

**Rochdale Boroughwide Housing Limited  
Group and Company accounts**

Directors' report and financial statements  
Registered number 4394435  
Year ended 31 March 2010

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# Rochdale Boroughwide Housing Group Ltd

## RBH Board and Advisors

### Board

Ian Agnew ( Chair – retired 3/6/10)  
Noel Chambers (Chair – appointed 3/6/10)  
Philomena Renshaw ( Vice Chair )  
Desmond Morris  
Ian Harlow  
Roy Thompson (Deceased)  
Pat Colclough (retired 23/5/10)  
Teresa Fitzsimons (retired 23/5/10)  
Peter Brierley  
Timothy Byrne  
Thomas Hilton  
Keith Gordon (retired 21/10/09)  
Dale Mulgrew (retired 23/5/10)  
James Gartside

### Advisors To Board

Dr A Wahid Choudhry  
N Chambers – see above  
M Thompson

### Executive Officers

**Chief Executive**  
Gareth Swarbrick

**Director of Resources**

Nickie Hallard

**Director of Operations**

Andrew Toft

**Director of Property Services**

Eugene Wilson

### Secretary and Registered Office

**Lizbeth Helen Alasvand**  
Rochdale Boroughwide Housing Ltd.  
PO Box 69,  
The Old Post Office,  
The Esplanade,  
Rochdale  
OL16 1AE.

### Solicitors

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

### Group Structure

Brighter Horizons Ltd is a wholly owned charitable subsidiary of RBH Ltd with its own Board of Trustees. Company No. 06679774

Safeguard Security Solutions Ltd (SSSL) is a joint venture between RBH Ltd and Securecom (each having 50% shareholding), Company No. 06387991. It has its own auditors (Grant Thornton) and is managed by two directors, one from each of its controlling parties.

All group companies bank with the Co-Operative Bank, and KPMG audit the group accounts. Accounts for Brighter Horizons and Safeguard Security Solutions Ltd are publicly available.

### Auditors

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

### Internal Auditors

**Deloitte & Touche LLP,**  
(P.O. Box 500),  
2 Hardman St  
Manchester.  
M60 2AT

### Bankers

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

## Statement of Chair and Chief Executive

2009/10 was another year of achievement and delivery by RBH. During the year we continued our focus on improving core housing management and maintenance services whilst broadening our activities and ensuring that we were actively engaged in partnership working with the Council and other agencies to address the wider challenges facing the borough and its communities.

During the year there were significant organisational developments for RBH with our charitable subsidiary, Brighter Horizons, commencing its first new build development schemes, and our joint venture company, Safeguard Security Solutions, beginning to deliver alarm and security services for tenants and other customers. These were important landmark events and the 2 companies with RBH itself now form the RBH Group.

During the year we forged partnerships at a regional, national and international level with the aim of developing a comprehensive approach on issues relating to climate change and its impact on our homes and services. The interrelated issues of energy sustainability, carbon reduction and fuel poverty are ones that we will have a real focus on over the coming years.

The Investment and Involvement Commission referred to in last year's report started its task of examining future strategic options for the Council's housing stock in October 2009 and the RBH Board and officers have actively engaged with and supported Commission members and its independent Chair. It is expected that the Commission will report its findings and make recommendations to the Council by the end of 2010. RBH intends to be ready to respond positively to the Commission's report.

RBH's track record of efficiency and delivery, allied to our strong partnerships, make us well equipped to deal with future challenges which are made doubly difficult by the current economic situation and national policy changes. With the continued support of our employees, tenants, leaseholders, partners and the Council we are confident in our ability to meet these challenges head on and to forge a future path for the organisation which will protect and enhance service levels and allow us to develop new products and services to strengthen local communities, improve the quality of life on estates and assist with the regeneration of the borough..

We would like to thank all our Board members, Trustees, employees and tenant activists for their hard work, support and commitment during 2009/10.



Noel Chambers  
Chair of the Board



Gareth Swarbrick  
Chief Executive

## Report of the Board of Directors of RBH Ltd for the Year Ended 31 March 2010

The Board of Directors presents its report and the audited financial statements for the year ended 31 March 2010.

### Review of business and future developments

2009/10 is the first year when RBH's new Group structure has become operational with the commencement of trading of the alarm joint venture company (Safeguard Security Solutions Ltd - SSSL) and Brighter Horizons Ltd (BHL). RBH has recorded a surplus of £875k (before accounting for pension costs). When taking account of reserves brought forward of £1.561M, RBH has reserves of £2.436M at 31 March (not including accounting for pension costs).

RBH has continued to implement its VFM Strategy and achieved approaching £1M of efficiency gains, a significant proportion of which have been re-invested in service improvements. This has specifically allowed us to:

- Invest more in enhancing the estate caretaking service which together with the environmental improvements programme has resulted in an increase in tenants satisfaction with their neighbourhood
- Set up a drop-in-centre on the Lower Fallinge estate which will deliver services directly to vulnerable tenants, as part of our commitment to the Local Strategic Partnership's Tackling Deprivation Together agenda.
- Create a Money Matters Team to provide debt and welfare advice to tenants as part of our work on financial inclusion.

Other key developments and achievements for 2009/10 are as follows:

- For the fifth year running RBH was awarded the International Health and Safety Award.

