

**ASHTON PIONEER HOMES LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended 31st March 2007**

**Company Registration Number: 3383565**

# **ASHTON PIONEER HOMES LIMITED**

## **CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended 31st March 2007**

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# ASHTON PIONEER HOMES LIMITED

## THE BOARD, MANAGEMENT TEAM, AUDITORS, BANKERS AND LEGAL ADVISORS

For the year ended 31st March 2007

### The Board

Chair:	Warren Bray
Deputy Chairs:	Brian Lees Linda Fletcher
Other Members:	<b>Council Nominees</b> Nayan Joshi Manilal Mistry MBE Bill Harrison (resigned 19.10.2006) Jack Davis(appointed 19.10.2006)  <b>Tenants</b> Colin McCord Malcolm Parker Joy Poulter Rosalind Gauchi(appointed 19.10.2006) Kathleen Higginbottom(resigned 09.01.2007)  <b>Independents</b> Andrea Cross Donald Garside MBE Grainne Heselwood Bill Wilkinson (resigned 18.05.2006) Gary Fieldhouse(appointed 18.05.2006) Guy Heppner(appointed 19.10.2006)

### Management team

Chief Executive/Company Secretary:	Antony Edward Berry
Director of Finance & Administration:	John Auty
Director of Housing Services:	Peter Marland

### Registered Office

Margaret House  
Margaret Street  
Ashton under Lyne  
Tameside OL6 7TH

### Auditors

Mitchell Charlesworth  
5 Temple Square  
Temple Street  
Liverpool L2 5RH

### Principal Bankers

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

### Principal Legal Advisors

Trowers & Hamlins  
Heron House Albert Square  
Manchester M2 5HD

Ashton Pioneer Homes Limited is a Company limited by guarantee registered with Companies House (No. 3383565) under the Companies Act 1985 and with the Housing Corporation (No. L4199).

# **ASHTON PIONEER HOMES LIMITED**

## **REPORT OF THE BOARD**

**For the year ended 31st March 2007**

The Board presents the financial statements for the year ended 31st March 2007.

### **Review of the Group**

The last year, 2006/7, has seen the company build on the foundations laid in past years and begin to take up new opportunities.

The year has again brought further improvement in operational performance across our main Key Performance Indicators, with achievements ahead of our Business Plan. In particular, the Association enjoyed a continuing reduction in arrears and voids performance. We have continued to develop our core customer and neighbourhood services, all supported by our drive for continual improvement in all areas of activity.

In delivering our success to date, not least the early delivery of the transfer promises to residents, we have developed considerable skills and experience. These are supporting the strategic growth envisaged into the provision of estate and support services to a wider range of properties and customers within our neighbourhoods. This area of growth has been explored during the last year and specific opportunities are being pursued for the future. In turn, this will have benefits for APH, its customers, the local environment and the wider community in providing "Better Places to Live".

To ensure APH make the best use of its most valuable resource, its staff, specific reviews and competency frameworks have been developed during 2006/07 for all posts and a full market review of all staff terms and conditions has been rolled out with a staff appraisal framework established for the future.

During the year, the Company continued to offer quality services to our residents and the immediate community.

APH Developments Limited has commenced construction on sites in the Holy Trinity area providing large family accommodation at affordable rents in this area of Ashton.

### **Future developments**

A concise Health & Safety training framework will be established which will be continually monitored and improved.

There will also be an increased focus on Asset Management as APH clearly recognises the future demands on stock condition, planned maintenance and the effective utilisation of all its human, property and monetary assets. This work will be progressed to achieve full compliance with all Housing Corporation guidance and to further develop the initial strategy established in 2006/7.

Investment priorities will include the completion of the installation of IRS Digital TV aerial upgrades to our communal aerial systems, the commencement of a contract to completely refurbish the lifts servicing the Association's high rise apartment blocks and the commencement of a programme of replacing balcony door and window units on the hi rise blocks, where required. Alongside these, re-tendering of the existing repairs and maintenance contracts is to be commissioned to ensure the quality of service and cost effectiveness of these key customer priorities can be delivered.

