



Rochdale
Boroughwide Housing

Delivering Excellent Service -
Building Stronger Communities

Directors' report and financial statements
Registered number 4394435
Year ended 31 March 2007



Contents

Rochdale Boroughwide Housing Limited.....	2
Report of the Board for the Year Ended 31 March 2007	3
Statement of Board on Risk Management and Internal Control.....	6
Report of the independent auditors	8
Income and expenditure account	9
Balance sheet.....	10
Cash flow statement	11
Notes	12

Board and Advisors

Board

Frank Blackburn (retired 26/9/06)
Gill Walch (appointed Chair 26/9/06)
Derek Brown
Philomena Renshaw
Desmond Morris (Vice Chair)
Lois Tinker (retired 26/9/06)
Keith Gordon
Ian Harlow
Keith Barker
Ian Agnew (appointed 8/12/06)
Roy Thompson (appointed 26/9/06)
Councillor Michael C.Holly
Councillor Barbara Todd
Councillor Brian Davies
Councillor Dale Mulgrew

Advisors To Board

Dr A Wahid Choudhry
(Advisor to Board – BME Issues)
Majid Khan (Advisor to Board -
Youth Issues)

Executive Officers

Managing Director
Paul Neate
Retired 27th April 2007

Business Support Director
Gareth Swarbrick

Operations Director
Brian Courtney
Retired 27th April 2007

Technical Director
Eugene Wilson

Secretary and Registered Office

Gareth Swarbrick,
From 18th May 2007
Lizbeth Helen Alasvand
Rochdale Boroughwide Housing Ltd.
PO Box 69,
The Old Post Office,
The Esplanade,
Rochdale
OL16 1AE.

Auditors

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

Internal Auditors

Deloitte & Touche LLP,
(P.O. Box 500),
201 Deansgate,
Manchester.

Bankers

The Co-operative Bank PLC,
PO Box 101,
1 Balloon Street,
Manchester,
M60 4EP.

Solicitors

**RBH has its own Legal Team based
at The Old Post Office**

Report of the Board of Directors for the Year Ended 31 March 2007

The Board of Directors presents its report and the audited financial statements for the year ended 31 March 2007.

Review of business and future developments

RBH recorded a deficit of £0.525M in 2006/07 before accounting for pension costs. This had been planned for, however, due to expenditure in the year being incurred to deliver initiatives deferred from 2005/06 resources for which were held in reserves. When taking account of reserves brought forward of £0.829M, RBH has reserves of £0.304M at 31 March (not including accounting for pension costs).

RBH's initial contract with Rochdale Council ceased on 31 March 2007 and therefore RBH has been working with the Council to agree on a shared vision of the future role for the Company. This will involve RBH playing a lead role in delivering housing regeneration programmes and working in partnership with other agencies to create employment opportunities, improve health and raise educational attainment in the neighbourhoods where we manage housing. We also hope that we can play an active role in building new social rented homes to meet the very acute local housing needs. A new ten-year Management Agreement was signed in March 2007 reflecting this new role.

Other key developments and achievements for 2006/07 are as follows:

- RBH's in-house repair and maintenance service was subjected to competition and won the contract against fierce competition from the private sector.
- Expenditure on responsive repairs was further reduced and re-directed into increased planned maintenance in line with best practice.
- We worked with the Council to carry out a comprehensive environmental audit of estates to help to prioritise environmental improvements on estates as part of a £9M programme over the next 3 years.
- A feasibility study was completed on a model to build new Council homes using RBH as the delivery vehicle.
- Efficiency gains reported in our Annual Efficiency Statement totalling £1.108M were achieved in the year.
- Average sickness absence per employee was reduced for the 5th consecutive year to 10.9 days (from 17.4 days in 2002/03) which resulted in national recognition as a best practice case study in the Chartered Institute of Personnel and Development's Annual Absence management report.
- We commenced implementation of 'Communities First' a new Recognition, Reward and Incentive scheme, as our response to the Government's Respect Standard for Housing Management.
- RBH were founder members of GM Procure, a Greater Manchester wide procurement consortium.
- RBH became only the 2nd ALMO nationally to achieve Construction Clients Charter status, which means we have excellent systems and processes in place for the management of construction related projects.
- Other notable awards include, Partnering Scheme of the Year Award 2006 for the Raising The Standard project; British Safety Council Gold Standard (December 2006); Finalist at the Health and Safety Awards 2006 in the category "client with the best commitment to Health and Safety"; International Safety Award 2006; British Safety Council 5 star award.
- We have implemented further modules of the integrated housing management, repairs and finance IT system including on-line access and contact management.
- RBH held its first Staff Conference in February 2007 which was declared a resounding success by employees.

