

A1 HOUSING BASSETLAW LIMITED
(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

for the year ended

31 March 2009

Company Registration No. 5233802

A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

DIRECTORS AND OFFICERS

DIRECTORS

Michael Bowskill (Chairman)	Independent member
Frank Martin (Vice-Chair)	Independent member
Councillor Anthony Tromans	Council member
Councillor Carolyn Troop	Council member
Councillor Elizabeth Yates	Council member
Councillor Raymond Simpson	Council member
Councillor Clifford Entwistle	Council member
Heather McMillan	Tenant member
Brian Bailey (Vice-Chair)	Tenant member
Richard Underwood	Tenant member
William R Waddell	Tenant member
Caroline Mason	Independent member
Denise Colton	Independent member
Janet Coyne	Independent member

SECRETARY

Bernard Coleman

REGISTERED OFFICE

Carlton Forest House
Hundred Acre Lane
Worksop
Nottinghamshire
S81 0NT

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

EXECUTIVE MANAGEMENT TEAM

Bernard Coleman	Managing Director	
Don Spittlehouse	Director of Technical and Housing Services	
Richard Jennings	Director of Finance	Resigned 4 May 2009
Joice Richards	Director of Strategy and Change	

A1 HOUSING BASSETLAW LIMITED

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DIRECTORS' REPORT

The directors submit their report and the financial statements of A1 Housing Bassetlaw Limited for the year ended 31 March 2009.

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 6,949 units as at 31 March 2009 (7,002 at 31 March 2008). The company was established in 2004 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 profit for the year:

	£'000
Operating profit before FRS 17 adjustments	154
Exceptional costs before FRS 17 adjustments	(10)
	<hr/>
Profit before FRS 17 adjustments	144
FRS 17 adjustments for the year	(172)
	<hr/>
Adjusted loss for the year	(28)
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REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The key focus for A1 Housing during 2008/09 was to embed the achievement of the 'Good Service' or two star rating from the Audit Commission, which enabled the release of an additional £62 million to bring homes in Bassetlaw up to the Government's 'Decent Homes' standard. In October 2007, the Audit Commission announced that A1 Housing had achieved the 'Good Service' or two star rating; this was a tremendous result for the organisation and A1's customers.

On a scale from zero to three stars the Audit Commission inspection team gave A1 Housing a 'good' two star rating. The result followed an earlier one star 'excellent' rating in May 2007.

A1 HOUSING BASSETLAW LIMITED

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DIRECTORS' REPORT

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS (continued)

Following the successful two star inspection, a plan of improvement was agreed and managers and the Board closely monitor this. All of the key recommendations have been delivered with the exception of the review of the 'supporting people' services. The review could not take place as the Nottinghamshire County Council's Supporting People team have not yet concluded their review on whether there should be one or more control centres for lifelines in Nottinghamshire and if services should move from a single charge to a structured charge based on usage of the service. The improvement plan was designed to help the organisation move forward and hopefully achieve a three star rating at our next inspection.

The delivery of the 'Decent Homes' program is underway, with nearly £11,500,000 of improvements successfully delivered during 2008/09. The Department For Communities and Local Government has confirmed the allocation of funds to deliver improvements during 2009/10 at £14.5 million for the year. Allocations beyond 2009/10 will be considered during 2009/10 as part of the Government's comprehensive spending review. The 2009/10 government allocation includes £3,000,000 brought forward from the 2010/11 allocation. Whilst this gives us the opportunity to bring forward work, it will reduce the total spend on decent homes during 2010/11.

ALMO allocations are normally made by the Department For Communities and Local Government in two-year tranches to give ALMOs sufficient confidence to deliver their investment programmes prudently and to ensure that contractual arrangements provide good value for money.

As part of monitoring progress 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 2008/09. A1 Housing closely monitors 25 top performance indicators for the business, we achieved/exceeded target on 50%, were on target for 23% and were below target on 27%. Further information regarding performance indicators, and future improvement plans are available on A1's website at www.a1housing.co.uk.

