

A1 Housing Bassetlaw Limited
Company Limited by Guarantee
Directors' Report & Financial Statements
for the year ended
31 March 2019



A1 Housing Bassetlaw Limited

Company Limited by Guarantee

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A1 Housing Bassetlaw Limited

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Councillor Josie Potts
Councillor Hazel Brand
Councillor Steven Scotthorne
Councillor June Evans

Council Member
Council Member
Council Member
Council Member

SECRETARY

Donald Spittlehouse

Resigned 28 September 2018

REGISTERED OFFICE

Carlton Forest House
Hundred Acre Lane
Worksop
Nottinghamshire
S81 0TS

AUDITOR

KPMG LLP
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

BANKER

Barclays Bank plc
23 Market Place
Mansfield
NG18 1HT

SOLICITOR

Anthony Collins Solicitors LLP
134 Edmund Street
Birmingham
B3 2ES

ACTUARY

Barnett Waddingham
Silver Springs House
2 Topaz Way
Birmingham Road
Bromsgrove
B61 0GD

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

OFFICERS AND PROFESSIONAL ADVISERS

CORPORATE MANAGEMENT TEAM

Don Spittlehouse	Managing Director and Company Secretary	Resigned 28 September 2018
Joice Rennie	Director of Housing and Deputy Managing Director	Resigned 28 September 2018
Rachel Burton	Head of Housing and Neighbourhoods	Resigned 29 March 2019

A1 Housing Bassetlaw Limited

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STRATEGIC REPORT

PRINCIPAL ACTIVITIES

A1 Housing Bassetlaw Ltd (“A1 Housing” or “A1”) was established in September 2004 as an Arm’s Length Management Organisation (ALMO) in accordance with a Government policy initiative for local authority housing management.

The Company is responsible for the day-to-day management of the Council’s housing services, which includes housing management and maintenance; warden services; housing repairs; capital works and technical and design services. The housing stock numbered 6,740 units as at 30 September 2018 (6,753 at 31 March 2018). From 1st October 2018, responsibility for housing services transferred back to Bassetlaw District Council.

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 income statement under the heading “Revenue”.

FINANCIAL RESULTS

The financial statements for the year ended 31st March 2019 have been compiled according to IFRS requirements.

The profit for the year, prior to any IAS 19 adjustments, was £41k (2018: profit £293k). The retained earnings (excluding pension liability) increased to £750,000 in 2019 from £709,000 in 2018, as shown in note 14 on page 28.

There has been a decrease in the Pension Liability in 2019 compared to 2018. This is mainly due to a re-measurement gain of £19,148,000 (2018: gain £836,000) This was due to the transfer of the liability to Bassetlaw District Council.

PERFORMANCE

As part of the monitoring process at A1 Housing, we record a number of performance indicators. Managers, Board Members, BDC and Tenants monitor these on a quarterly basis. We have continued to deliver improvements during 2018/19 (up to September 2018). A1 Housing closely monitors 36 top performance indicators for the business and only 5 were below target. Also, 48 satisfaction indicators are monitored of which only 3 were below target.

RISK

Risk to the company’s business can take various forms, e.g. financial risk, risk to projects, risk to the services we deliver, risk to the public or specific stakeholders, risks from missed opportunities or from policy failures, and risks to our reputation. They can affect our performance, our stakeholders, our customers and employees. We have five areas that are showing a risk of high impact and likelihood (before actions put in place to manage the risks) these are:

- Significant disruption to IT services.
- Impact on A1 Housing of political/business changes.
- Welfare reform
- Social media
- Sheltered housing scheme reviews

As an organisation we continually monitor these risks and all other risks to ensure that we can put measures in place in the event of them occurring or pro-actively preventing occurrence. After putting actions in place to manage the risks we have no critical residual risks.

External Influences – A1 Housing is mindful of the following external factors that need to be managed carefully to minimise adverse impact on our budgets:

- Welfare reform
- Changes to the Local Government Pension Scheme
- Right to buy sales

A1 Housing Bassetlaw Limited

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STRATEGIC REPORT

REVIEW OF THE BUSINESS

Our Achievements

A1 Housing has continued to offer good services to its customers and, over the years, has been nationally recognised through various awards.

Local Context

A1 Housing is rooted in Bassetlaw. The Company was formed by Bassetlaw District Council and has a close working relationship with them that reduces costs and improves services. As we are closely linked to the Council, our priority is helping them achieve their four key ambitions for the district and we set our own aims to achieve this.

We have always recognised the importance of working in partnership with our tenants, local organisations and community groups. For example by working closely with the Council and Nottinghamshire Police we have been able to tackle Anti-Social Behaviour far more effectively than on our own.

National Context

The last 5 years have seen significant changes in the national context for providing housing. New initiatives such as Welfare Reform, reorganisation of Health and Social Care and Local Government Reform have all had major direct and indirect effects on what we do.

Local Government faces further restructuring and continuing pressure on resources and financing and this will have a significant impact on how local services are commissioned and provided.