Principal risks and uncertainties

During 2006/07, RBH commenced a review of its Risk Management framework, which involved an assessment facilitated by our internal auditors of our top 10 risks. Two of these risks related to business continuity, three surrounded operational issues, one was strategic and four were of a financial nature. Each of the risks will form the basis of RBH's Strategic Risk Register, which will be monitored via a Strategic Risk Control Action Plan.

The financial risks identified were around long-term business sustainability, which is an issue of critical importance to the Board, and the signing of a new ten-year Management Agreement has been welcomed as providing a sound basis to continue to develop the Company and ensure that it has a secure financial future. The Council sees RBH as central to not only maintaining decent homes but also meeting a range of other needs for housing and the wider neighbourhoods in Rochdale including social regeneration, conversions and

adaptations, redesign of estates and new build. Achieving these objectives presents significant financial challenges and RBH will work with the Council on producing an up-to-date HRA Business Plan to look at all options open to the Council including taking advantage of the proposed financial freedoms and flexibilities offered to high performing organisations. The HRA Business Plan will be complimented by RBH's own updated Business Plan and Financial and VFM Strategies.

Key Performance Indicators

RBH's work over the last 5 years in completing the Decent Homes Programme and improving the quality of service to tenants significantly is contributing to a dramatic increase in the level of tenant satisfaction. Overall tenant satisfaction with RBH is up from 75% in 2006 to 82% in 2007 and tenant satisfaction with opportunities to participate in decision-making is up

from 57% in 2006 to 70% in 2007. Rent collected (98.6%) increased for the fifth year running and the amount of rent lost due to voids and bad debts (1.37%) is at its lowest level ever. Our re-let time for void properties reduced to 37 days from 42 in the previous year. At year-end only 152 (1.27%) properties were empty – again the lowest figure ever.

Repairs performance was solid with more repairs than ever before being done by appointment and overall satisfaction with this service being higher than ever.

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

The table below shows RBH performance for 2006/7 and 2005/6.

Indicator	Actual 2006/7	Target 2006/7	Actual 2005/6
% Rent Collected	98.6%	97.6%	97.5%
Empty Properties % rent lost	1.4%	1.6%	1.6%
Empty Properties – average days to relet	37.5	35	42
Repairs – average time to complete non-urgent repairs	11	10	11
Repairs - % urgent jobs completed in Government timescales	93.5%	97.5%	98%
Repairs - % completed in priority timescales	95%	93.5%	92%
Repairs – satisfaction with service	93%	90%	91%
Right to Buy applications actioned within Government timescales	100%	100%	100%
Personnel - % days lost to sickness	4.3%	4%	4.3%
Complaints - % answered in 15 working days	93%	97%	86%
Overall Tenant Satisfaction	82.5%	82.5%	75%

Our Governance Arrangements

The Main Board of RBH comprises six tenants, four councillors and three independents.

RBH's Board has the ultimate responsibility for the internal governance of the organisation. Its role is to direct the work of the organisation, determine its strategic direction, deliver its commitments under the Management Agreement, approve overall expenditure, and approve the policies of the organisation.