The levels of customer involvement in both formal and informal situations continue to grow and become an essential part of A1's decision-making processes.

During 2008/09, our Building Repairs Service was awarded the 'Most Improved Performer' in the country by the Association of Public Excellence, they were also shortlisted for the 'Best Performer' in the country. To address issues of fuel poverty and reduce the impact of carbon emissions we have started to install ground and air heat source central heating systems as well as reviewing and decommissioning where possible coal fired district heating boilers.

In conjunction with Bassetlaw District Council, we reviewed the allocation policy and introduced in March 2009 a new Choice Based Lettings scheme. To support this scheme we opened a new property shop in the Retford Town Hall and moved all the teams involved in allocating and managing the repair of empty properties into one team to streamline and improve services.

During the year, we obtained the Housing Corporation's Housing Management Accreditation, which was the first step in positioning the company to be able to build new social housing in the future.

Due to our work with the Sandy Lane Forum, we were jointly nominated for the Tenant Participatory Advice Services (TPAS) Connecting People award for 'Best Practice in the Community'.

Once again the organisation has exceeded its target for efficiencies in both cashable/non-cashable revenue and capital expenditure with over £925,000 savings during 2008/09. This increases the total efficiencies made by A1 to over £3,000,000 since our creation in 2004.

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DIRECTORS' REPORT

Our performance during 2008/09 shows that the prospects for continuing to deliver service improvements in 2009/10 are good and that the Best Value Inspection targeted for 2010 should maintain our two star status if not improved to three stars.

Our good performance since the creation of A1 will be a key factor in Bassetlaw District Council's decision to renew our contract in September 2009 for a further five years.

DIRECTORS

The following directors have held office during the year:

		Date of appointment	Date resigned
Michael Bowskill (Chair)	Independent Member	28 October 2004	
Frank Martin (Vice-Chair)	Independent Member	26 September 2006	
Councillor Anthony Tromans	Council Member	16 September 2004	
Councillor Michael Kerrigan	Council Member	16 September 2004	27 January 2009
Councillor Elizabeth Yates	Council Member	24 October 2006	
Councillor Raymond Simpson	Council Member	27 February 2008	
Councillor Clifford Entwistle	Council Member	23 September 2008	
Heather McMillan	Tenant Member	23 September 2008	
Brian Bailey (Vice-Chair)	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	
Philip Whitehead	Independent Member	16 September 2004	23 September 2008
Geraldine Broderick	Independent Member	25 September 2007	23 September 2008
Denise Colton	Independent Member	23 September 2008	
Janet Coyne	Independent Member	23 September 2008	

DIRECTORS RETIRING BY ROTATION

Under clause 16(1) of the Articles of Association, at the third AGM held on the 23rd September 2008, two Independent Board Members and one Tenant Board Member were required to retire.

The Independent Board Members who retired were Philip Whitehead and Geraldine Broderick.

Denise Colton and Janet Coyne were appointed.

The Tenant Board Member who retired was Heather McMillan.

Heather McMillan was re-appointed. No applicants filled the vacancy for Tenant Board Member Retford Town area.

Following the resignation of Council Board Member Michael Kerrigan on 27 January 2009, Councillor Carolyn Troop will be appointed to this post on 1 July 2009 in line with the 'Casual Vacancy' rules.

POLITICAL AND CHARITABLE DONATIONS

The company made no contributions to political or charitable organisations during the year (2008: £Nil).

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DIRECTORS' REPORT

FINANCE AND ORGANISATIONAL HEALTH CHAMPIONS GROUP

A1 Housing operates a Finance and Organisational Health Champions Group that meets on a regular basis to review and discuss matters of a financial and audit nature. A list of Board members who sit on the Champions Group is available from the company's Head Office at Carlton Forest.

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

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

By order of the board

M Bowskill Chairman

2009

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DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing 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. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements on pages 8 to 19.

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. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

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 2009 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.