- RBH implemented a revised pay structure in 2009/10 following a pay and grading review
- A new employee appraisal scheme was also implemented to focus and enhance employee performance and to recognise the good qualities in staff
- After another successful employee conference in November 2009, an employee survey was completed with 86% of staff expressing satisfaction with working for RBH
- The work of Rochdale's Investment and Involvement Commission commenced in July 2009 with RBH playing a lead role. The independently chaired Commission was set up to explore options for the HRA and the future ownership, management and maintenance of the Council's housing stock.
- RBH successfully completed the digital switchover during the year.
- A 'Green Team' has been set up in partnership with Groundwork Trust which utilises the local labour of the young unemployed and ex-offenders to clear up untidy areas and improve the environment on estates across the borough.
- RBH Involve was established during the year. This is a new forum for a larger number of tenants to be involved in shaping the services that we deliver. It has over 600 members.
- An extremely successful Celebration and Information Day was held in October 2009, with over 400 tenants attending
- RBH has been successful in 2009/10 in accessing external grant funding to deliver a wide range of schemes including:
  - £1.3M from the National affordable Housing programme to support the New Build schemes to be delivered by Brighter Horizons at Croft Street and Dover Street.
  - An energy efficiency scheme for College bank flats was started in 2009/10 using £1.4M of Social Housing Energy Saving Programme (SHESP) funding
  - A play area on the Lower Falinge estate was constructed in partnership with the Groundwork Trust and the local community using funding from the M & S carriers bags scheme
  - Over 400 tenants have been helped by a scheme aimed at reducing accidents in the home among the under-fives. RBH teamed up with Royal Society for the Prevention of Accidents (RoSPA) and the Council to use HomeStart funding to fit a variety of safety equipment in homes, free of charge.

## Future developments for 2010/11

Key priority projects set out in RBH's Corporate Plan to be delivered in 2010/11 include:

- A review of how we support our customers in to work, including signposting to and the provision of training, together with a review of our recruitment and selection practices to maximise the benefits of local employment.
- An assessment of RBH's administrative need will take place to ensure our admin resources are aligned for maximum effectiveness.
- Consideration will be given to alternative premises from our current HQ at the Old Post Office. The lease expires in March 2013 and alternatives are being considered due to the lack of space and flexibility afforded by this building and the increasing cost of running and maintaining it.
- RBH will continue to work jointly with the Council on reviewing the long-term future of council housing in the Borough, in the context of proposed changes to the national funding arrangements for council housing.

## Principal risks and uncertainties

RBH's Strategic and Operational risk registers have been reviewed and updated during the year to reflect current circumstances, including the establishment of Safeguard Security Solutions Ltd and Brighter Horizons Ltd.

The key strategic risks around business continuity are being addressed with meetings between RBH, RMBC and Impact Partnership. Risks in relation to the swine flu epidemic and the period of severe weather during 2009/10 were dealt with effectively.

In relation to future funding requirements to maintain services and decent homes, RBH has continued to take a lead role on the local HRA future options review and Rochdale's response to the outcomes of the national review of council housing finance.

## Key Performance Indicators

Overall there was an increase in the amount of rent collected in 2009/10 compared to the previous year. This reflected speedier action by area teams and the impact of the Money Matters team in its interventions.

Rent loss in relation to empty properties just missed target because of the impact of the bad weather during December to February, because a number of properties were empty longer than normal due to difficulties with access for repairs and viewing. This had a knock on effect in terms of turn around times at the year end

The volume of urgent repairs increased by 39% during December and January, mainly due to the adverse weather conditions. This additional volume was managed, however some targets were missed due to the unusual demand.

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

Performance in relation to sickness absence was 0.57% above the target for 2009/10 and represents a 0.37% increase compared to 2008/9.

A new Complaints procedure is due to come into operation in June 2010, with one of its aims being to improve performance in this area.

The table below shows RBH performance for 2008/9 and 2009/10.

<b>Indicator</b>	<b>Target 2008/9</b>	<b>Actual 2008/9</b>	<b>Target 2009/10</b>	<b>Actual 2009/10</b>
% Rent Collected (excluding water)	97.9%	97.4%	97.9%	98.1%
Empty Properties % rent lost	1.3%	1.1%	1.0%	1.1%
Empty Properties – average days to relet	33	27	25	28
Repairs – average time to complete non-urgent repairs	10	11	10	10
Repairs - % urgent jobs completed in Government timescales	97.9%	98.8%	99.2%	96.9%
Repairs - % completed in priority timescales	96%	97.6%	98%	97.4%
Repairs – satisfaction with service	93%	93%	94%	92%
Right to Buy applications actioned within Government timescales	100%	100%	100%	100%
Personnel - % days lost to sickness	4%	4.2%	4%	4.6%
Complaints - % answered in 15 working days	97%	97.6%	98.5%	93.9%
Overall Tenant Satisfaction	82.5%	81%	82.0%	80.6%

## Our Governance Arrangements

The Main Board of RBH comprises six tenants, four councillors and three independents. As at 31<sup>st</sup> March 2010 there was one vacancy.

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.

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 8 times in 2009/10.