The Board of RBH is committed to the delivery of high quality housing services to its customers, and RBH's aims and objectives embrace the key principles of good governance, i.e. openness, inclusiveness, integrity and accountability.

Both the Board and staffing structures have been developed to ensure that there is an informed and effective decision making process within the organisation.

The Board structure of RBH reflects the organisation's commitment to tenant involvement with tenants having the largest share of the Main Board and an in built majority on the four area boards.

All Board members receive comprehensive training to clarify their roles and responsibilities and to equip them with the knowledge and skills required to carry out their roles effectively.

The Main Board met 6 times in 2006/07.

In 2006/07 the Board was assisted by 4 Sub-Committees that have delegated powers and written terms of reference. The review of Area Boards continued in 2006/07 with the Board taking the decision to dispense with the format which was within the legal definition of governance and replace them with Area and Boroughwide Panels. The new Area Panels will begin in September 2007 and the Boroughwide panels will follow in 2008.

Performance Management Sub-Committee

This group examines performance management information in detail and make decisions on any actions required. It consists of 2 nominated tenants and 3 Board Members. The Sub-Committee met 4 times in 2006/07.

Audit, Risk and Governance Sub-Committee

This Sub-Committee provides the facility for Board members to meet the Company's external auditors, to discuss their report on the annual accounts, and review the scope and results of the internal audit work programme. The Sub-Committee also monitors and advises the Main Board on compliance with the Company's Risk Management Action Plan and takes the lead on governance to drive forward continuous improvement.

The Sub-Committee met 4 times in 2006/07.

Following a review the sub-committee has agreed new terms of reference and a broader remit and was renamed the Audit, Risk and Governance Sub-Committee.

Finance and Value For Money Sub-Committee

The Finance Sub-Committee is responsible for determining the financial strategy and policies of the company and keeping them under review. It met on 4 occasions during the year and received regular reports on company expenditure and commitments against approved budgets.

The Sub-Committee carried out a review of the Company's annual budget and management fee and made recommendations to the Board in respect of service developments and opportunities for savings and the redirection of existing resources.

Staffing Sub-Committee

The Staffing Sub-Committee considers all staffing and personnel related issues and makes recommendations to the Board in respect of remuneration, variations to the authorised establishment and amendments to conditions of service.

Members of the Sub-Committee also meet with management and trade unions on a half yearly basis at a Joint Consultative Committee and are called upon to hear disputes, grievances and disciplinary appeals.

The Sub-Committee met on 4 occasions in 2006/07.

Policy and practice on payment of creditors

It is the policy of the Company to pay its creditors within 30 days.

At the year-end, there were 8 days purchases in trade creditors (2005/06 was also 8 days).

Statement of Board on Risk Management and Internal Control

The Board are responsible for preparing the Board Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Board to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Board are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Board are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.'

Disclosure of information to auditors

The directors who held office at the date of approval of this Director's report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Under applicable law the Board are also responsible for preparing a Board Report that complies with that law.

Risk Management

The Board acknowledge their ultimate responsibility for ensuring that the Company has in place a framework for managing exposure to strategic and operational risks. RBH's Risk Management Strategy is designed to identify, analyse and treat all risks and lead to risk management being embedded into the Company's culture. Regular reports on major risks are received by the Audit Sub-Committee. The strategy will be reviewed annually to ensure it remains fit for purpose.

Internal Control

It is also the Board's responsibility to establish and maintain systems of internal financial control that are appropriate to the various business environments in which it operates. These controls are designed to give reasonable assurance with respect to:

- the reliability of financial information used within the Company or for publication;
- the maintenance of proper accounting records; and
- the safeguarding of assets against unauthorised use or disposal.

Such systems can only provide reasonable and not absolute assurance against material financial misstatement or loss.

