

**A1 HOUSING BASSETLAW LIMITED**  
**(a company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

for the year ended

31 March 2007

Company Registration No 5233802

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COMPANIES HOUSE

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

## DIRECTORS AND OFFICERS

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### DIRECTORS

Michael Bowskill (Chairman)	Independent member
Frank Martin (Vice-Chair)	Independent member
Councillor Anthony Tromans	Council member
Councillor Michael Kerrigan	Council member
Councillor John Clayton	Council member
Councillor Joe Hayward	Council member
Councillor Elizabeth Yates	Council member
Heather Mcmillan	Tenant member
Vaughan Thomas	Tenant member
Brian Bailey	Tenant member
Richard Underwood	Tenant member
William Waddell	Tenant member
Caroline Mason	Independent member
Philip Whitehead	Independent member

### SECRETARY

Richard Jennings

### REGISTERED OFFICE

Carlton Forest House  
Hundred Acre Lane  
Worksop  
Nottinghamshire  
S81 0NT

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
City Plaza  
Temple Row  
Birmingham  
B2 5AF

### EXECUTIVE MANAGEMENT TEAM

Bernard Coleman	Managing Director	
Don Spittlehouse	Director of Technical and Housing Services	
Richard Jennings	Director of Corporate Services	
Joice Richards	Director of Strategy and Change	
Steve Fuller	Director of Housing Management	- Resigned 30 September 2006

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

## DIRECTORS' REPORT

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The directors submit their report and the financial statements of A1 Housing Bassetlaw Limited for the year ended 31 March 2007

### 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 7,077 units as at 31 March 2007 (7,156 at 31 March 2006). 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'.

### RESULTS FOR THE YEAR

The results for the year are summarised on page 8. Included within these results are the adjustments required under Financial Reporting Standard 17, pension disclosure.

It is a requirement of FRS 17 that the surplus or deficit on the company's pension scheme be recognised in full in the Profit and Loss Account and Balance Sheet. This has resulted in the following adjustments to the company's loss for the year:

	£'000
Operating loss	(75)
Exceptional costs before FRS 17 adjustments	(154)
	<hr/>
Loss before FRS 17 adjustments	(229)
FRS 17 adjustments for the year	(504)
	<hr/>
Adjusted loss for the year	(733)
	<hr/>

### 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 'Good Service' rating from the Audit Commission's inspectors.

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

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

## DIRECTORS' REPORT

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### REVIEW OF THE BUSINESS AND FUTURE PROSPECTS (continued)

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 had to demonstrate to the Audit Commission sufficient improvement when we were re-inspected in February 2007. The result of the February 2007 inspection was a 'Fair Service', with the Audit Commission commenting "A1 Housing has improved from 'poor' to 'fair' and has 'excellent prospects' of continuing to improve"

On a scale from zero to three stars the Audit Commission inspection team gave the A1 Housing a 'fair' one star rating. The report shows that most of the services A1 Housing delivers to its 7,100 tenants have improved since its last inspection in 2005 when it was given a 'poor' zero star rating.

However, further work is required before it can achieve the two stars necessary to release government funding for large-scale home improvements.

Ann Bennett, the Audit Commission's Lead Housing Inspector for the East Midlands, said "A1 Housing is delivering much-improved housing management and maintenance services and many of its newer initiatives will really make a difference over the next few months. Its governing body, managers and staff have worked very hard to turn the organisation around in a short period of time and customers can have confidence that services will continue to get better. Although it is not yet providing a two star service we are hopeful that this will be achieved when we reinspect."

The inspectors found

- Improvements in A1's understanding of the needs of its customers, better involvement of customers in decision making and generally increased accessibility of services
- Improvements in how quickly and efficiently repairs and maintenance are carried out and robust approaches to dealing with anti-social behaviour and environmental issues on estates
- Robust partnership working and monitoring arrangements are in place between the Council and A1 Housing, and governance is strong
- Weaknesses in managing empty homes, delivering disabled adaptations and helping customers in debt
- Weaknesses in longer term planning, managing performance in some service areas and ensuring value for money

Recommendations include

- Improving a number of its working practices – particularly around managing empty homes and leasehold properties
- Developing better systems for managing performance and ensuring value for money in some areas
- Continuing to work with Bassetlaw District Council to develop longer term plans for improving the quality of the homes it manages and the services it provides for customers

With the support of Bassetlaw District Council, A1 Housing Bassetlaw Limited are working towards a re-inspection later in 2007. An improvement plan has been agreed and will be regularly monitored by managers and the Board.