The Board was assisted by 4 Sub-Committees that have delegated powers and written terms of reference. The phased implementation of new tenant led Area Panels and Boroughwide service improvement panels began in 2009 and will continue in 2010.

### 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 4 Board Members.

The Sub-Committee met 4 times in 2009/10.

### 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 2009/10.

### 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 5 occasions during the year and received regular reports on company expenditure and commitments against approved budgets.

### 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 2009/10.

### Policy and practice on payment of creditors

It is the policy of the Company to pay its creditors within 30 days. However, to help smaller businesses through the current economic climate, RBH has chosen to pay undisputed invoices within 10 days of receipt of invoice wherever possible. Overall, 95.8% of invoices were paid within 30 days of receipt. In the year RBH centralised the processing of invoices and implemented electronic approval of documents.

At the year-end, there were 8 days purchases in trade creditors (2008/09 was 6 days).

# Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The directors are responsible for preparing 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 association and of the surplus or deficit 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 and the Statement of Recommended Practice 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 association will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and 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 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the association 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.'

## 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.

# Statement of Directors on Risk Management and Internal Control

## Risk Management

The directors 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 directors' 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;

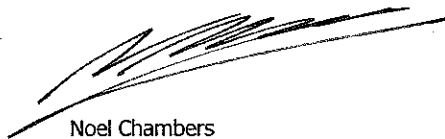
- all significant new initiatives, major commitments and investment projects are subject to formal authorisation procedures through relevant sub-committees comprising Board members and others;
- the directors review reports from management, from internal auditors, from the external auditors and from their 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.

The report of the Directors was approved on 29<sup>th</sup> September 2010 and signed on its behalf by:



Liz Alasvand  
**Company Secretary**



Noel Chambers  
**Chair of the Board**

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

We have audited the financial statements of Rochdale Boroughwide Housing Limited ("the Group") for the year ended 31 March 2010, set out on pages 10 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Group's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Group'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 association and the Group's members as a body, for our audit work, for this report, or for the opinions we have formed.

## Respective responsibilities of the directors and auditors

As explained more fully in the Directors' Responsibilities 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. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

## Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP).

## Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the association as at 31 March 2010 and of its surplus/(deficit) for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us 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.



S Aggett (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

KPMG LLP,

Chartered Accountants,

St James Square, Manchester, M2 6DS

Date: 29th September 2010

## Income and Expenditure Account.

Year ended 31 March 2010

	Note	RBH Group		RBH Ltd	
		2010	2009	2010	2009
		£000	£000	£000	£000
Turnover	2	35,649	32,691	35,090	32,691
Less share of Joint Venture Income		(566)	-	-	-
Operating Costs		(33,799)	(33,011)	(33,797)	(33,011)
<b>Operating surplus / (deficit)</b>		<b>1,284</b>	<b>(320)</b>	<b>1,293</b>	<b>(320)</b>
Share of Joint Venture Gross Profits		65	-	-	-
Interest receivable and similar charges		14	132	13	132
Interest payable and similar charges		-	-	-	-
Other finance income / (expense)	20	(498)	90	(498)	90
<b>Surplus / (deficit) on ordinary activities before taxation</b>		<b>865</b>	<b>(98)</b>	<b>808</b>	<b>(98)</b>
Tax on surplus / (deficit) from ordinary activities	6	(16)	(28)	(3)	(28)
<b>Surplus / (Deficit) on ordinary activities after taxation</b>		<b>849</b>	<b>(126)</b>	<b>805</b>	<b>(126)</b>
Transfer to / from reserves	15	-	-	-	-
<b>Surplus / (deficit) for the year</b>		<b>849</b>	<b>(126)</b>	<b>805</b>	<b>(126)</b>
Revenue reserves brought forward	15	(2,626)	(2,500)	(2,626)	(2,500)
<b>Revenue reserves carried forward</b>	15	<b>(1,777)</b>	<b>(2,626)</b>	<b>(1,821)</b>	<b>(2,626)</b>

All amounts relate to continuing activities.

The notes on pages 13 to 23 form part of these financial statements. All amounts relate to continuing activities.

## Balance Sheet.

As at 31 March 2010

The balance sheet summarises the financial position of the Group and company. It shows the value of the assets and liabilities at the end of the financial year (31 March 2010).