Key elements include ensuring that:

- formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities, which allow the monitoring of controls and restrict the unauthorised use of the Company's assets;
- experienced and suitably qualified staff take responsibility for important business functions. Annual appraisal procedures have been established to maintain standards of performance;
- forecasts and budgets are prepared which allow the Board and Management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate;

- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through relevant sub-committees comprising Board members and others;
- the Board reviews reports from management, from internal auditors, from the external auditors and from its own Audit Sub-Committee to provide reasonable assurance that the control procedures are in place and are being followed. The Internal Auditors make regular reports to the Board via the Audit Sub-Committee;
- formal procedures have been established for instituting appropriate action to correct weaknesses identified from the above reports;

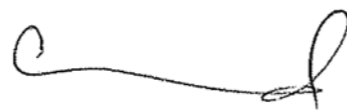
RBH's comprehensive set of policies and procedures also includes data protection, whistle-blowing, health and safety, complaints handling and Register of Interests for Board members. All policies and procedures are monitored to ensure they are relevant and up to date and RBH employs Deloitte to be Internal Auditors, to test and highlight

weaknesses in these. Any weakness that is highlighted is reported back to the Senior Management Team and the Audit, Risk and Governance Sub-Committee, and addressed accordingly. The main weaknesses were discussed in Principal Risks and Uncertainties.

Auditors

Following a retender exercise KPMG LLP have been successfully reappointed as auditors of Rochdale Boroughwide Housing Ltd until the 31 March 2010.

The report of the Board was approved on 30th August 2007 and signed on its behalf by:



Liz Alasvand
Company Secretary



Chair of the Board

Report of the independent auditors, KPMG LLP, to the members of Rochdale Boroughwide Housing Limited

We have audited the financial statements of Rochdale Boroughwide Housing Limited for the year ended 31 March 2007, which comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board of Management and auditors

As described in the Statement of Board Responsibilities on page 5, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 if, in our opinion, the Board of Management's report on pages 3 to 6 is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding the directors' remuneration and transactions with the Company is not disclosed.

Basis of audit opinion

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

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board of Management in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its deficit for the year then ended; and
- have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Board Report is consistent with the financial statements.



Chartered Accountants
St James Square
Manchester, M2 6DS

Registered Auditor

5 December 2007

Income and expenditure account Year ended 31 March 2007

	Note	2007 £000	2006 £000
Turnover	2	28,192	29,679
Operating costs		(30,032)	29,695
Operating surplus/(deficit)		(1,840)	(16)
Interest receivable and other income		173	201
Interest payable and similar charges		-	-
Other finance income/(expense)	18	(79)	(111)
Surplus/ (deficit) on ordinary activities before taxation		(1,746)	74
Taxation on surplus/ (deficit) from ordinary activities	6	(33)	(18)
Surplus/(Deficit) on ordinary activities after taxation		(1,779)	56
Transfer to/from reserves	13	-	-
Surplus/ (deficit) for the year		(1,779)	56
Revenue reserves brought forward	13	(615)	(671)
Revenue reserves carried forward	13	(2,394)	(615)

All amounts relate to continuing activities.

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

Balance Sheet

As at 31 March 2007

The balance sheet summarises the financial position of the Company. It shows the value of the Company's assets and liabilities at the end of the financial year (31 March 2007).

	Note	2007 £000	2006 £000
Fixed Assets			
Computer Equipment	8	0	110
Current assets			
Stock		326	373
Debtors	9 and 11	1,215	1,199
Cash at bank and in hand / Short term investments		2,480	3,705
Creditors: amounts falling due within one year	10	(4,021)	(5,277)
Bank overdraft		-	(97)
Net current assets		304	719
Provision for future tax liabilities		-	-
Net assets excluding pension liabilities		304	829
Pension liability		(9,674)	(12,332)
Net liabilities including pension liabilities		(9,370)	(11,503)
Reserves			
Pension reserve	13	(6,976)	(10,888)
Income and Expenditure Account – pension costs		(2,698)	(1,444)
Income and Expenditure Account – operating surplus	7 and 13	304	829
		(9,370)	(11,503)

These financial statements were approved by the Board on 30th August 2007 and were signed on its behalf by:



Gill Walch, Chair

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

Cash flow statement

For the year ended 31 March 2007

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

	Note	2007 £000	2006 £000
Net cash inflow/(outflow) from operating activities	14a	(1,378)	(459)
Capital Expenditure		110	(137)
Returns on investments and servicing of finance			
Interest received		173	201
Interest paid		-	-
Net cash inflow from returns on investments		173	201
Taxation			
Corporation tax paid		(33)	(18)
Increase/(Decrease) in cash and investments	14c	(1,128)	413

The notes on pages 12 to 17 form part of these financial statements.