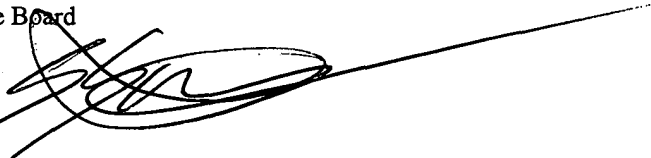
Future Developments

Following a review, the Council has decided to terminate its Management Agreement with A1 Housing. The decision was taken at a full Council meeting held on the 2nd August 2018.

Consequently, on the 1st October 2018, the operations of A1 Housing Bassetlaw Ltd, along with its entire staff, were transferred back to Bassetlaw District Council.

The Company ceased regular trade on the 30th September 2018, but continued to process invoices, payments and receipts until the 31st March 2019 to allow for late invoices, settle any outstanding liabilities and to collect income from debtors.

By order of the Board



S Scotthorne
Chairman
25 November 2019

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

DIRECTORS' REPORT

The Directors submit their report and financial statements of A1 Housing Bassetlaw Limited for the year from 1 April 2018 to 31 March 2019.

REVIEW OF THE BUSINESS

Since we were formed, our purpose has always been to provide quality homes and neighbourhoods to the people of Bassetlaw in partnership with local people and this needs long term plans for the future.

We want to make sure that the major improvements we have made over the last 14 years are maintained and that services are continually developed and improved. With this in mind, A1 Housing has worked closely with Bassetlaw District Council to ensure a seamless transfer of services on 1st October 2018.

As the Directors intend to liquidate the company following the settlement of the remaining net assets, these financial statements have not been prepared on a going concern basis.

FUTURE DEVELOPMENTS

Developments in the period up to 30th September 2018, were based on A1 Housing's 2020 Vision. However, from the 1st October 2018, future developments will be the responsibility of Bassetlaw DC.

MAJOR RISKS AND UNCERTAINTIES

The roles and responsibilities on how risks are managed and reviewed are set out in the Risk Strategy which is reviewed on a triennial basis. The last review was in March 2017. A revised risk register is reported to both Board and Finance and Organisational Health Champions Group in May of each year. The register has been adapted to show the residual risk after taking into account control measures that have been put in place. Also a Strategic Management Group has been set up by the Corporate Management Team to identify risks and take necessary actions to resolve them. Internal Audit reviewed the process etc. and gave risk management the best assurance level of green.

The five areas that are showing a risk of high impact and likelihood (before actions put in place to manage the risks) are:

- Significant disruption to IT services
- Impact on A1 Housing of political/business changes
- Welfare Reform
- Social Media
- Sheltered housing scheme reviews

Control measures are in place within the risk register to mitigate the impact and/or likelihood of each risk.

EQUALITY AND DIVERSITY

A1 Housing has obtained the Jobcentre Plus 'Positive about Disabled People' accreditation; this shows that we are committed to employing disabled people. The National Centre for Diversity confirmed that A1 Housing meets the Level 2 of the Investors in Diversity accreditation. During the Investors in Diversity process they have identified our Equality and Diversity Strategy, Annual Report, Single Equality Scheme and Equality and Diversity Guidance for Employees as areas of best practice which they will be sharing with other organisations.

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

DIRECTORS' REPORT

GOING CONCERN

At the Council Meeting held on the 2nd August 2018, a decision was made to return to Bassetlaw DC the responsibility for delivering Housing Services to Council tenants. Consequently, A1 Housing ceased to trade on the 30th September 2018.

Therefore, this set of financial statements has been prepared on a non-going concern basis.

The company has prepared the financial statements on a winding up basis and has measured assets and liabilities at their recoverable amounts. No material adjustments are required to the book values as a result of ceasing to apply the going concern basis.

DIRECTORS

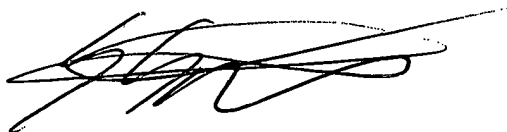
The following directors have held office from 1 April 2018 to the date of approval of these financial statements:

		Date of appointment	Date resigned
Michael Bowskill (Chair)	Independent Member	28 October 2004	28 September 2018
Councillor Josie Potts	Council Member	15 June 2010	
Councillor Hazel Brand	Council Member	18 September 2012	
Councillor Steven Scotthorne	Council Member	17 December 2015	
Councillor June Evans	Council Member	15 October 2019	
Brian Bailey (Vice-Chair)	Tenant Member	25 May 2006	28 September 2018
Stan Davis	Tenant Member	01 May 2015	28 September 2018
William McCarthy	Tenant Member	23 June 2015	28 September 2018
Caroline Mason	Independent Member	28 October 2004	28 September 2018
Janet Coyne	Independent Member	23 September 2008	28 September 2018

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were in office on the date of approval of these statements have confirmed, as far as they are aware, there is no relevant audit information of which the auditor is 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 auditors.

By order of the Board



S Scotthorne
Chairman
25 November 2019

A1 Housing Bassetlaw Limited

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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 International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

Under company law, the directors must not approve the financial statements unless they are satisfied that they 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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable, relevant and reliable;
- c. state whether they have been prepared in accordance with IFRSs, as adopted by the EU;
- d. assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- e. use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so (as explained in the Statement of Accounting Policies, the Directors do not believe that it is appropriate to prepare these financial statements on a going concern basis).