	Note	RBH Group		RBH Ltd	
		2010 £000	2009 £000	2010 £000	2009 £000
<b>Fixed assets</b>					
Housing properties	8	534	-	-	-
Other Tangible Fixed Assets	8	287	-	287	-
Investment in Joint Venture		52	-	-	-
<b>Total Fixed Assets</b>		<b>873</b>	<b>-</b>	<b>287</b>	<b>-</b>
<b>Current assets</b>					
Stock	9	233	290	233	290
Debtors	10 & 12	3,510	1,734	3,644	1,734
Cash at bank and in hand		337	4	4	4
Short term investments		3,225	2,568	3,225	2,568
<b>Total current assets</b>		<b>7,305</b>	<b>4,596</b>	<b>7,106</b>	<b>4,596</b>
Overdraft		(275)	(272)	(275)	(272)
Creditors: Amounts falling due within one year	11	(5,099)	(2,724)	(4,553)	(2,724)
<b>Net current assets</b>		<b>1,931</b>	<b>1,600</b>	<b>2,278</b>	<b>1,600</b>
Creditors: amounts falling due after one year	11	(195)	-	-	-
Provision for dilapidations	12	(115)	-	(115)	-
Provision for future tax liabilities	12	(3)	(28)	(3)	(28)
<b>Net Assets excluding pension liabilities</b>		<b>2,491</b>	<b>1,572</b>	<b>2,447</b>	<b>1,572</b>
Pension asset / (liability)	20	(25,406)	(4,198)	(25,406)	(4,198)
<b>Net liabilities including pension liabilities</b>		<b>(22,915)</b>	<b>(2,626)</b>	<b>(22,959)</b>	<b>(2,626)</b>
<b>Reserves</b>					
Pension reserve	15	(21,289)	(11)	(21,289)	(11)
Restricted reserve		11	11	11	11
Income and Expenditure Account – Pension costs		(4,117)	(4,187)	(4,117)	(4,187)
Income and Expenditure Account – Operating surplus	7 & 15	2,480	1,561	2,436	1,561
		(22,915)	(2,626)	(22,959)	(2,626)

These financial statements were approved by the Board on 29<sup>th</sup> September 2010 and were signed on its behalf by:



**Noel Chambers, Chair**

The notes on pages 13 to 23 form part of these financial statements. All amounts relate to continuing activities.

## Cash flow statement

For the year ended 31 March 2010

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

	Note	RBH Group	
		2010	2009
		£000	£000
Net cash inflow / (outflow) from operating activities	16a	1,604	(1,616)
Capital expenditure		(1,588)	-
Returns on investments and servicing of finance			
Interest received		13	132
Interest paid		-	-
<b>Net cash inflow from returns on investments</b>		<b>29</b>	<b>(1,484)</b>
Corporation tax paid		(3)	(28)
Loans received		195	-
Grants received		766	-
<b>Increase/(Decrease) in cash and investments</b>	16c	<b>987</b>	<b>(1,512)</b>

The notes on pages 13 to 23 form part of these financial statements.

## Statement of total recognised gains and losses

For the year ended 31 March 2010

This statement summarises the total recognised gains and losses.

	Note	RBH Group		RBH Ltd	
		2010	2009	2010	2009
		£000	£000	£000	£000
Revenue surplus / (deficit) for the year.		849	(126)	805	(126)
Restricted Reserve		11	11	11	11
Actuarial gain/(loss) recognised in the pension scheme	20	(21,138)	(5,337)	(21,138)	(5,337)
<b>Total gains and losses relating to the financial year</b>		<b>(20,278)</b>	<b>(5,452)</b>	<b>(20,322)</b>	<b>(5,452)</b>

## Reconciliation of movements in funds

For the year ended 31 March 2010

	Note	RBH Group		RBH Ltd	
		2010	2009	2010	2009
		£000	£000	£000	£000
Revenue (deficit) / surplus for the year		849	(126)	805	(126)
Restricted Reserve		11	11	11	11
Other recognised gains and losses relating to the year		(21,138)	(5,337)	(21,138)	(5,337)
<b>Net addition / (reduction) to funds</b>		<b>(20,278)</b>	<b>(5,452)</b>	<b>(20,322)</b>	<b>(5,452)</b>
Brought Forward Pension Reserve		(11)	-	(11)	-
Brought forward FRS 17 adjustment		(2,626)	2,826	(2,626)	2,826
<b>Closing funds</b>		<b>(22,915)</b>	<b>(2,626)</b>	<b>(22,959)</b>	<b>(2,626)</b>

## 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 Group accounts have been prepared using the Gross Equity method of consolidating the Joint Venture (SSSL).

The accounts have been prepared on a going concern basis.

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. Measures put in place to address the deficit, by increasing employers' contributions etc are in place, but despite this discount rates used and the assumptions for mortality rates have resulted in the massive deficit for 2009/10. 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.

#### 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

##### Housing Assets

RBH Group (via Brighter Horizons, it's charitable subsidiary), is in the process of building new homes and has purchased some which were previously sold under the Right-to-buy scheme. These properties will be renovated before being re-let. It is RBH Group policy not to begin depreciating properties until they are ready for letting. All housing properties within the group will be held by Brighter Horizons.

Freehold land is not depreciated.

Depreciation is charged on a straight line basis over the useful economic lives of the assets.

Properties held for letting are depreciated over a useful economic life of 75 years.

Major components will be treated as separate assets and depreciated over their useful economic life – these will be determined once the assets become operational.

Depreciation begins from the month following installation / completion or in the case of properties, the addition to the Rent Accounting system. Depreciation will be calculated monthly up to the date of disposal.

##### Other Assets

Depreciation is charged on a straight line basis over the expected useful economic lives of other assets on the following basis:

- Alarm systems	10 years
- IT equipment	3 – 5 years
- Fixtures and fittings	3 – 5 years

Depreciation will be charged monthly following the purchase of assets.

RBH has capitalised some IT equipment, and the alarm systems fitted / converted by Safeguard Security Solutions Ltd (SSSL), it's joint venture company. RBH Board also approved an investment of £200k in a site to be developed in Heywood.

#### Capitalisation of expenditure

Expenditure will only be capitalised if approved by Trustees for Brighter Horizons, via the approval of schemes, or in the case of RBH Ltd, the approval by the Executive Management Team.