Statement of total recognised gains and losses

For the year ended 31 March 2007

This statement summarises the total recognised gains and losses.

	Note	2007 £000	2006 £000
Revenue surplus/(deficit) for the year		(1,779)	56
Actuarial gain/(loss) recognised in the pension scheme	18	3,912	(2,677)
Total gains and losses relating to the financial year		2,133	(2,621)

Reconciliation of movements in funds

For the year ended 31 March 2007

	Note	2007 £000	2006 £000
Revenue (deficit)/ surplus for the year		(1,779)	56
Other recognised gains and losses relating to the year		3,912	(2,677)
Net addition/(reduction) to funds		2,133	(2,621)
Brought forward FRS 17 adjustment		(11,503)	(8,882)
Closing funds		(9,370)	(11,503)

Notes (forming part of the financial statements)

The following notes provide more detailed information in order to assist in the interpretation of the main financial statements.

1 Principal Accounting Policies

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of preparation

The financial statements have been prepared on the historical cost basis of accounting.

The accounts have been prepared on a going concern basis notwithstanding net liabilities of £9.370M for the following reasons:

Rochdale Boroughwide Housing has implemented the accounting changes required as a result of Financial Reporting Standard (FRS) 17. The impact of FRS 17 is to show the current cost of future pension liabilities that have accrued in the year in the Company's income and expenditure account. FRS 17 also requires that the surplus or deficit on the pension scheme at year-end is shown as a liability on the balance sheet. The Rochdale scheme, like a number of other schemes has a deficit. Measures are in place to address this deficit by increasing employers' contributions in the medium term. The accounts show negative revenue reserves of £2.394M and a negative pension reserve of £9.370M compared to a revenue deficit of £0.525m before the FRS17 changes are made. The Management Fee from Rochdale Council is allowed to vary to reflect any changes in employer's payments to the pension fund and the Council has agreed to support all pension fund liabilities as and when they fall due. The deficit is therefore not considered to be detrimental to the long-term future of the Company.

Turnover

Turnover represents income fees received from Rochdale MBC for the management and maintenance of Rochdale MBC's housing stock and other income from operating activities.

Fixed Assets and Depreciation

RBH currently has no fixed assets. The computer equipment shown in 2005/6 accounts was transferred to The Council for leasing to RBH over the next 4 years. Office buildings, furniture and equipment, computer equipment, plant and vehicles are all rented or leased.

Leased Assets

Rentals payable under operating leases are charged to the income and expenditure account on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. The HMRC have declared that ALMOs are considered as "not trading" with their parent council and are therefore exempt from corporation tax to the extent that surpluses are generated through this relationship.

Designated Reserves

The Company may choose to make a transfer to reserves to meet its anticipated future obligations. No reserve was established in 2006/2007.

Pension Costs

The Company participates in the Local Government Pension Fund (LGPF) Superannuation scheme. The scheme is a final salary pension scheme and retirement benefits to employees of the Company are funded by contributions from all participating employers and employees in the scheme. Payments are made to the Greater Manchester Pension Fund operated by Tameside MBC. These payments are made in accordance with periodic calculations by consulting actuaries and are based on pension costs applicable to the various participating organisations. The pension reserve represents the impact of actuarial gains and/or losses, which have been accounted for in the Statement of Total Recognised Gains and Losses.