Registered Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

2009

A1 HOUSING BASSETLAW LIMITED

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PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
Turnover	1	14,404	14,024
Operating costs	2	(14,258)	(14,171)
		<hr/>	<hr/>
Operating profit/(loss)		146	(147)
Interest receivable	3	-	55
Interest payable	4	(174)	-
		<hr/>	<hr/>
Loss on ordinary activities before taxation	5	(28)	(92)
Taxation	8	-	-
		<hr/>	<hr/>
Retained loss for the year	13	(28)	(92)
		<hr/> <hr/>	<hr/> <hr/>

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

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STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 March 2009

	2009 £'000	2008 £'000
Loss for the year	(28)	(92)
Actuarial gain/(loss)	168	(1,817)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	140	(1,909)
	<hr/> <hr/>	<hr/> <hr/>

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BALANCE SHEET

31 March 2009

	<i>Notes</i>	2009 £'000	2008 £'000
CURRENT ASSETS			
Stocks	9	81	79
Debtors	10	1,715	1,028
		<hr/>	<hr/>
		1,796	1,107
CREDITORS: Amounts falling due within one year	11	(1,803)	(1,258)
		<hr/>	<hr/>
NET CURRENT LIABILITIES EXCLUDING PENSION LIABILITY		(7)	(151)
PENSION LIABILITY	14	(4,626)	(4,622)
		<hr/>	<hr/>
NET LIABILITIES INCLUDING PENSION LIABILITY		(4,633)	(4,773)
		<hr/> <hr/>	<hr/> <hr/>
RESERVES			
Profit and loss account excluding pension liability	13	(7)	(151)
Pension reserve	12	(4,626)	(4,622)
		<hr/>	<hr/>
Profit and loss reserve		(4,633)	(4,773)
		<hr/> <hr/>	<hr/> <hr/>

The financial statements on pages 8 to 19 were approved by the board of directors and authorised for issue on 2009 and are signed on its behalf by:

M Bowskill Chairman

A1 HOUSING BASSETLAW LIMITED

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ACCOUNTING POLICIES

STATUS OF THE COMPANY

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

BASIS OF ACCOUNTING

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

STOCKS

Stocks are valued at the lower of average cost and net realisable value. 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 current bid 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

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

1 TURNOVER AND (PROFIT)/LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

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

	2009	2008
	£'000	£'000
Management fees	11,203	10,824
Technical and design fees	1,331	907
Building repair service	475	1,047
Other work for Bassetlaw District Council	873	714
Other	522	532
	<hr/>	<hr/>
	14,404	14,024
	<hr/> <hr/>	<hr/> <hr/>
2 OPERATING COSTS	2009	2008
	£'000	£'000
Employee and agency costs	5,697	5,590
Goods and services supplied by Bassetlaw District Council	2,043	2,235
Building repair service materials	1,282	1,185
Supplies and services costs	1,014	804
Contractor payments	3,636	3,515
Costs resulting from redundancy	10	84
Other costs	576	758
	<hr/>	<hr/>
	14,258	14,171
	<hr/> <hr/>	<hr/> <hr/>
3 INTEREST RECEIVABLE	2009	2008
	£'000	£'000
Financial element of pensions cost	-	55
	<hr/> <hr/>	<hr/> <hr/>
4 INTEREST PAYABLE	2009	2008
	£'000	£'000
Financial element of pensions cost	174	-
	<hr/> <hr/>	<hr/> <hr/>

A1 HOUSING BASSETLAW LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

5	PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2009 £'000	2008 £'000
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Profit on ordinary activities before taxation is stated after charging:

Audit services		
- statutory audit	13	12
- other services	1	2
	<hr/>	<hr/>

7	EMPLOYEES	2009 No.	2008 No.
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The average monthly number of persons employed by the company during the year was:

Technical and Housing services	122	117
Strategy & Change services	48	48
Corporate services	23	22
Directors	14	14
	<hr/>	<hr/>
	207	201
	<hr/>	<hr/>

	2009 £'000	2008 £'000
--	-----------------------------	-----------------------------

Staff costs for the above persons:

Wages and salaries	4,493	4,135
Social security costs	329	308
Other pension costs	539	612
Redundancy costs	10	84
	<hr/>	<hr/>
	5,371	5,139
	<hr/>	<hr/>

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

	2008/09 No.	2007/08 No.
£50,001 - £60,000	-	2
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	-

No director was remunerated in the year or previous year, nor received benefits accruing under pension schemes.