#### 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 and are issued on a First in first out (FIFO) basis. A stocktake was completed over the weekend of 26<sup>th</sup> March to 31<sup>st</sup> March 2010. Stock held at 1<sup>st</sup> April 2009, relating to alarm systems was transferred to the new joint venture company, SSSL on that date.

**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 2009/10.

**Restricted Reserves**

The restricted reserve relates to a legacy for the benefit of one of the sheltered housing schemes.

**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

	RBH Group		RBH Ltd	
	2010	2009	2010	2009
	£000	£000	£000	£000
Management Fee Income	29,140	28,605	29,140	28,605
Share of Joint Venture Income	566	-	-	-
Inter-company Recharge	(7)	-	-	-
Other income	5,950	4,086	5,950	4,086
<b>Total</b>	<b>35,649</b>	<b>32,691</b>	<b>35,090</b>	<b>32,691</b>

## 3 Surplus/ (Deficit) on ordinary activities before taxation

Is stated after charging:	RBH Group		RBH Ltd	
	2010	2009	2010	2009
	£000	£000	£000	£000
<u>Auditors remuneration (including VAT):</u>				
Internal auditors	60	49	60	49
External Auditors - in their capacity as auditors	33	27	31	27
External Auditors – For other services	4	4	4	4
	<b>97</b>	<b>80</b>	<b>95</b>	<b>80</b>

## 4 Employee information

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

	RBH Group		RBH Ltd	
	2010	2009	2010	2009
	No	No	No	No
Housing management	201	201	201	201
Housing maintenance	279	278	279	278
Administrative and clerical	109	117	109	117
<b>Total</b>	<b>589</b>	<b>596</b>	<b>589</b>	<b>596</b>

Staff costs for the above people were:

	RBH Group		RBH Ltd	
	2010	2009	2010	2009
	£000	£000	£000	£000
Wages and salaries	14,165	13,677	14,165	13,677
Social security costs	956	897	956	897
Other pension costs	1,803	1,589	1,803	1,589
<b>Total</b>	<b>16,924</b>	<b>16,163</b>	<b>16,924</b>	<b>16,163</b>

## 5 Directors emoluments

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

	2010	2009
	£000	£000
Aggregate emoluments payable to Directors (including pension contributions)	367	269

The increase in 2009/10 is due to the Business Support Director post being left vacant until the appointment of the Chief Executive in

November 2008. Gareth Swarbrick, the Acting Managing Director was appointed as Chief Executive and has redesignated the Business Support Director post as a Director of Resources, with more emphasis on the financial development of RBH. This post was filled in June 2009.

The Company's Chief Executive was paid £125,000 including pension contributions, in 2009/10. The Chief Executive was paid £103,000 in 2008/09. The Chief Executive is a normal member of the LGPS final salary pension scheme and does not receive any enhanced benefits. The directors of SSSL are paid through the respective companies, Eugene Wilson through RBH and Yashar Turgut through Securecom. Brighter Horizons does not directly employ any staff, however, a recharge is made by RBH for staff time spent completing tasks on behalf of Brighter Horizons. A similar charge is made to SSSL.

<b>Bands</b>	<b>No of directors:</b>
<b>£60k to £70k</b>	<b>1</b>
<b>£70k to £80k</b>	<b>0</b>
<b>£80k to £90k</b>	<b>1</b>
<b>£90k to £100k</b>	<b>1</b>
<b>£120k to £130k</b>	<b>1</b>

	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
RBH Board Member Expenses	10	10

## 6 Taxation

Analysis of charge in period (RBH Ltd)

<b>UK Corporation tax</b>	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Current tax on income for the period	3	28
Share of joint venture taxation charge	13	-
Adjustments in respect of prior periods	-	-
<b>Total current tax</b>	<b>16</b>	<b>28</b>

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.

Brighter Horizons is a charitable subsidiary and has not incurred any corporation tax liability.

## 7 Reconciliation of Surplus / (Deficit)

	<b>RBH Group</b>		<b>RBH Ltd</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Surplus / (Deficit) before pension costs</b>	<b>919</b>	<b>301</b>	<b>875</b>	<b>301</b>
<u>Pension costs</u>				
Employer contributions	1,811	1,586	1,811	1,586
Current Service Cost	(1,329)	(1,485)	(1,329)	(1,485)
Past Service Cost	-	(606)	-	(606)
Settlements and Curtailments	(54)	(12)	(54)	(12)
Interest	(498)	90	(498)	90
<b>Sub-total pension costs</b>	<b>(70)</b>	<b>(427)</b>	<b>(70)</b>	<b>(427)</b>
<b>Reported Surplus / (Deficit) for the year</b>	<b>849</b>	<b>(126)</b>	<b>805</b>	<b>(126)</b>

## Reserves not including pension costs

	RBH Group		RBH Ltd	
	2010	2009	2010	2009
	£000	£000	£000	£000
<b>Surplus / (Deficit) before pension costs</b>	<b>919</b>	<b>301</b>	<b>875</b>	<b>301</b>
Reserves brought forward	1,561	1,260	1,561	1,260
<b>Total reserves not including pension costs</b>	<b>2,480</b>	<b>1,561</b>	<b>2,436</b>	<b>1,561</b>