The two new build sites identified at Clifton Street and Kenyon Street will proceed to completion in late summer and will provide a further 16 four bedroom homes for affordable rent. This will involve some £2.25M of investment and will benefit from over £1.40M of capital grant funding from the Housing Corporation. This grant will be topped up by some £0.85M of private funds.

The considerable skills and experience built up by the Company in delivering our successes to date, are now being used to support the strategic growth and sustainability we are seeking. In line with our Business Plan, we are promoting the provision of estate and support services to a wider range of properties and customers within our neighbourhoods, and will continue to do so providing the services to our existing customers are not prejudiced. The continued development and marketing of new services such as litter picking, CCTV, security and financial services will enable the Company to develop and expand its involvement in the neighbourhood whilst also protecting and improving its core services to its customers.



# **ASHTON PIONEER HOMES LIMITED**

## **REPORT OF THE BOARD**

**For the year ended 31st March 2007**

### **Financial performance**

The Nationwide Building Society continues to support the Company. The Group surplus for the year of £249,000 is ahead of expectations contained in the Company's Business Plan.

After reviewing Business Plan forecasts, performance monitoring reports and making appropriate enquiries, the Board is confident that the Group has adequate resources to continue in operational existence for the foreseeable future.

For this reason, the Board believe the going concern basis is appropriate in preparing the financial statements .

### **Board and Committees**

The Board currently comprises 15 members, the details of which are set out on page 2. All members of the Board served throughout the year except for, Gary Fieldhouse, Jack Davis, Guy Heppner and Rosalind Gauchi who became members of the Board during the year. Bill Wilkinson, Kathleen Higginbottom and Bill Harrison ceased to be members of the Board during the year.

### **Financial risk management objectives and policies**

The Group and Company use conventional forms of working capital to finance its day to day activities and as such the figures appearing in the accounts reflect the absolute value of amounts recoverable and payable. The Management Committee receive regular reports on these figures in order to manage the Group and Company's requirements.

### **Employees**

As a Chartermark and Investors in People organisation, the Group is committed to enhancing the training and development opportunities for staff.

The Group is also committed to equal opportunities for all of its employees, both at the recruitment stage and throughout the employment cycle.

### **Statement of the Board's Responsibilities in Respect of the Financial Statements**

The Companies Act 1985 requires the Board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and Company and of the surplus or deficit of the Group and Company for that period. In preparing these financial statements the Board are required to: -

1. Select suitable accounting policies and then apply them consistently.
2. Make judgements and estimates that are reasonable and prudent.
3. State whether applicable accounting standards have been followed.
4. Prepare the financial statements on the going concern basis unless it is inappropriate.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and Company and to enable it to ensure that the financial statements comply with the Companies and Housing Acts. It is also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, by establishing and maintaining a satisfactory system of control over the Group's accounting records, cash holdings and all its receipts and remittances.

Insofar as the Board is aware there is no relevant audit information of which the Group's auditor is unaware and the Board has taken all steps that it ought to have taken to make itself aware of any relevant audit information and to establish that the auditor is aware of that information.



# ASHTON PIONEER HOMES LIMITED

## REPORT OF THE BOARD

For the year ended 31st March 2007

### Statement on the Company's System of Internal Control

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The Board recognises that no system of internal control can provide absolute assurance or eliminate all risk. The system of internal control is designed to manage risk and provide reasonable assurance that key business objectives and expected outcomes will be achieved. It also exists to give reasonable assurance about the preparation and reliability of financial and operational information and the safeguarding of the Group and Company's assets and interests.

In meeting its responsibilities, the Board has adopted a risk-based approach to internal controls, which are embedded within the normal management and governance process. This approach includes the regular evaluation of the nature and extent of risks to which the association is exposed and is consistent with the Turnbull principles as incorporated in the Housing Corporation circular R2-25/01: *Internal Controls Assurance*.