2 Analysis of turnover

	£000	£000
Turnover	2007	2006
Management Fee Income	26,326	26,912
Other income	1,866	2,767
	28,192	29,679

3 Surplus/(Deficit) on ordinary activities before taxation

	2007 £000	2006 £000
Is stated after charging:		
Depreciation – I.T. Equipment	-	27
Auditors remuneration (including VAT):		
- in their capacity as auditors	22	20
- for other services – Corporation Tax computation	2	3
	24	50

4 Employee information

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

	2007 No.	2006 No.
Housing management	164	176
Housing maintenance	257	265
Administrative and clerical	131	145
	552	586

Staff costs for the above persons were:

	2007 £000	2006 £000
Wages and salaries	12,149	12,730
Social security costs	844	860
Other pension costs	1,234	1,158
	14,227	14,748

5 Directors emoluments

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

	2007 £000	2006 £000
Aggregate emoluments payable to Directors (including pension contributions and benefits in kind)	330	311

The Company's Managing Director was paid £102,000 including pension contributions, in 2006/07 (£96,000 in 2005/06). He is a normal member of the LGPS final salary pension scheme and does not receive any enhanced benefits. The three other directors each earned between £70k and £80k in 2006/07.

None of the members of the Board received any remuneration. They are paid expenses for expenditure incurred on travel, subsistence and carers costs in relation to attendance of Board and sub-committee meetings, training and other Company events. Board Members have received I.T. equipment to allow for electronic communication of minutes to meetings to reduce paper output. A review of expenses paid to Board Members resulted in the regular monthly payment of £95 to cover average expenses for Board Members to reduce the administration costs and again reduce paper output. The aggregate amount of expenses paid to Board members in the period was £6,267.64. (£1,720 in 2005/06).

6 Taxation

Analysis of charge in period

	2007 £000	2006 £000
UK Corporation tax		
Current tax on income for the period	33	39
Adjustments in respect of prior periods	-	(21)
Total current tax	33	18

Factors that may affect future tax charges

If the scale of non-council sourced income were to significantly increase, this will have an impact on the level of corporation tax payable in future years.

7 Reconciliation of Surplus / (Deficit)

	2007 £000s	2006 £000s
Surplus / (Deficit) before pension costs	(525)	806
Pension costs		
Employer Contributions	1,234	1,152
Current Service Cost	(2,278)	(1,791)
Settlements and Curtailments	(131)	-
Interest	(79)	(111)
Sub-total of pension costs	(1,254)	(750)
Reported Surplus / (Deficit) for the year	(1,779)	56

Reserves not including pension costs

In year Surplus / (Deficit)	(525)	806
Brought forward surpluses	829	23
Total Reserves carried forward	304	829

8 Fixed Assets

	IT Equipment £000	Total £000
Cost at 1st April 2006	137	137
Additions	-	-
Disposals	(137)	(137)
Cost at 31st March 2007	-	-
Depreciation at 1st April 2006	27	27
Additions	-	-
Disposals	(27)	(27)
Depreciation at 31st March 2007	-	-
Net Book Value at 1st April 2006	110	
Net Book Value at 31st March 2007	0	

9 Debtors

	2007 £000	2006 £000
Amounts receivable within one year:		
Rochdale MBC	-	-
Other	221	601
Prepayments	116	63
Accrued income	355	326
	692	990
Other debtors		
External debtors	22	69
Prepayments	463	118
Accrued income	38	22
	523	209
Total	1,215	1,199

10 Creditors

	2007 £000	2006 £000
Amounts falling due within one year:		
Rochdale MBC		
Payments on account	-	-
Other	73	145
Accruals and deferred income	1,821	2,704
	1,894	2,849
Other creditors		
Trade creditors	305	292
HM Customs and Excise	256	204
Corporation tax	12	38
Accruals and deferred income	1,249	1,078
Sub-total other creditors	1,822	1,612
Total	3,716	4,461

11 Provision for liabilities

	2007 £000	2006 £000
At beginning of year	-	20
Utilised during the year	-	(20)
Amounts provided during the year	8	-
At end of year	8	-

The 2007 provision relates to third party debtors for which credit notes have been raised in 2007/8 before the 2006/7 accounts were finalised.