## 8 Fixed Assets

Housing Properties	Held for letting £000		
	Completed	Under Construction	Total
<b>Cost at 1<sup>st</sup> April 2009</b>	-	-	-
Additions	-	1,300	1,300
Schemes completed	-	-	-
Disposals	-	-	-
<b>Cost at 31<sup>st</sup> March 2010</b>	-	<b>1,300</b>	<b>1,300</b>
<b>Less Grant receipts</b>			
At 1 <sup>st</sup> April 2009	-	-	-
Additions	-	766	766
Schemes completed	-	-	-
<b>Grant Receipts At 31<sup>st</sup> March 2010</b>	-	<b>766</b>	<b>766</b>
<b>Less Depreciation</b>			
At 1 <sup>st</sup> April 2009	-	-	-
Charged in year	-	-	-
Disposals	-	-	-
<b>Depreciation at 31<sup>st</sup> March 2010</b>	-	-	-
<b>Net Book Value at 31<sup>st</sup> March 2010</b>	-	<b>534</b>	<b>534</b>

All properties are owned by Brighter Horizons Ltd

Other Tangible Fixed Assets	£000			Total
	Investments	IT Equipment	Alarm Systems	
<b>Cost at 1<sup>st</sup> April 2009</b>	-	-	-	-
Additions	200	72	15	287
Disposals	-	-	-	-
<b>Cost at 31<sup>st</sup> March 2010</b>	<b>200</b>	<b>72</b>	<b>15</b>	<b>287</b>
<b>Less Depreciation</b>				
At 1 <sup>st</sup> April 2009	-	-	-	-
Charged in year	-	-	-	-
Disposals	-	-	-	-
<b>Depreciation at 31<sup>st</sup> March 2010</b>	-	-	-	-
<b>Net Book Value at 31<sup>st</sup> March 2010</b>	<b>200</b>	<b>72</b>	<b>15</b>	<b>287</b>
<b>Net Book Value at 31<sup>st</sup> March 2009</b>	-	-	-	-

All other fixed assets are owned by RBH Ltd

## Capital Commitments

### RBH Group

	At 31/3/10 £000s			At 31/3/09 £000s		
	1 year	2 - 5 years	Over 5 Yrs	1 year	2 - 5 years	Over 5 Yrs
Commitments contracted for	2,134	3,396	0	0	0	0
Commitments Approved by the Board But Not Yet Contracted For	70	0	0	0	0	0
<b>Grand Total</b>	<b>2,204</b>	<b>3,396</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### RBH Ltd

	At 31/3/10 £000s			At 31/3/09 £000s		
	1 year	2 - 5 years	Over 5 Yrs	1 year	2 - 5 years	Over 5 Yrs
Commitments contracted for	240	3,396	0	0	0	0
Commitments Approved by the Board But Not Yet Contracted For	0	0	0	0	0	0
<b>Grand Total</b>	<b>240</b>	<b>3,396</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 9 Stock

	RBH Group		RBH Ltd	
	2010 £000	2009 £000	2010 £000	2009 £000
Gross stock	256	313	256	313
Provision for slow moving stock	(23)	(23)	(23)	(23)
<b>Net stock carried forward</b>	<b>233</b>	<b>290</b>	<b>233</b>	<b>290</b>

## 10 Debtors

	RBH Group		RBH Ltd	
	2010 £000	2009 £000	2010 £000	2009 £000
Amounts receivable within one year				
<b>Rochdale MBC</b>				
Management Fee	-	-	-	-
Other	1,004	680	1,004	680
Prepayments	-	-	-	-
Accrued income	1,067	731	1,067	731
Sub-total RMBC debtors	2,071	1,411	2,071	1,411
<b>RBH Group Companies</b>	-	-	539	-
<b>Other Debtors</b>				
External debtors	1,040	30	635	30
Prepayments	399	293	399	293
Accrued income	0	0	0	0
Sub-total other debtors	1,439	323	1,034	323
<b>Total</b>	<b>3,510</b>	<b>1,734</b>	<b>3,644</b>	<b>1,734</b>

## 11 Creditors

	RBH Group		RBH Ltd	
	2010 £000	2009 £000	2010 £000	2009 £000
Amounts falling due within one year				
<b>Rochdale MBC</b>				
Payments on account	-	-	-	-
Other	10	270	10	270
Accruals and deferred income	1,686	1,027	1,686	1,027
<b>Sub-total RMBC creditors</b>	<b>1,696</b>	<b>1,297</b>	<b>1,696</b>	<b>1,297</b>
<b>RBH Group Companies</b>	-	-	-	-
<b>Other Creditors</b>				
Trade Creditors	1,737	890	1,737	890
HM Customs and Excise	397	132	397	132
Accruals and deferred income	1,269	405	723	405
<b>Sub-total other creditors</b>	<b>3,403</b>	<b>1,427</b>	<b>2,860</b>	<b>1,427</b>
<b>Bank overdraft</b>	<b>275</b>	<b>272</b>	<b>275</b>	<b>272</b>
<b>Total</b>	<b>5,374</b>	<b>2,996</b>	<b>4,828</b>	<b>2,996</b>

### Creditors: Amounts falling due after one year:

Secured loan to Brighter Horizons for the purchase of ex-Right-to-Buy properties £195k repayable over 25 years.