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

A1 Housing Bassetlaw Limited

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STATEMENT ON INTERNAL CONTROL

The Board acknowledge its ultimate responsibility for ensuring that the Company has in place a system of controls that is 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.

It is the Board of Directors responsibility to establish & maintain systems of internal control. The systems of internal control can only provide reasonable and not absolute assurance against material misstatements or loss. The system of internal control includes the following key elements:

- ◆ 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, maintaining proper accounts and restrict the unauthorised use of the Company's assets;
- ◆ Experienced and suitably qualified staff to take responsibility for important business functions. Annual business planning and performance development appraisal with employees are in place to maintain standards of performance;
- ◆ Internal audit to undertake regular reviews on the effectiveness of internal controls. Based on the work undertaken during the year and the implementation by management of the recommendations made, Internal Audit has provided reasonable assurance that the Company has adequate and effective governance, risk management and internal control processes;
- ◆ A risk management framework in which priority risks are managed and reviewed by the Corporate Management Team and monitored by the Board;
- ◆ Forecasts and budgets are prepared which 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 the Board and Corporate Management Team of the Company;
- ◆ The Board receives the external auditor's report. Among other things this provides reasonable assurance that control procedures are in place and being followed. The internal audit programme is in place to review, appraise and report upon the adequacy of internal controls. Any actions necessary to correct any weaknesses identified by internal or external audits are incorporated within the service plan that is agreed by the Board. This is monitored by the Audit Committee of the Board; and
- ◆ A full range of insurance including Fidelity Guarantee has been put in place to safeguard assets.
- ◆ During the period, management has received regular reports from the Internal Audit Service covering the effectiveness of the systems of operational and financial controls. On behalf of the Board, the Corporate Management Team has reviewed the effectiveness of systems of internal control in existence for the period ended 31 March 2019. No weaknesses were found in the internal controls which resulted in material losses, contingencies or uncertainties which require disclosure in the financial statements or in the auditors' report on the financial statements. The Board is satisfied that this remains the case up to the signing of these documents.
- ◆ There are written policies and procedures and a scheme of delegated authorities to ensure proper accounting records are maintained.

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

STATEMENT ON INTERNAL CONTROL

At the Council Meeting held on the 2nd August 2018, a decision was made by Bassetlaw DC to take back the responsibility of delivering Housing Services to Council tenants. The decision, although disappointing, starts the process of bringing to a close the era of A1 Housing's delivery of excellent housing services. Therefore, these accounts have not been prepared on a going concern basis because A1 Housing transferred the management of Housing Services to the Council with effect from the 1st October 2018.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A1 HOUSING BASSETLAW LIMITED

We have audited the financial statements of A1 Housing Bassetlaw Limited ("the Company") for the year ended 31 March 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and related notes, including the Statement of Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of Matter – non-going concern basis of preparation

We draw attention to the disclosure made in the Statement of Accounting Policies which explains that the financial statements have not been prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports that report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF A1 HOUSING BASSETLAW LIMITED

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Anthony Felthouse (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

11 December 2019

A1 Housing Bassetlaw Limited
Company Limited by Guarantee
STATEMENT OF COMPREHENSIVE INCOME
for the year to 31 March 2019

	<i>Notes</i>	2019 £'000	2018 £'000
REVENUE	3	7,509	14,770
Operating Costs	5a	(8,027)	(13,335)
(LOSS) / PROFIT FROM OPERATIONS	5b	(518)	1,435
Finance costs	6	(229)	(499)
Administration expenses		(3)	(11)
(LOSS) / PROFIT BEFORE TAXATION		(750)	925
Corporation tax	8	(1)	-
(LOSS) / PROFIT FOR THE YEAR	14	(751)	925

The loss from operations for the year arises from the Company's continuing operations.

The loss for the year is entirely attributable to its sole member (note 13).

	<i>Notes</i>	2019 £'000	2018 £'000
OTHER COMPREHENSIVE INCOME, NET OF TAX			
(Loss) / Profit for the year		(751)	925
Re-measurements / Actuarial losses and gains on defined benefit obligations	17	19,148	836
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		18,397	1,761

The total comprehensive income for the year is entirely attributable to its sole member (note 13).

The accompanying notes form part of these financial statements.

A1 Housing Bassetlaw Limited Company Limited by Guarantee

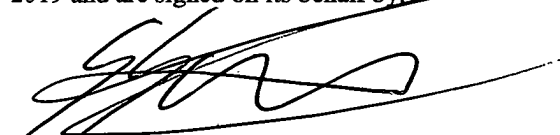
BALANCE SHEET

As at 31 March 2019

Company Registration No: 5233802

	Notes	2019 £'000	2018 £'000
CURRENT ASSETS			
Inventories	10	-	98
Trade and other receivables	11	87	271
Cash	15	765	1,515
TOTAL ASSETS		852	1,884
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	(102)	(1,076)
NON CURRENT LIABILITIES			
Net pension liability	17	-	(18,356)
Provision for liabilities and charges	18	-	(99)
TOTAL NON CURRENT LIABILITIES		-	(18,455)
TOTAL LIABILITIES		(102)	(19,531)
NET ASSETS / (LIABILITIES)		750	(17,647)
EQUITY			
Retained earnings excluding pension liability	14	750	709
Pension reserve	14	-	(18,356)
TOTAL EQUITY	14	750	(17,647)

The financial statements on pages 12 to 33 were approved by the Board and authorised for issue on 25 November 2019 and are signed on its behalf by:



S Scottthorne
Chairman

The accompanying notes form part of these financial statements.