Equal Pay Claims

RBH is in the process of settling claims in respect of equal pay, following the Single Status Agreement introduced in 1997 by the National Joint Council for Local Government Services to bring together manual and white collar employees under one set of Terms and Conditions of employment. As at 31 March 2007 it is not possible to estimate with any certainty the likely financial impact in advance of such claims being made.

12 Consitution

RBH is a company limited by guarantee and does not have any share capital. There is only one "member" of the organisation. That "member" is Rochdale Council and the Company's articles of association state that no other person other than the Council Member shall be admitted to membership of the organisation.

13 Reserves

	Revenue Reserve	Pension Reserve	Total Reserves
	£000	£000	£000
At beginning of year (restated)	(615)	(10,888)	(11,503)
Revenue surplus/(deficit) for year	(1,779)	-	(1,779)
Actuarial gain/(loss) recognised in the pension scheme	-	3,912	3,912
At end of year	(2,394)	(6,976)	(9,370)
	2007 £000	2006 £000	
Pension reserve	(6,976)	(10,888)	
Income and Expenditure Account	(2,394)	(615)	
Total Reserves	(9,370)	(11,503)	

14 Notes to the cash statement

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

	2007 £000	2006 £000
Operating Surplus/ (Deficit)	(1,779)	(16)
Depreciation	-	27
(Increase)/Decrease in stock	48	(9)
(Increase)/Decrease in debtors	(20)	(690)
Increase/(Decrease) in creditors	(810)	(389)
Movement in provisions	8	(21)
Pension current service cost	2,278	1,791
Pension Settlements and Curtailments	131	-
Pension contributions	(1,234)	(1,152)
Net cash inflow / (outflow) from operating activities	(1,378)	(459)

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

	2007 £000	2006 £000
Increase/(Decrease) in cash in the year	131	(316)
Change in net debt resulting from cash flows	(1259)	(97)
Net funds at start of year	3,608	4,021
Net funds at end of year	2,480	3,608

c) Analysis of changes in net funds

	At 1 April 2006 £000	Cash Flows £000	At 31 March 2007 £000
Cash and investment	3,608	(1,128)	2,480
Debt due within one year	-	-	-
Debt due after one year	-	-	-
Net funds	3,608	(1,128)	2,480

15 Related Party Disclosures

The Company is wholly owned by Rochdale Council. Total Company turnover was £28.2M including £26.3M from the Council in management fee.

The six tenant Board members are Gill Walch, (Chair) Derek Brown, Philomena Renshaw, Keith Barker, Keith Gordon and Roy Thompson. Acting as Board members does not allow them to influence their individual tenancies. During the year, because RBH's income is from the Council, the following Board members, as Councillors, have undertaken material transactions with Rochdale Boroughwide Housing: Cllr. Barbara Todd, Cllr. Dale Mulgrew Cllr. Michael Holly and Cllr. Brian Davies. The following Board members have also undertaken material transactions with RBH: Barbara Todd Chair of Greave Tenants and Residents Association and Derek Brown and Keith Gordon as Directors of Rochdale Federation of Tenants and Residents Associations (ROFTRA).

16 Leasing

RBH has 10 year leases for a number of offices, a stores facility, and a 5 year lease for an office due to expire in 2011. RBH is committed to making payments under operating leases in the next year, as follows:

	2007 £000	2006 £000
Building lease expiring beyond five years	313	261
Building lease expiring within 5 years	42	
Furniture and equipment leases expiring:		
One to five years	61	47
Beyond five years	-	-
	<hr/> 416	<hr/> 308

17 Equality and Diversity

RBH's commitment to promoting equality and valuing diversity is outlined in its Equality and Diversity policy document. The policy describes how RBH will comply with race relations legislation, the Sex Discrimination Act 1975, and the Disability Discrimination Act 1995. RBH has employed an Equality and Diversity Manager to ensure that RBH meets its obligations in this respect.