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

## DIRECTORS' REPORT

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### REVIEW OF THE BUSINESS AND FUTURE PROSPECTS (continued)

As part of monitoring progress at A1 Housing we record a number of performance indicators. Managers monitor these on a monthly basis. We have delivered substantial improvements during 2006/07.

A1 Housing closely monitors 15 top performance indicators for the business, we exceeded target on 14 out of the 15, and fell below target for just 1. For example, we dropped our sickness rate from 17.5 days per employee in 2005/06 to 8.4 days in 2006/07, beating our target of 11 days. We achieved efficiency savings of £1.1 million, exceeding our target of £400,000, and improving on the £225,000 achieved during 2005/06. The only area to fall below target was the average time to relet properties, this increased to 33.65 days during 2006/07, increasing from the previous years 31.88 days and missing the 2006/07 target of 28 days. A1 are implementing changes to the relet process to improve performance. Further information regarding performance indicators is available on A1's website at [www.a1housing.co.uk](http://www.a1housing.co.uk).

The key focus for A1 Housing over the next year is to achieve a 'Good Service' or 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.

### 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	26 September 2006
Frank Martin (Vice-Chair)	Independent Member	26 September 2006	
Roy Tomlinson (Vice-Chair)	Tenant Member	16 September 2004	26 September 2006
Councillor Perry Offer	Council Member	16 September 2004	25 September 2006
Councillor Anthony Tromans	Council Member	16 September 2004	
Councillor Jose Barry	Council Member	16 September 2004	14 September 2006
Councillor Michael Kerrigan	Council Member	16 September 2004	
Councillor John Clayton	Council Member	14 September 2006	
Councillor Joe Hayward	Council Member	24 October 2006	
Councillor Elizabeth Yates	Council Member	24 October 2006	
John Mead	Tenant Member	16 September 2004	26 September 2006
Heather Mcmillan	Tenant Member	15 December 2005	
Vaughan Thomas	Tenant Member	10 November 2005	
Brian Bailey	Tenant Member	26 September 2006	
Richard Underwood	Tenant Member	26 September 2006	
William R Waddell	Tenant Member	26 September 2006	
Caroline Mason	Independent Member	28 October 2004	
Penny Murch	Independent Member	16 September 2004	28 March 2007
Alison Palmer	Independent Member	16 September 2004	26 September 2006
Philip Whitehead	Independent Member	16 September 2004	

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)  
DIRECTORS' REPORT

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## DIRECTORS RETIRING BY ROTATION

Under clause 15(2) of the Articles of Association, at the second AGM held on the 26<sup>th</sup> September 2006, one Tenant Board Member was required to retire

The Tenant Board Member who retired was John Mead

Richard Underwood was appointed as a new Tenant Board Member

Under clause 16(1) of the Articles of Association, at the second AGM held on the 26<sup>th</sup> September 2006, two Independent Board Members were required to retire

The two Independent Board Members who retired were Caroline Mason and Alison Palmer

Caroline Mason was re-appointed Frank Martin, who had resigned as a Council Board Member, was appointed as an Independent Board Member

## POLITICAL AND CHARITABLE DONATIONS

The company made no contributions to political or charitable organisations

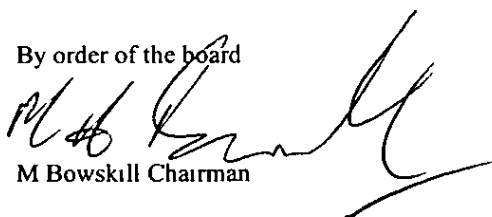
## STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

The directors, having been notified of the cessation of the partnership known as Baker Tilly, resolved that Baker Tilly UK Audit LLP be appointed as successor auditor with effect from 1 April 2007, in accordance with the provisions of the Companies Act 1989, s26(5). Baker Tilly UK Audit LLP has indicated its willingness to continue in office

By order of the board



M Bowskill Chairman

25 September 2007

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

## DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

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

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We have audited the financial statements on pages 8 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.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

### **Basis of audit opinion**

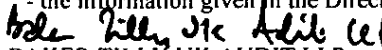
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and 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 2007 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 UK AUDIT LLP

Registered Auditor  
Chartered Accountants  
City Plaza  
Temple Row  
Birmingham  
B2 5AF