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

STATEMENT OF CHANGES IN EQUITY

	2019 £'000	2018 £'000
BALANCE AT 1 APRIL	(17,647)	(19,408)
(Loss) / Profit for the year	(751)	925
Other comprehensive income, net of tax:		
Re-Measurement / Actuarial gains on defined benefit obligations	19,148	836
TOTAL COMPREHENSIVE INCOME / (EXPENDITURE) FOR THE YEAR	<u>18,397</u>	<u>1,761</u>
BALANCE AT 31 MARCH	<u><u>750</u></u>	<u><u>(17,647)</u></u>

The accompanying notes form part of these financial statements.

A1 Housing Bassetlaw Limited
Company Limited by Guarantee
STATEMENT OF CASH FLOWS
for the year to 31 March 2019

CASH FLOWS FROM OPERATING ACTIVITIES	2019 £'000	2018 £'000
Reconciliation of profit from operations to net cash generated from operating activities		
(Loss) / Profit from operations	(518)	1,435
Pension contributions paid in period	(655)	(856)
Pension contributions charged in the period	1,215	(286)
Decrease in stock	98	11
Decrease in debtors	184	35
Decrease in creditors	(974)	(70)
(Decrease) / Increase in provisions	(99)	12
Corporation Tax	(1)	-
	<hr/>	<hr/>
Net cash (outflow) / inflow from operating activities	(750)	281
	<hr/>	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
	<hr/>	<hr/>
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
	<hr/>	<hr/>
NET MOVEMENT IN CASH OR CASH EQUIVALENTS		
Cash and Cash Equivalents at the beginning of the year	1,515	1,234
Cash and Cash Equivalents at the end of the year	765	1,515
	<hr/>	<hr/>
Net cash (outflow) / inflow from operating activities	(750)	281
	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

STATEMENT OF ACCOUNTING POLICIES

for the year to 31 March 2019

BASIS OF ACCOUNTING

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

These financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").

CHANGES IN ACCOUNTING POLICY

There have been no changes in accounting policy. Accounting policies have been consistently applied from one financial year to another.

GOING CONCERN

The Directors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern.

Until the year ended 31st March 2017, the financial statements have been prepared on a going concern basis. However, on the 2 August 2018, Bassetlaw DC decided that housing management operations would be taken back in house by the Council as outlined in the Directors and Strategic reports of these financial statements. As such, the financial statements have not been prepared on a going concern basis. No adjustments were necessary to the amounts within the financial statements.

REVENUE RECOGNITION

Revenue is recognised when revenue and associated costs can be measured reliably and future economic benefits are probable. Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from services is recognised on a time-apportioned basis by reference to the provision of services set out in the Management Agreement.

Sales of goods are recognised when goods are delivered and title has passed. Delivery occurs when the products have arrived at the specified location, and the risks and rewards of ownership have been transferred to the customer.

INVENTORIES

Inventory is stated at the lower of cost and net realisable value. Cost comprises direct material costs and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using actual costs in most circumstances. Net realisable value represents the estimated selling price less all estimated costs to completion and selling costs to be incurred.

LEASES

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged against profit or loss on a straight line basis over the period of the lease.

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

STATEMENT OF ACCOUNTING POLICIES

for the year to 31 March 2019

PENSION CONTRIBUTIONS

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each year end.

Actuarial gains and losses arising were replaced in 2014 by re-measurements of the net defined benefit liability / (asset). This will include return on plan assets, actuarial gains and losses on changes in demographic assumptions, actuarial gains and losses on changes in financial assumptions and other. Re-measurements are reported within Other Comprehensive Interest and Expenditure within the Comprehensive Income and Expenditure Statement. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits have already vested, the cost is recognised immediately in profit or loss.

An asset or liability is recognised equal to the present value of the defined benefit obligation, adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset, and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

On the 30th September 2018, the Company's employees were transferred under TUPE to its parent undertaking, Bassetlaw District Council. On this date, the Council assumed responsibility for the pension liability. As this is a transaction with the Company's parent undertaking, it has been accounted for as a capital contribution and, therefore, the credit arising has been recognised directly in the Company's retained earnings.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from accounting profit as reported in the Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the taxable profit nor the accounting profit.

OPERATING SEGMENTS

The Company has adopted IFRS 8 'Operating Segments' during the year. IFRS 8 provides segmental information for the Company on the basis of information reported internally to the chief operating decision-maker for decision-making purposes. The Company considers that the role of chief operating decision-maker is performed by the Company's Board of Directors. The adoption of IFRS 8 has not had any impact on the performance or position of the entity and all results are reported as a single segment.