Loan Repayment Periods

	At 31/3/10 £000s			At 31/3/09 £000s		
	1 year	2 - 5 years	Over 5 Yrs	1 year	2 - 5 years	Over 5 Yrs
<b>Future Repayment Obligations</b>						
Loan to purchase ex-RTB properties	0	17	178	0	0	0
<b>Grand Total</b>	<b>0</b>	<b>17</b>	<b>178</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 12 Provision for liabilities

	RBH Ltd	
	2010 £000	2009 £000
At beginning of the year	23	20
Utilised during the year	(2)	(3)
Amounts provided during the year	119	6
<b>Provisions at 31<sup>st</sup> March 2010</b>	<b>140</b>	<b>23</b>

Also 3k bad debt provision in both years.

The £23k slow moving stock provision relates to central heating items that may be obsolete as they are parts for old boilers etc.

A provision of £115k has been set aside for the dilapidations of Sadler St building. RBH left Sadler St on 26<sup>th</sup> March 2010 and moved to Parkfield House.

A credit note provision was also created for old Safegard invoices where charges have been disputed.

## 13 Contingent Liabilities

### Equal Pay Claims

A small number of claims are in the process of being settled 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 2010 it is not possible to estimate with any certainty the likely financial impact in advance of such claims being made.

## 14 Constitution

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.

## 15 Reserves

	Revenue Reserve	Pension Reserve	Restricted Reserve	Total
Group	£000	£000	£000	£000
At 1 <sup>st</sup> April 2009	(2,626)	(11)	11	(2,626)
Revenue surplus / (deficit) for year	849	-	-	849
Actuarial gain/(loss) recognised in the pension scheme	-	(21,138)	-	(21,138)
<b>At 31<sup>st</sup> March 2010</b>	<b>(1,777)</b>	<b>(21,149)</b>	<b>11</b>	<b>(22,915)</b>
	Revenue Reserve	Pension Reserve	Restricted Reserve	Total
<b>RBH Ltd</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 <sup>st</sup> April 2009	(2,626)	(11)	11	(2,626)
Revenue surplus / (deficit) for year	805	-	-	805
Actuarial gain/(loss) recognised in the pension scheme	-	(21,138)	-	(21,138)
<b>At 31<sup>st</sup> March 2010</b>	<b>(1,821)</b>	<b>(21,149)</b>	<b>11</b>	<b>(22,959)</b>
<b>Summary by Reserve</b>	<b>RBH Group</b>		<b>RBH Ltd</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Pension reserve	(21,149)	(11)	(21,149)	(11)
Restricted reserve	11	11	11	11
Income & Expenditure Account	(1,777)	(2,626)	(1,821)	(2,626)
<b>Total reserves</b>	<b>(22,915)</b>	<b>(2,626)</b>	<b>(22,959)</b>	<b>(2,626)</b>

## 16 Notes to the cash flow statement

a) Reconciliation of operating surplus to net cash inflow from operating activities	RBH Group	
	2010 £000	2009 £000
Operating Surplus/ (Deficit)	1,284	(320)
Depreciation	-	-
(Increase)/Decrease in stock	57	(6)
(Increase)/Decrease in debtors	(1,776)	(679)
Increase/(Decrease) in creditors	2,375	(1,135)
Movement in tax provision	(25)	(7)
Movement in provisions	117	3
Restricted Fund Receipt	-	11
Pension current service cost	1,329	1,485
Pension Settlements and Curtailments	54	12
Past service costs	-	606
Pension contributions	(1,811)	(1,586)
<b>Net cash inflow / (outflow) from operating activities</b>	<b>1,604</b>	<b>(1,616)</b>

b) Reconciliation of net cash inflow to movement in net funds	2010 £000	2009 £000
Increase/(Decrease) in cash in the year	330	(590)
Change in net debt resulting from cash flows	657	(922)
Net funds at start of year	2,300	3,812
<b>Net funds at end of year</b>	<b>3,287</b>	<b>2,300</b>

c) Analysis of changes in net funds	At 1 April 2009 £000	RBH Group Cash Flows £000	At 31 March 2010 £000
	Cash and investment	2,300	987
Debt due within one year	-	-	-
Debt due after one year	-	-	-
<b>Net funds</b>	<b>2,300</b>	<b>987</b>	<b>3,287</b>

## 17 Related Party Disclosures

RBH Ltd is wholly owned by Rochdale Council. RBH Ltd turnover was £35.1m including £29.1m from the Council in management fee, and a further £3.8m in capital income.

The majority (£855k) of Safeguard Security Solutions Ltd (SSSL) turnover relates to a management fee paid to them to maintain the alarm systems on behalf of RBH Ltd, install monitored alarms in RBH properties and manage the CCTV centre. RBH Director of Property Services, Eugene Wilson is also a director of Safeguard Security Solutions Ltd (SSSL).

Eugene Wilson is also a director of G M Procure, a consortia set up to deliver effective collective procurement in the North West.

Gareth Swarbrick is a Director of Rochdale Housing Initiative, a housing partnership company which brings together registered providers of social housing in the borough. Andrew Toft, Operations Director, is also a director of Harrogate Youth Build Trust.