18 Pensions

The Company participates in the Greater Manchester Fund of the Local Government Pension Scheme LGPS. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £1.234M (2006: £1.152M). There were no outstanding or prepaid contributions at either the beginning or end of the year.

The pension scheme provides benefits based on final pensionable pay, contributions being charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the Company. The contributions are determined by a qualified actuary, and have been set at 11.6 % for 2006/07 and 12.5% for 2007/08. The last formal valuation was 31 March 2004. The next valuation will lead to revised contribution rates for 2008/09. The financial assumptions underlying the most recent valuation of the LGPS are as follows:

Valuation method	Projected unit
Market value of assets	£9,153 million
Investment return per annum	6.9%
Salary scale increases per annum	4.7%
Pension increases per annum	3.2%

Financial Reporting Standards No 17

Under the requirements of FRS 17, the Company is required to disclose further information on its share of assets and liabilities of the LGPS on a market value basis at the end of the accounting period. This information is set out below:

Actuarial assumptions	At 31 March 2007	At 31 March 2006
Discount rate	5.4%	4.9%
Salary increase rate	4.7%	4.6%
Pension increase rate	3.2%	3.1%
Rate of inflation	3.2%	3.1%
Scheme assets and expected rate of return		
Equities	7.8%	7.4%
Bonds	4.9%	4.6%
Property	5.8%	5.5%
Cash	4.9%	4.6%
Total market value of assets	£ 37.333M	£33.344M
Value of scheme liabilities	(£47.007M)	(£45.676M)
Net pension asset/(liability)	(£9,674M)	(£12.332M)

Analysis of amounts charged to operating surplus/(deficit)

	2007 £'000	2006 £'000
Current service cost and total operating charge	2,278	1,791
Past service cost	-	-
Curtailement and Settlements	131	-
<hr/> Total operating charge	<hr/> 2,409	<hr/> 1,791

Analysis of amounts credited to other finance income

	2007 £'000	2006 £'000
Expected return on pension scheme assets	2,223	1,823
Interest on pension scheme liabilities	(2,302)	(1,934)
<hr/> Net return	<hr/> (79)	<hr/> (111)
<hr/> Net Revenue Account Cost	<hr/> 2,488	<hr/> 1,902

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

	2007 £'000	2006 £'000
Actual return less expected return on pension scheme assets	226	4,182
Experience gains and losses arising on the scheme liabilities	46	(1)
Changes in assumptions underlying the present value of the scheme liabilities	3,640	(6,858)
<hr/> Actuarial gain/(loss) recognised in STRGL	<hr/> 3,912	<hr/> (2,677)

Movement in surplus/(deficit) in the year

	2007 £'000	2006 £'000
Deficit in scheme at beginning of year	(12,332)	(8,905)
Movement in year:		
Current service cost	(2,278)	(1,791)
Contributions	1,234	1,152
Past service cost	-	-
Impact of Settlements and Curtailments	(131)	-
Other finance income	(79)	(111)
Actuarial gain/ (losses)	3,912	(2,677)
<hr/> Surplus/(Deficit) in scheme at end of year	<hr/> (9,674)	<hr/> (12,332)

History of experience of gains and losses

	2007	2006
Difference between actual and expected return on scheme assets	226	4,182
Value of assets	37,333	33,344
% of scheme assets	0.6%	12.5%
Experience gains and losses on scheme liabilities (a)	46	(1)
Present value of liabilities (b)	47,007	45,676
% of present value of scheme liabilities % (a)/(b)	(0.1%)	(0.0%)
Total amount recognised in STRGL: (c)	3,912	(2,677)
Present value of liabilities (b)	47,007	45,676
% of present value of scheme liabilities % (c)/(b)	(8.3%)	(5.9%)