25 September 2007



# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2007

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	Notes	2007 £'000	2006 £'000
Turnover	1	12,988	13,189
Operating costs	2	(13,433)	(13,139)
Exceptional restructuring costs	3	(277)	(103)
		<hr/>	<hr/>
Operating loss		(722)	(53)
Interest payable	4	(11)	(36)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	5	(733)	(89)
Taxation	7	-	8
		<hr/>	<hr/>
Retained loss for the period	12	(733)	(81)
		<hr/>	<hr/>

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

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 March 2007

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	2007 £'000	2006 £'000
Loss for the year	(733)	(81)
Actuarial gain / (loss)	1,460	(758)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	727	(839)
	<hr/>	<hr/>

# A1 HOUSING BASSETLAW LIMITED

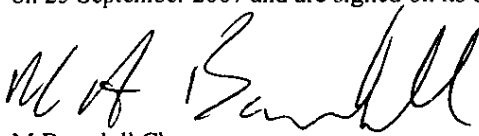
(a company limited by guarantee)

## BALANCE SHEET

31 March 2007

	<i>Notes</i>	<b>2007 £'000</b>	<b>2006 £'000</b>
<b>CURRENT ASSETS</b>			
Stocks	8	90	87
Debtors	9	1,075	1,467
		<u>1,165</u>	<u>1,554</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	(1,530)	(1,567)
		<u>(1,530)</u>	<u>(1,567)</u>
<b>NET CURRENT LIABILITIES EXCLUDING PENSION LIABILITY</b>		<b>(365)</b>	<b>(13)</b>
<b>PENSION LIABILITY</b>	13	<b>(2,499)</b>	<b>(3,578)</b>
		<u>(2,499)</u>	<u>(3,578)</u>
<b>NET LIABILITIES INCLUDING PENSION LIABILITY</b>		<b>(2,864)</b>	<b>(3,591)</b>
		<u>(2,864)</u>	<u>(3,591)</u>
<b>RESERVES</b>			
Profit and loss account excluding pension liability	12	(365)	(13)
Pension reserve	11	(2,499)	(3,578)
		<u>(2,864)</u>	<u>(3,578)</u>
<b>Profit and loss reserve</b>		<b>(2,864)</b>	<b>(3,591)</b>
		<u>(2,864)</u>	<u>(3,591)</u>

The financial statements on pages 8 to 18 were approved by the board of directors and authorised for issue on 25 September 2007 and are signed on its behalf by

  
M Bowskill Chairman

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

## ACCOUNTING POLICIES

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### 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 value, net of Value Added Tax, of goods sold and services provided to customers.

### GOING CONCERN

The accounts have been prepared on a going concern basis on 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

(a company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

### 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

	2007 £'000	2006 £'000
Management fees	10,424	10,379
Technical and design fees	691	720
Building repair service	827	1,577
Other work for Bassetlaw District Council	569	275
Other	477	238
	<u>12,988</u>	<u>13,189</u>

### 2 OPERATING COSTS

Employee and agency costs	5,685	6,193
Goods and services supplied by Bassetlaw District Council	2,259	2,376
Building repair service materials	1,022	1,265
Supplies and services costs	867	788
Contractor payments	3,003	1,935
Other costs	597	582
	<u>13,433</u>	<u>13,139</u>

### 3 EXCEPTIONAL RESTRUCTURING COSTS

Redundancy costs resulting from restructuring	277	103
	<u>277</u>	<u>103</u>

### 4 INTEREST PAYABLE

Financial element of pensions cost	11	36
	<u>11</u>	<u>36</u>

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

### 5 LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

	2007 £'000	2006 £'000
Profit on ordinary activities before taxation is stated after charging		
Audit services		
- statutory audit	14	12
- other services	-	3
	<u>14</u>	<u>15</u>

### 6 EMPLOYEES

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

Technical and Housing services	120	147
Strategy & Change services	51	56
Corporate services	27	25
Directors	14	14
	<u>212</u>	<u>242</u>

Staff costs for the above persons

Wages and salaries	4,199	4,871
Social security costs	316	358
Other pension costs	784	770
Redundancy costs	277	103
	<u>5,576</u>	<u>6,102</u>

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

### 7 TAXATION

Current tax charge	-	-
Adjustments in respect of prior periods	-	(8)
	<u>-</u>	<u>(8)</u>

The company has been granted mutual trading status by HM Customs and Revenue and is only liable to corporation tax on interest receivable