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

STATEMENT OF ACCOUNTING POLICIES

for the year to 31 March 2019

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company has become a party to the contractual provisions of the instrument.

Financial assets

Trade receivables

Trade receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence, (including customers with financial difficulties or in default on payments), that amounts will not be recovered in accordance with original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in profit or loss.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

ADOPTION OF INTERNATIONAL ACCOUNTING STANDARDS

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

Standards adopted early by the Company

The Company has not adopted any standards or interpretations early in either the current or the preceding financial year.

Interpretations to existing standards, new standards and amendments to existing standards that are relevant but are not yet effective and have not been early adopted by the Company

IFRS 17

Insurance Contracts

The Directors anticipate that the adoption of the majority of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company when the relevant standards and interpretations come into effect.

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2019

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- the assumptions underpinning the pension scheme valuation assumptions – see note 17 for details of the sensitivities on key assumptions.

Critical areas of judgement

There are no critical judgements, apart for those involving estimations (see above), that the Directors have made in the process of applying the entity's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

2 FINANCIAL RISK MANAGEMENT

The roles and responsibilities on how risks are managed and reviewed are set out in the Risk Strategy which is reviewed on a triennial basis. The last review was in 2017. A revised risk register is reported to both Board and Finance and Organisational Health Champions Group on a quarterly basis. The register has been adapted to show the residual risk after taking into account control measures that have been put in place. Also a Strategic Management Group has been set up by the Corporate Management Team to identify risks and take necessary actions to resolve them. Internal Audit reviewed the process etc. and gave risk management the best assurance level of green.

The three areas that are showing a risk of high impact and likelihood (before actions put in place to manage the risks) are:

- Significant disruption to IT services
- Impact on A1 Housing of political/business changes
- Welfare Reform
- Social Media
- Sheltered housing scheme reviews

Control measures are in place within the risk register to mitigate the impact and/or likelihood of each risk.

Liquidity risk and credit risk

Management's objective is to meet its liabilities as they fall due whilst maintaining sufficient headroom to enable the Board to react to unexpected changes in market conditions. The Company is largely dependent on its largest customer, Bassetlaw District Council ("the Council"), which represents 97.2% (2018: 97.3%) of its revenue in order to maintain the necessary cash headroom to operate effectively.

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2019

2 FINANCIAL RISK MANAGEMENT (continued)

The Management fee from the Council is receivable monthly by A1 Housing Bassetlaw Limited. The Company's finance team assesses its cash flow requirements by reference to the annual budget and monthly management accounts and review of the cash position daily and places surplus funds on deposit with the Council. The Council pools the Company's funds and manages this under a service level agreement.

A1 Housing Bassetlaw Limited is exposed to liquidity and credit risk principally in the event that the Council were to experience cash flow difficulties in paying A1 Housing Bassetlaw Limited its management charge monthly or in returning the funds that the company has deposited with it.

Credit risk predominantly arises from trade and other receivables (principally the Council).

Maturity analysis

The table below analyses the Company's financial liabilities on a contractual gross undiscounted cash flow basis into maturity groupings based on amounts outstanding at the reporting date up to the contractual maturity date.

Liabilities - 2019	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	102	-	-	-	102

The table below analyses the Company's financial assets held for managing liquidity risk which are considered to be readily saleable or are expected to generate cash inflows to meet cash outflows on financial liabilities.

Assets - 2019	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other receivables	87	-	-	-	87

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2019

2 FINANCIAL RISK MANAGEMENT (continued)

Maturity analysis

The table below analyses the Company's financial liabilities on a contractual gross undiscounted cash flow basis into maturity groupings based on amounts outstanding at the reporting date up to the contractual maturity date.

Liabilities - 2018	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	1,076	-	-	-	1,076

The table below analyses the Company's financial assets held for managing liquidity risk which are considered to be readily saleable or are expected to generate cash inflows to meet cash outflows on financial liabilities.

Assets - 2018	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other receivables	214	-	-	-	214

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

Interest rate risk

All of the company's financial assets and liabilities are non-interest bearing in both 2018 and 2019.

Credit risk

The Company's maximum exposure to credit risk, gross of any collateral held, relating to its financial assets is equivalent to their carrying value as disclosed below. All financial assets have a fair value which is equal to their carrying value.

	2019 £'000	2018 £'000
<i>Maximum exposure to credit risk</i>		
Trade and other receivables:		
- Bassetlaw District Council	0	168
- Other	87	46
	<u>87</u>	<u>214</u>

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2019

2 FINANCIAL RISK MANAGEMENT (continued)

Capital management

The Company's main objective when managing capital is to ensure that it maintains sufficient capital to ensure that the Council's tenants continue to receive an excellent housing management service from the Company. The level of management fee agreed with the Council annually in respect of the Management Agreement and the Company's level of operating efficiency are the principal determinants of the level of equity that the Company is able to retain. As a company limited by guarantee, the only equity / capital of the Company is represented by its retained earnings reserves.

The Company has no debt.

The Company does not have any externally imposed capital requirements and has not made any changes to its capital management during the year.