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

8	TAXATION	2009 £'000	2008 £'000
	Current tax charge	-	-
	Adjustments in respect of prior periods	-	-
		<hr/>	<hr/>
		-	-
		<hr/> <hr/>	<hr/> <hr/>

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

9	STOCKS	2009 £'000	2008 £'000
	Raw materials and consumables	81	79
		<hr/>	<hr/>

10	DEBTORS	2009 £'000	2008 £'000
	Due within one year:		
	Trade debtors	47	3
	Amounts due from Bassetlaw District Council	1,548	860
	Other debtors	64	105
	Prepayments and accrued income	56	60
		<hr/>	<hr/>
		1,715	1,028
		<hr/> <hr/>	<hr/> <hr/>

11	CREDITORS: Amounts falling due within one year	2009 £'000	2008 £'000
	Trade creditors	588	446
	Amounts due to Bassetlaw District Council	240	8
	Other taxation and social security costs	385	381
	Accruals and deferred income	590	423
		<hr/>	<hr/>
		1,803	1,258
		<hr/> <hr/>	<hr/> <hr/>

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

12	PENSION RESERVE	2009	2008
		£'000	£'000
	At beginning of year	(4,622)	(2,499)
	Actuarial gain/(loss)	168	(1,817)
	Transfer to profit and loss account	(172)	(306)
		<hr/>	<hr/>
		(4,626)	(4,622)
		<hr/> <hr/>	<hr/> <hr/>
13	PROFIT AND LOSS ACCOUNT	2009	2008
		£'000	£'000
	At beginning of the year	(151)	(365)
	Retained loss for the year	(28)	(92)
	Transfer from pensions reserve	172	306
		<hr/>	<hr/>
	At end of the year	(7)	(151)
		<hr/> <hr/>	<hr/> <hr/>

14 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 £539,000 (2008: £612,000).

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 2008 for the purpose of implementing Financial Reporting Standard 17 Retirement Benefits.

The agreed contribution rates for future years are 13.5% for employers and depending on level of salary, 5.5% to 7.5% for employees. The date of the last full actual valuation of the scheme was 31 March 2008. The results of this valuation will form the basis of future contributions rates required to address the current scheme deficit.

The financial assumptions used by the actuary to calculate the scheme liabilities under FRS 17 are as follows:

	31 March 2009	31 March 2008
Rate of inflation	3.0%	3.6%
Rate of increase in salaries	4.5%	5.10%
Rate of increase in pensions	3.0%	3.6%
Discount rate	6.7%	6.1%

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

14 PENSION SCHEME (continued)

The mortality assumptions used in the valuation of the pension liabilities were:-

	31 March 2009	31 March 2008
	£'000	£'000
Post retirement mortality assumptions:		
Non-retired members (retiring in the future in normal health)	PA92+2/+1	PA 92+2/+1
Current pensioners (retired in normal health)	PA91+2/+1	PA92+2/+1
Life expectancy:		
Of a male (female) future pensioner aged 65 in 20 years' time	21.22 (24.91)	21.22 (24.91)
Of a male (female) current pensioner aged 65	20.30 (23.91)	20,30 (23.91)

The expected return on plan assets was determined by considering the expected returned available on the assets underlying the current investment portfolio. Expected yields on bonds are based on gross redemptions yield at the balance sheet date whilst the expected returned on the equity and property investments reflect the long term real rates of return experienced in the respective markets.

