000	2005 As restated £'000
CURRENT ASSETS			
Stocks	8	87	84
Debtors	9	1,467	7,139
		<hr/>	<hr/>
		1,554	7,223
CREDITORS			
Amounts falling due within one year	10	(1,567)	(7,189)
		<hr/>	<hr/>
NET CURRENT (LIABILITIES)/ASSETS EXCLUDING PENSION LIABILITY		(13)	34
PENSION LIABILITY	13	(3,578)	(2,786)
		<hr/>	<hr/>
NET LIABILITIES INCLUDING PENSION LIABILITY		(3,591)	(2,752)
		<hr/>	<hr/>
RESERVES			
Profit and loss account excluding pension liability	12	(13)	34
Pension reserve	11	(3,578)	(2,786)
		<hr/>	<hr/>
Profit and loss reserve		(3,591)	(2,752)
		<hr/>	<hr/>

The financial statements on pages 7 to 18 were approved by the board of directors and authorised for issue on 1 August 2006 and are signed on its behalf by:


M Bowskill Chairman

A1 HOUSING BASSETLAW LIMITED

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ACCOUNTING POLICIES

STATUS OF THE COMPANY

The company is limited by guarantee without share capital. The liability of the members in the event of a winding up is limited to £1 for each member.

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

STOCKS

Stocks are valued at average cost. Provision is made for obsolete and slow-moving items.

LEASED ASSETS

All leases are classified as operating leases and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

RETIREMENT BENEFITS

The company participates in the Local Government Pension Scheme (LGPS). The scheme is a defined benefit pension scheme based on final pensionable salary.

The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the estimated regular cost of providing the benefits accrued in the year, adjusted to reflect variations from that cost. The interest cost and expected return on assets are included within other finance costs.

Actuarial gains and losses arising from new valuations and from updating valuations to the balance sheet date are recognised in the Statement of Total Recognised Gains and Losses.

Defined benefit schemes are funded, with the assets held separately from the company in separate trustee administered funds. Full actuarial valuations, by a professionally qualified actuary, are obtained at least every three years, and updated to reflect current conditions at each balance sheet date. The pension scheme assets are measured at fair value. The pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency. A pension scheme asset is recognised on the balance sheet only to the extent that the surplus may be recovered by reduced future contributions or to the extent that the trustees have agreed a refund from the scheme at the balance sheet date. A pension scheme liability is recognised to the extent that the company has a legal or constructive obligation to settle the liability.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

A1 HOUSING BASSETLAW LIMITED

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ACCOUNTING POLICIES

PRIOR YEAR ADJUSTMENTS

Financial Reporting Standard 17 Retirement Benefits has been implemented in full this year. Comparative figures have been restated accordingly.

GOING CONCERN

The accounts have been prepared on a going concern basis in the assumption that the company will continue to receive funding support from Bassetlaw District Council to enable the company to meet its obligations as they fall due for at least twelve months from the date of signing of these financial statements.

A1 HOUSING BASSETLAW LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The company's turnover and profit before taxation were all derived from its principal activity and entirely in the UK.

	Year to 31 March 2006 £'000	Period from 16 September 2004 to 31 March 2005 as restated £'000
Management fees	10,379	5,058
Technical and design fees	720	294
Building repair service	1,577	933
Other work for Bassetlaw District Council	275	103
Other	238	1
	<u>13,189</u>	<u>6,389</u>

2 OPERATING COSTS

Employee and agency costs	6,193	3,035
Goods and services supplied by Bassetlaw District Council	2,376	1,292
Building repair service materials	1,265	781
Supplies and services costs	788	651
Contractor payments	1,935	442
Other costs	582	177
	<u>13,139</u>	<u>6,378</u>

3 EXCEPTIONAL RESTRUCTURING COSTS

Redundancy costs resulting from the restructuring of the Building Repair Service	103	-
	<u>103</u>	<u>-</u>

4 INTEREST PAYABLE

Financial element of pensions cost	36	8
Interest charged by Bassetlaw District Council	-	48
	<u>36</u>	<u>56</u>