A1 Housing Bassetlaw Limited is a not for profit organisation is not driven to make a surplus but for fulfilment of the Company priorities. Following the establishment of the Company as part of the Management Agreement the Company has to provide for all its own risks and costs of inflation, single status and modernisation. The retained earnings reserve provides cover for these and also for known risks and unforeseen events and this is important for the future viability of the Company.

3 REVENUE

Sales were made wholly within the United Kingdom and derived from the Company's principal activity of housing management.

	2019 £'000	2018 £'000
Management Fee	6,093	12,236
Technical & Design Fees	540	958
Building Repair Service	337	935
Other Work for BDC	17	34
Other	522	607
	<u>7,509</u>	<u>14,770</u>

4 SEGMENT INFORMATION

Under IFRS 8, the Company considers it has one segment. It generates 97.2 % (2018: 97.3 %) of its total revenues from its largest customer, Bassetlaw District Council, of £7.30m (2018: £14.37m).

A1 Housing Bassetlaw Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2019

5a	OPERATING COSTS	2019 £'000	2018 £'000
	The following table analyses the nature of expenses:		
	Staff related costs	3,616	3,954
	Goods and services supplied by Bassetlaw DC	1,729	3,494
	Building repair service materials	661	985
	Supplier and service costs	135	686
	Contractor payments	1,987	3,830
	Other costs	(101)	386
	Total expenditure	8,027	13,335

5b	PROFIT FROM OPERATIONS	2019 £'000	2018 £'000
	Profit from operations is stated after charging/(crediting):		
	Change in inventory	(98)	(11)
	Auditor's fees:		
	On audit services	19	19
	On taxation	2	2
	Rentals under operating leases	114	227

No interest was generated on impaired financial assets in either the current or preceding financial years.

6	FINANCE COSTS	2019 £'000	2018 £'000
	Other interest payable – pension scheme	229	499

A1 Housing Bassetlaw Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2019

7	STAFF COSTS	2019	2018
		No.	No.
	The average monthly number of persons employed by the Company during the six months to 30 th September 2018, expressed as full time equivalents (FTEs) was:		
	Technical and Housing Services	111	115
	Strategy and Change Services	17	18
	Corporate services	13	12
	Trading Concerns	7	7
	Average monthly number of FTEs excluding Directors	148	152
	Directors	9	9
	Average monthly number of FTEs including Directors	157	161
		2019	2018
		£'000	£'000
	Wages and salaries	2,233	3,902
	Social security costs	168	338
	Other pension costs	1,215	(286)
	Total expenditure	3,616	3,954

The number of key management team members who received emoluments in the following ranges was:

	2019	2018
	No.	No.
£10,000 - £14,999	1	-
£30,000 - £34,999	1	-
£55,000 - £60,000	1	-
£60,000 - £64,999	-	2
£70,000 - £74,499	1	-
£75,000 - £79,999	-	1
£90,000 - £94,999	-	1

The above figures do not include compensation for loss of office with respect to former key management team members. The cost of compensation for loss of office comprises:

	2019	2018
	£'000	£'000
Compensation paid to former employees	82	-
Pension Strains	295	-
	377	-

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2019

7 STAFF COSTS (continued)

Remuneration of key management personnel.

The remuneration of key management personnel of the Company, which is defined as the Corporate Management Team, is set out below in aggregate.

	2019 £'000	2018 £'000
Short-term employee benefits (including compensation for loss of office)	251	274
Pension Strain	295	-
	<u>546</u>	<u>274</u>

The remuneration paid to the Directors of the Company (including pension contributions and benefits in kind) for management services was £Nil (2018: £Nil). The total of Directors' pension contributions was £Nil (2018: £Nil).

8 TAXATION

	2019 £'000	2018 £'000
Analysis of charge in year:		
Current tax:		
UK – Current year	<u>1</u>	<u>-</u>
Current tax reconciliation:		
The tax assessed for the years differ from the standard rate of corporation tax as follows:		
(Loss) / Profit before tax	<u>(750)</u>	<u>925</u>
Tax at the rate of corporation tax 19% (2018: 19%)	1	176
Effect of non-trading activities with member not subject to corporation tax	<u>-</u>	<u>(176)</u>
Corporation Tax due as at 31 st March	<u>1</u>	<u>-</u>

The Company is a wholly owned subsidiary of Bassetlaw District Council and the majority of income is derived from services provided to the Council. HM Revenue and Customs has confirmed that transactions between ALMOs and their Councils do not amount to trading and, accordingly, any surplus or deficit arising thereon is outside the scope of corporation tax. As a result of this, the effective rate of tax is 0.02% (2018: Nil%), which is lower than the standard UK rate of 19%.

A1 Housing Bassetlaw Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2019

9 FINANCIAL INSTRUMENTS

2019

	Loans and receivables £'000
Current financial assets	
Trade and other receivables	87

2019

	Trade and other payables £'000
Current financial liabilities	
Trade and other payables	102

2018

	Loans and receivables £'000
Current financial assets	
Trade and other receivables	271

2018

	Trade and other payables £'000
Current financial liabilities	
Trade and other payables	1,076

10 INVENTORIES

	2019 £'000	2018 £'000
Raw materials and consumables	-	98

Raw materials set out above are carried at the lower of average cost and net realisable value.