Acting as Board members does not allow tenant Board members 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. Dale Mulgrew, Cllr Pat Colclough, Cllr Tereza Fitzsimons, and Cllr James Gartside. Works and services to the value of £98,000 were commissioned from a company in which one Board Member Members had an interest. The contract was awarded by RMBC rather than

RBH and the Board Member did not take part in any discussion, or decision, relating to the above. The interest is recorded in the Register of Members' Interests. Another Board member is chair of Tenants and Residents of Kirkholt (TRAK), who received grant funding of £10,628 in 2009/10. The formula for calculation of the grant was not influenced by his role as a board member.

All transactions are on an arms-length basis.

## 18 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 years, as follows:

Future Leasing Obligations	At 31/3/10 £000s			At 31/3/09 £000s		
	1 year	2 - 5 years	Over 5 Yrs	1 year	2 - 5 years	Over 5 Yrs
Land & Buildings	424	1,271	40	377	1,296	346
Other	84	73	0	87	158	0
<b>Grand Total</b>	<b>508</b>	<b>1,344</b>	<b>40</b>	<b>464</b>	<b>1,454</b>	<b>346</b>

## 19 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.

## 20 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 £1.811M (2009: £1.586M). 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 15.70% for 2010/11, and 16.80% for 2011/12. The last formal valuation was 31 March 2007, however a revaluation will take place in 2010/11 as at 31/3/10. The financial assumptions underlying the most recent valuation of the LGPS are as follows: -

Valuation method	Projected unit
Market value of assets	£10,037 million
Investment return per annum	6.9%
Salary scale increases per annum	5.3%
Pension increases per annum	3.8%

## Financial Reporting Standard 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 2010	At 31 March 2009
Discount rate	5.5%	6.9%
Salary increase rate	5.3%	4.6%
Pension increase rate	3.8%	3.1%
Rate of inflation	3.8%	3.1%

The actuaries have assumed life expectancies at age 65 of 20.8 years for males and 24.1 years for females for current pensioners, and 22.8 years for males and 26.2 years for females for future pensioners. Future pensioners are assumed to be currently aged 45.

### Scheme assets and expected rate of return

Equities	7.8%	7.0%
Bonds	5.0%	5.4%
Property	5.8%	4.9%
Cash	4.8%	4.0%
Total market value of assets	£ 51,181M	£36,252M
Value of scheme liabilities	(£76,587M)	(£40,450M)
Net pension asset/(liability)	(£25,406M)	(£4,198M)

<b>Analysis of amounts charged to operating surplus/(deficit)</b>	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Current service cost and total operating charge	1,329	1,485
Past service cost	0	606
Curtailement and Settlements	54	12
<b>Total operating charge</b>	<b>1,383</b>	<b>2,103</b>

<b>Analysis of amounts credited to other finance income</b>	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Expected return on pension scheme assets	2,334	2,959
Interest on pension scheme liabilities	(2,832)	(2,869)
<b>Net Return</b>	<b>(498)</b>	<b>90</b>
<b>Net Revenue Account Cost</b>	<b>885</b>	<b>2,012</b>

<b>Analysis of amounts recognised in Statement of Total Recognised Gains and Losses</b>	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Actual return less expected return on pension scheme assets	10,955	(10,324)
Experience gains and losses arising on the scheme liabilities	-	-
Changes in assumptions underlying the present value of the scheme liabilities	(32,093)	4,987
<b>Actuarial gain/(loss) recognised in STRGL</b>	<b>(21,138)</b>	<b>(5,337)</b>

<b>Movement in surplus/(deficit) in the year</b>	<b>2010</b>	<b>2009</b>
	<b>£000</b>	<b>£000</b>
Asset / (Deficit) in scheme at beginning of year	(4,198)	1,566
<b>Movement in year:</b>		
Current service cost	(1,329)	(1,485)
Contributions	1,811	1,586
Past service cost	-	(606)
Impact of Settlements and Curtailments	(54)	(12)
Interest on liabilities less Expected Return on Assets	498	90
Actuarial gain/ (losses)	(21,138)	(5,337)
<b>Surplus/(Deficit) in scheme at end of year</b>	<b>(25,406)</b>	<b>(4,198)</b>

<b>History of experience of gains and losses</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>RBH Ltd</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Difference between actual and expected return on scheme assets At 1 <sup>st</sup> April 2009	(10,177)	(10,324)	693	226	4,182
Value of assets	51,181	36,252	42,182	37,333	33,344
% of scheme assets	(28.1%)	(28.5%)	1.6%	0.6%	12.5%
Experience gains / losses on scheme liabilities (a)	0	0	1,155	46	(1)
Present value of liabilities (b)	(76,587)	(40,450)	(40,616)	(47,007)	(45,676)
% of present value of scheme liabilities % (a)/(b)	N/A	N/A	2.8%	0.1%	0.0%
Total amount recognised in STRGL: (c)	(21,138)	(5,337)	12,302	3,912	(2,677)
Present value of liabilities (b)	(76,587)	(40,450)	(40,616)	(47,007)	(45,676)
% of present value of scheme liabilities % (c)/(b)	(27.6%)	(13.2%)	30.3%	8.3%	5.9%