A1 HOUSING BASSETLAW LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

5 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year to 31 March 2006 £'000	Period from 16 September 2004 to 31 March 2005 as restated £'000
--	-----------------------------------	--

Profit on ordinary activities before taxation is stated after charging:

Audit services

- statutory audit

- other services

12

12

3

-

6 EMPLOYEES

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

Housing services

83

84

Technical services

150

145

Corporate services

9

7

242

236

Staff costs for the above persons:

Wages and salaries

4,871

2,401

Social security costs

358

172

Other pension costs

770

348

Redundancy costs

103

-

6,102

2,921

No director was remunerated in the period, nor received benefits accruing under pension schemes.

7 TAXATION

Current tax charge

-

8

Adjustments in respect of prior periods

(8)

-

(8)

8

During the year, the company was granted mutual trading status by HM Customs and Revenue and is only liable to corporation tax on interest receivable. The prior year corporation tax provision has therefore been reversed.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

8 STOCKS

	2006 £'000	2005 As restated £'000
Raw materials and consumables	87	84

9 DEBTORS

Due within one year:

Trade debtors	18	2
Amounts due from Bassetlaw District Council	1,368	7,089
Other debtors	19	6
Prepayments and accrued income	62	42
	<u>1,467</u>	<u>7,139</u>

10 CREDITORS: Amounts falling due within one year

Trade creditors	307	272
Amounts due to Bassetlaw District Council	453	6,033
Corporation tax	-	8
Other taxation and social security costs	440	572
Accruals and deferred income	367	304
	<u>1,567</u>	<u>7,189</u>

11 PENSION RESERVE

At beginning of year	(2,786)	-
Actuarial loss	(758)	(2,699)
Transfer to profit and loss account	(34)	(87)
	<u>(3,578)</u>	<u>(2,786)</u>

A1 HOUSING BASSETLAW LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

12 PROFIT AND LOSS ACCOUNT

	Year to 31 March 2006 £'000	Period from 16 September 2004 to 31 March 2005 as restated £'000
At beginning of the year.	34	-
Retained (loss)/profit for the year	(81)	34
Prior year adjustment in respect of FRS 17	-	(87)
As restated	(47)	(53)
Transfer from pensions reserve	34	87
At end of the year.	(13)	34

13 PENSION SCHEME

The company participates in the Nottinghamshire County Council Pension Fund. The pension cost charge for the period represents the current service cost to the company and amounted to £770,000 (2005: £348,000).

The pension scheme provides benefits based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The contributions are determined by a qualified actuary. A full actuarial valuation was carried out as at 31 March 2004 and updated to 31 March 2006 for the purpose of implementing Financial Reporting Standard 17 Retirement Benefits.

The agreed contribution rates for future years are 13% for employers and 6% for employees. The next full actual valuation of the scheme is due at 31 March 2007. The results of this valuation will form the basis of future contributions rates required to address the current scheme deficit.

Actuarial Assumptions

The major assumptions used by the actuary were:

	31 March 2006	31 March 2005
Rate of inflation	2.90%	2.90%
Rate of increase in salaries	4.65%	4.65%
Rate of increase in pensions	2.90%	2.90%
Discount rate	4.90%	5.40%

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

13 PENSION SCHEME (continued)

Scheme Assets and Expected Rate of Return

Scheme Assets:	31 March 2006 £'000	31 March 2005 £'000
Equities	8,854	6,158
Government bonds	1,021	1,342
Other bonds	804	447
Property	1,825	1,391
Cash / liquidity	255	195
Other	-	195
	<hr/>	<hr/>
Total market value of assets	12,759	9,728
Actuarial value of liability	(16,337)	(12,514)
	<hr/>	<hr/>
Deficit in the scheme	(3,578)	(2,786)
	<hr/>	<hr/>
	% (per annum)	% (per annum)
Expected Rate of Return:		
Equities	7.00	7.50
Government bonds	4.30	4.70
Other bonds	4.90	5.40
Property	6.00	6.50
Cash / liquidity	4.50	4.75
Other	0.00	7.50