The above figures are after deducting an obsolete stock provision of £2,000 in 2018. No earlier inventory write-downs were reversed during the current or preceding years.

A1 Housing Bassetlaw Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2019

11	TRADE AND OTHER RECEIVABLES	2019 £'000	2018 £'000
	Trade receivables	58	24
	Amounts due from Bassetlaw District Council - cash on deposit	-	7
	- other receivables	29	161
	Other receivables	-	23
	Prepayments and accrued income	-	56
		<hr/>	<hr/>
		87	271
		<hr/>	<hr/>
12	TRADE AND OTHER PAYABLES	2019 £'000	2018 £'000
	Trade and other payables are as follows:		
	Amounts payable relating to invoiced amounts	-	142
	Amounts due to Bassetlaw District Council	95	71
	Other tax and social security costs	7	376
	Accruals	-	487
		<hr/>	<hr/>
		102	1,076
		<hr/>	<hr/>

The directors consider that the carrying amount of trade and other payables approximates to their fair value.

13 COMPANY LIMITED BY GUARANTEE

The Company is limited by guarantee, incorporated in the United Kingdom, and is governed by its memorandum and articles of association. The guarantor is its sole member, Bassetlaw District Council, (see note 19) which is listed in the Company's Register of Members. The liabilities in respect of the guarantee are set out in the memorandum of association and are limited to £1 per member of the Company.

A1 Housing Bassetlaw Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2019

14	RESERVES			2019 £'000	2018 £'000
	Retained Earnings – 1 April			(17,647)	(19,408)
	Retained (loss) / profit for the year			(751)	925
	Re-measurements / Actuarial gain (note 17)			19,148	836
	At 31 March			750	(17,647)
				2019 £'000	2018 £'000
	Analysed as:				
	Profit and loss reserve (excluding pension liability)			750	709
	Pension reserve			-	(18,356)
				750	(17,647)
15	CASH AND CASH EQUIVALENTS			2019 £'000	2018 £'000
	Bank Account			765	1,514
	Cash			-	1
				765	1,515
16	COMMITMENTS UNDER OPERATING LEASES	Land and buildings	Land and buildings	Plant and machinery	Plant and machinery
		2019	2018	2019	2018
		£'000	£'000	£'000	£'000
	The minimum lease payments under non-cancellable operating rentals are in aggregate as follows:				
	Expiry of lease:				
	Within one year	-	216	-	11
	Between one to five years	-	216	-	2
	After five years	-	-	-	-
		-	432	-	13

Operating lease payments represent rentals payable by the Company for certain of its office properties, vehicles and equipment. Leases are negotiated for an average term of four years and rentals are fixed for an average of two years.

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2019

17 RETIREMENT BENEFIT OBLIGATIONS

Defined benefit plan

The Company is a scheduled member into the Local Government Pension Scheme. This is a funded defined benefit scheme. Employees are eligible to join the Local Government Pension Scheme subject to certain qualifying criteria. The pension costs that are charged to the Company's accounts in respect of those employees are equal to contributions paid to the fully funded benefit pension scheme.

The agreed employer's contribution rate is 15.90% (2018: 15.9%) of pensionable earnings. The employees' contribution rate is tiered starting at 5.5% for employees earning below £14,100 and raising to 12.5% for employees earning over £157,801.

The pension contributions made by the Company for the year were £655,000 (2018: £856,000).

The pension cost is assessed every three years in accordance with the advice of a qualified independent actuary. The date of the last full valuation was 31 March 2016.

At the year end there were outstanding contributions of £0 (2018: £60,206), included within Accruals in Note 12.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 September 2018 for the purposes of the IAS 19 valuation for inclusion in these financial statements prepared by a registered actuary engaged by Barnett Waddingham. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Key assumptions used:	Valuation at	
	30 th Sept 2018	31 st March 2018
	%	%
Discount rate	2.80	2.55
Rate of CPI inflation	2.40	2.30
Expected rate of salary increases	3.90	3.80
Future pension increases	2.40	2.30

Mortality rate assumptions are based on publicly available data in the UK. The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	30 th Sept 2018	31 st March 2018
Male	22.7	22.6
Female	25.7	25.6

The average life expectancy for a pensioner retiring at 65, aged 45 at the reporting date:

	24.9	24.8
Male	24.9	24.8
Female	28.0	27.9

A1 Housing Bassetlaw Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2019

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

Amounts recognised in profit or loss in respect of these defined benefit schemes are as follows:

	2019 £'000	2018 £'000
Service Cost	1,215	(286)
Net interest on the defined liability	229	499
Administration Expenses	3	11
	<u>1,447</u>	<u>224</u>

Of the deficit for the year, £1,215,000 (2018: £(286,000)) has been included in cost of sales and £229,000 (2018: £499,000) in finance costs.