The fair value of assets in the scheme, the present value of the liabilities in the scheme and the expected rate of return at the balance sheet date were:

	Expected rate of return %	Fair value at 31 March 2009 £'000	Expected rate of return %	Fair value at 31 March 2008 £'000
Equities	6.90	7,331	7.50	9,582
Government bonds				
Other bonds	4.00	1,805	4.60	1,467
Property	6.40	766	6.10	426
Cash/ liquidity	6.40	1,966	6.50	2,465
Other	3.00	494	5.25	587
	-	-	7.50	147
Total market value of assets		<u>12,362</u>		<u>14,674</u>
Present value of scheme liabilities		(16,988)		(19,296)
Net pension (liability)/ reserve		<u>(4,626)</u>		<u>(4,622)</u>

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

14 PENSION SCHEME (continued)

	31 March 2009	31 March 2008
	£'000	£'000
Changes in present value of the defined benefit obligation:		
Opening defined benefit obligation	19,296	16,969
Service cost	539	612
Interest cost	1,193	932
Contributions by scheme participants	244	213
Actuarial (gains)/losses	(4,030)	519
(Gains)/losses on curtailments:		
Past service costs	-	244
Benefits paid	(253)	(238)
	<hr/>	<hr/>
Closing defined benefit obligation	16,988	19,296
	<hr/> <hr/>	<hr/> <hr/>
Change in the fair value of plan assets:		
Opening plan assets	14,674	14,470
Expected return	1,019	987
Actuarial (losses)/gains	(3,863)	(1,298)
Contributions by employer	541	541
Contributions by scheme participants	244	213
Benefits paid	(253)	(239)
	<hr/>	<hr/>
Closing plan assets	12,362	14,674
	<hr/> <hr/>	<hr/> <hr/>

The actual return on plan assets was £2,697,000 (2008: £53,000).

	Cumulative	Cumulative
	2009	2008
	£'000	£'000
Analysis if amount recognised in statement of total recognised gains and losses (STRGL):		
Actual return less expected return on pension scheme assets	(3,565)	298
Experienced gains and losses arising on scheme liabilities	(165)	(165)
Changes in assumptions underlying present value of scheme liabilities	3,404	(626)
	<hr/>	<hr/>
Accumulated actuarial loss recognised in STRGL	(326)	(493)
	<hr/> <hr/>	<hr/> <hr/>

A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

14 PENSION SCHEME (continued)

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Defined benefit obligation	(16,988)	(19,296)	(16,969)	(16,337)	(12,514)
Plan assets	12,362	14,674	14,470	12,759	9,728
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Deficit	(4,626)	(4,622)	(2,499)	(3,578)	(2,786)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Experience adjustments on scheme liabilities	-	(96)	-	(691)	(2,012)
Experience adjustments on scheme assets	3,863	(1,605)	300	1,603	250
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The company expects to contribute £518,000 to its defined benefit pension plan in 2009/10.

Analysis of amount charged to operating profit

	31 March 2009 £'000	31 March 2008 £'000
Current service cost	539	612
	<u> </u>	<u> </u>
Total Operating Charge	539	612
	<u> </u>	<u> </u>

Analysis of net return on pension scheme

Expected return on pension scheme assets	1,019	987
Interest on Pension Liabilities	(1,193)	(932)
	<u> </u>	<u> </u>
Net (cost)/return	(174)	55
	<u> </u>	<u> </u>

Analysis of amount recognised in statement of total recognised gains and losses

	31 March 2009 £'000	31 March 2008 £'000
Actual return less expected return on scheme assets	(3,863)	(1,605)
Experience gains and losses arising on the scheme liabilities	-	(96)
Change in actuarial assumptions underlying present value of scheme liabilities	4,031	(116)
	<u> </u>	<u> </u>
	168	(1,817)
	<u> </u>	<u> </u>

A1 HOUSING BASSETLAW LIMITED

(a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2009

15 RELATED PARTY DISCLOSURES

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

The Company's main source of income is a management fee for the management of Bassetlaw District Council's housing stock. This amounted to £11,202,604 for the year ended 31 March 2009 (2008: £10,824,150).

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).