Analysis of amount charged to operating profit

	31 March 2006 £'000	31 March 2005 £'000
Current service cost	770	348
	<hr/>	<hr/>
Total Operating Charge	770	348
	<hr/>	<hr/>

Analysis of net return on pension scheme

Expected return on pension scheme assets	665	302
Interest on Pension Liabilities	(701)	(310)
	<hr/>	<hr/>
Net loss	(36)	(8)
	<hr/>	<hr/>

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

13 PENSION SCHEME (continued)

	31 March 2006 £'000	31 March 2005 £'000
Analysis of amount recognised in statement of total recognised gains and losses		
Actual return less expected return on scheme assets	1,603	250
Experience gains and losses arising on the scheme liabilities	(691)	(2,012)
Change in actuarial assumptions	(1,670)	(937)
	<u>(758)</u>	<u>(2,699)</u>
 Movement in deficit during the year		
Scheme deficit at beginning of period	(2,786)	-
Movement in year:		
Current service cost	(770)	(348)
Employer Contributions	588	269
Past Service / Curtailment / Settlement Gain	184	-
Net returns on assets (interest cost)	(36)	(8)
Actuarial Loss	(758)	(2,699)
	<u>(3,578)</u>	<u>(2,786)</u>
 History of experience gain and losses		
	Year Ended 31 March 2006 £'000	Period to 31 March 2005 £'000
Difference between expected and actual return on scheme assets:		
Amount	1,603	250
Percentage of scheme assets	12.6%	2.6%
Experience gains and losses on scheme liabilities:		
Amount	(691)	(2,012)
Percentage of scheme liabilities	(4.2%)	(16.1)%
Total amount recognised in statement of total recognised gains and losses:		
Amount	(758)	(2,699)
Percentage of scheme liabilities	(4.6%)	(21.6)%

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2006

14 PRIOR YEAR ADJUSTMENT

The prior year adjustment relates to the implementation of FRS17. FRS17 requires the assets of defined benefit pension schemes, to be measured at market value at each balance sheet date and the liabilities to be measured using a specific valuation method and to be discounted using a corporate bond rate with any resulting share of the pension scheme surplus or deficit to be recognised on the company's balance sheet with any resulting gains and losses to be recognised in the statement of total recognised gains and losses rather than being recognised gradually in the income and expenditure account.

The adoption of FRS17 has resulted in the following impact on the profit and loss account, reserves and statement of total recognised gains and losses:

	2005 £,000
Reserves as previously stated	34
Employer's pension contribution	269
Current service costs	(348)
Expected return on pension scheme assets	302
Interest on pension liabilities	(310)
Actuarial loss	(2,699)
	<hr/>
Reserves as restated	(2,752)
	<hr/>
Analysis of prior year adjustment	
Adjustment to opening reserves	-
Adjustments to profit and loss account for year ended 31 March 2005	(87)
Adjustment to statement of total recognised gains and losses for the year ended 31 March 2005	(2,699)
	<hr/>
Total	(2,786)
	<hr/>

15 RELATED PARTY DISCLOSURES

In September 2004 Bassetlaw District Council created A1 Housing Bassetlaw Limited (an Arms Length Management Organisation (ALMO)) to take advantage of a Government backed initiative to modernise and improve housing stock. Some Councils transferred their housing stock to a new landlord, usually a Housing Association. However, by creating an ALMO, Bassetlaw District Council has retained ownership of the housing stock and becomes eligible for Government funding to modernise and improve the stock.

The Company's main source of income is a management fee for the management of Bassetlaw District Council's housing stock. This amounted to £10,379,193 for the year ended 31 March 2006 (£5,057,680 for the six months to 31 March 2005).

In the event of the company being wound up, Bassetlaw District Council undertakes to contribute such amount as may be required for the payment of the debts and liabilities of the organisation providing this amount does not exceed one pound. After the satisfaction of all debts and liabilities, any remaining assets will be transferred to the Housing Revenue Account of Bassetlaw District Council (as defined in the 1989 Act).