Re-measurements are reported within Other Comprehensive Income and Expenditure within the Comprehensive Income and Expenditure Statement. The re-measurement for 2019 is £19,148,000 (2018: £836,000). This figure comprises:

	2019 £'000	2018 £'000
Re-measurement of the defined benefit liability	3,223	836
Liabilities assumed / (extinguished) on settlements	46,803	-
Settlement prices paid	(30,878)	-
	<u>19,148</u>	<u>836</u>

The amounts included in the Balance Sheet arising from the Company's obligation in respect of defined benefit retirement schemes is as follows:

	2019 £'000	2018 £'000
Fair value of scheme assets	-	28,621
Present value of defined benefit obligations	-	(46,977)
Deficit in scheme	-	(18,356)
Liability recognised in balance sheet	-	(18,356)

Of the defined benefit plan obligations, £Nil (2018: £135,000) relate to unfunded schemes.

Analysis for reporting purposes:

	2019 £'000	2018 £'000
Non-current liabilities	-	<u>18,356</u>

A1 Housing Bassetlaw Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2019

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

Movements in the present value of defined benefit obligations in the current period were as follows:

	2019 £'000	2018 £'000
At 1 April	46,977	49,337
Current service cost	581	1,289
Interest cost	593	1,277
Change in financial assumptions	(1,544)	(870)
Liabilities extinguished on settlements	(46,803)	(3,555)
Estimated benefits paid net of transfers in	(538)	(880)
Past service costs, including curtailments	634	170
Contributions by scheme participants	103	214
Unfunded pension payments	(3)	(5)
At 31 March	-	46,977

Movements in the fair value of scheme assets in the current period were as follows:

	2019 £'000	2018 £'000
At 1 April	28,621	29,513
Interest on assets	364	778
Return on assets less interest	1,679	(34)
Administration expenses	(3)	(11)
Contributions by employer, including unfunded	655	856
Contributions by Scheme participants	103	214
Estimated benefits paid plus unfunded net of transfers in	(541)	(885)
Settlement prices paid	(30,878)	(1,810)
At 31 March	-	28,621

The analysis of the scheme assets and the expected rate of return at the reporting date were as follows:

	Fair value of assets	
	2019 £'000	2018 £'000
Equity instruments	-	18,820
Debt instruments:		
- Government bonds	-	656
- Other bonds	-	3,343
Property	-	3,595
Cash liquidity	-	565
Inflation-linked pooled fund	-	708
Infrastructure	-	934
	-	28,621

A1 Housing Bassetlaw Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2019

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

For accounting years beginning on or after 1 January 2013, the expected return and the interest cost has been replaced with a single net interest cost, which effectively sets the expected return equal to the discount rate. The discount rate for 2019 is 2.8% (2018: 2.55%).

The five year history of experience adjustments are as follows:

£'000	2019	2018	2017	2016	2015
Present value of defined benefit obligations	-	(46,842)	(49,198)	(36,953)	(39,770)
Fair value of Fund assets (bid value)	-	28,621	29,513	24,045	23,902
(Deficit) / Surplus	-	(18,221)	(19,685)	(12,908)	(15,868)
Present value of unfunded obligation	-	(135)	(139)	(119)	(126)
Deficit in scheme	-	(18,356)	(19,824)	(13,027)	(15,994)
Experience adjustments on scheme liabilities	-	-	-	-	-
Experience adjustments on scheme assets	n/a	n/a	n/a	n/a	n/a

The estimated amounts of contributions expected to be paid to the scheme during the financial year ending 31 March 2020 is £Nil (2019: £752,000).

18 PROVISIONS

Public Liability Claims	Amount £'000
Balance as at 1 st April 2018	99
Provisions made during the year	31
Provisions used during the year	-
Provisions reversed during the year	(58)
Amounts arising from acquisition / disposal	-
Unwinding of discounted amount	-
Transfer to Bassetlaw DC	(72)
Balance as at 31 st March 2019	-
Non-current	-
Current	-

The above provision consists of Public Liability claims, some of which relate as far back as 2006. Traditionally, liability claims can take up to six years to be finalised. This is as a result of the judicial process, the requirement for medical evidence and the recovery period of any claimant. The value of

A1 Housing Bassetlaw Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2019

outstanding claims is an estimate of the anticipated financial impact should the claim be successful. In most circumstances, the outstanding value reflects the "worse case" scenario.

There were no contingent liabilities to report as at the 31 March 2019, (2018: £nil).

19 RELATED PARTY TRANSACTIONS

The Company's parent, ultimate parent and controlling party is Bassetlaw District Council ("the Council"). The Company is an Arm's Length Management Organisation from the ultimate parent to run the management and maintenance function of the Council's homes and other buildings.

During the year, the Company supplied goods and services to the Council totalling £7,298,779 (2018: £14,373,874) and purchased goods and services from the Council totalling £1,728,709 (2018: £3,493,545).

At 31 March 2019, included in receivables is a total amount due from the Council of £29,295 (2018: £167,947) and included in payables is a total amount due to the Council of £94,995 (2018: £70,569). The net balance due from the Council to the Company was £65,700 (2018: £97,378).

The amounts outstanding are unsecured, carry or bear no interest and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

20 POST BALANCE SHEET EVENTS

There have been no post balance sheet events that could have a material effect on the Company.