# A1 HOUSING BASSETLAW LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

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### 8 STOCKS

	2007 £'000	2006 £'000
Raw materials and consumables	90	87

### 9 DEBTORS

Due within one year		
Trade debtors	59	18
Amounts due from Bassetlaw District Council	927	1,368
Other debtors	37	19
Prepayments and accrued income	52	62
	<hr/>	<hr/>
	1,075	1,467
	<hr/>	<hr/>

### 10 CREDITORS Amounts falling due within one year

Trade creditors	277	307
Amounts due to Bassetlaw District Council	681	453
Other taxation and social security costs	250	440
Accruals and deferred income	322	367
	<hr/>	<hr/>
	1,530	1,567
	<hr/>	<hr/>

### 11 PENSION RESERVE

At beginning of year	(3,578)	(2,786)
Actuarial gain/(loss)	1,460	(758)
Transfer to profit and loss account	(381)	(34)
	<hr/>	<hr/>
	(2,499)	(3,578)
	<hr/>	<hr/>

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

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### 12 PROFIT AND LOSS ACCOUNT

	2007 £'000	2006 £'000
At beginning of the year	(13)	34
Retained loss for the year	(733)	(81)
Transfer from pensions reserve	381	34
	<hr/>	<hr/>
At end of the year	(365)	(13)
	<hr/>	<hr/>

### 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 £784,000 (2006 £770,000).

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 2007 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 actuarial 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 2007	31 March 2006
Rate of inflation	3.1%	2.90%
Rate of increase in salaries	4.85%	4.65%
Rate of increase in pensions	3.1%	2.90%
Discount rate	5.4%	4.90%



# A1 HOUSING BASSETLAW LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

### 13 PENSION SCHEME (continued)

#### Scheme Assets and Expected Rate of Return

	31 March 2007 £'000	31 March 2006 £'000
Scheme Assets		
Equities	9,927	8,854
Government bonds	1,114	1,021
Other bonds	608	804
Property	2,445	1,825
Cash / liquidity	376	255
Other	-	-
	<hr/>	<hr/>
Total market value of assets	14,470	12,759
Actuarial value of liability	(16,969)	(16,337)
	<hr/>	<hr/>
Deficit in the scheme	(2,499)	(3,578)
	<hr/>	<hr/>
	% (per annum)	% (per annum)
Expected Rate of Return		
Equities	7.50	7.00
Government bonds	4.70	4.30
Other bonds	5.40	4.90
Property	6.50	6.00
Cash / liquidity	5.25	4.50
Analysis of amount charged to operating profit		
	31 March 2007 £'000	31 March 2006 £'000
Current service cost	784	770
	<hr/>	<hr/>
Total Operating Charge	784	770
	<hr/>	<hr/>
Analysis of net return on pension scheme		
Expected return on pension scheme assets	808	665
Interest on Pension Liabilities	(819)	(701)
	<hr/>	<hr/>
Net loss	(11)	(36)
	<hr/>	<hr/>

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

### 13 PENSION SCHEME (continued)

	31 March 2007 £'000	31 March 2006 £'000
<b>Analysis of amount recognised in statement of total recognised gains and losses</b>		
Actual return less expected return on scheme assets	300	1,603
Experience gains and losses arising on the scheme liabilities	-	(691)
Change in actuarial assumptions	1,160	(1,670)
	<u>1,460</u>	<u>(758)</u>

#### Movement in deficit during the year

Scheme deficit at beginning of period	(3,578)	(2,786)
Movement in year		
Current service cost	(784)	(770)
Employer Contributions	641	588
Past Service / Curtailment / Settlement Gain	(227)	184
Net returns on assets (interest cost)	(11)	(36)
Actuarial Gain (Loss)	1,460	(758)
	<u>(2,499)</u>	<u>(3,578)</u>

#### History of experience gain and losses

	31 March 2007 £'000	31 March 2006 £'000	Period to 31 March 2005 £'000
<b>Difference between expected and actual return on scheme assets</b>			
Amount	300	1,603	250
Percentage of scheme assets	2.1%	12.6%	2.6%
<b>Experience gains and losses on scheme liabilities</b>			
Amount	0	(691)	(2,012)
Percentage of scheme liabilities	0%	(4.2%)	(16.1%)
<b>Total amount recognised in statement of total recognised gains and losses</b>			
Amount	1,189	(758)	(2,699)
Percentage of scheme liabilities	7%	(4.6%)	(21.6%)

# A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2007

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## 14 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 £10,424,193 for the year ended 31 March 2007 (2006 £10,379,193).

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).