The process adopted by the board in reviewing the effectiveness of the system of internal control, together with some of the key elements of the control framework includes:

#### ∅ **Identification and evaluation of key risks**

Management responsibility has been clearly defined for the identification, evaluation and control of significant risks. There is a formal and on-going process of management review in each area of the Group and Company's activities. This process is co-ordinated through a regular reporting framework by The Risk Panel. The executive team regularly considers reports on significant risks facing the Association and the Chief Executive is responsible for reporting to the Board any significant changes affecting key risks.

#### ∅ **Monitoring and corrective action**

A process of control self-assessment and regular management reporting on control issues provides hierarchical assurance to successive levels of management and to the board. This includes a rigorous procedure for ensuring that corrective action is taken in relation to any significant control issues, particularly those with a material impact on the financial statements.

#### ∅ **Control environment and control procedures**

The board retains responsibility for a defined range of issues covering strategic, operational, financial and compliance issues including treasury strategy and new investment projects. The board has adopted and disseminated to all employees, the code of governance Competence and Accountability 2000. This sets out the Group and Company's policies with regard to the quality, integrity and ethics of its employees. It is supported by a framework of policies and procedures with which employees must comply. These cover issues such as delegated authority, segregation of duties, accounting, treasury management, health and safety, data and asset protection and fraud detection and prevention.

#### ∅ **Information and financial reporting systems**

Financial reporting procedures include detailed budgets for the year ahead and forecasts for subsequent years. These are reviewed and approved by the Board. The Board also regularly reviews key performance indicators to assess progress towards the achievement of key business objectives, targets and outcomes.

The internal control framework and the risk management process are subject to regular review by internal audit who are responsible for providing independent assurance to the board via its audit committee. The audit committee considers internal control and risks at each of its meetings during the year.

# **ASHTON PIONEER HOMES LIMITED**

## **REPORT OF THE BOARD**

**For the year ended 31st March 2007**

### **Statement on the Company's System of Internal Control (Continued)**

The Board has received the Chief Executives annual report, has conducted its annual review of the effectiveness of the system of internal control and has taken account of any changes needed to maintain the effectiveness of risk management and the control process.

The Board confirms that there is an on-going process for identifying, evaluating and managing significant risks faced by the Group and Company. This process has been in place throughout the year under review, up to the date of the annual report, and is regularly reviewed by the Board.

### **Auditors**

Mitchell Charlesworth are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

### **BY ORDER OF THE BOARD OF MANAGEMENT**

**W. BRAY**  
Chair

**18th October 2007**

# Mitchell Charlesworth

## Chartered Accountants

5 Temple Square . Temple Street . Liverpool L2 5RH

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHTON PIONEER HOMES LIMITED

We have audited the financial statements of Ashton Pioneer Homes Limited for the year ended 31st March 2007, which are set out on pages 8 to 32. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 13 to 15.

This report is made solely to the Group and 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 Group and 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 Group and Company and the Group and 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 and Auditors**

The Board's responsibilities for preparing the annual report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of the Board's Responsibilities

Our responsibility is to audit the accounts 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 accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether the information given in the Report of the Board is consistent with the financial statements. We also report to you if, in our opinion, the group and 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 the law regarding directors' remuneration and transactions with the group and company is not disclosed.

We read other information accompanying the financial statement and consider whether it is consistent with the audited accounts. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to other information.

#### **Basis of opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group and 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 have 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 Group and Company's affairs as at 31st March 2007 and of its surplus for the year then ended.
- ∅ the financial statements have been properly prepared in accordance with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006, and
- ∅ The information given in the Board Report is consistent with the financial statements.

19th October 2007

**MITCHELL CHARLESWORTH**  
Registered Auditor

# ASHTON PIONEER HOMES LIMITED

## CONSOLIDATED AND COMPANY INCOME AND EXPENDITURE ACCOUNT

For the year ended 31st March 2007

	Notes	Consolidated 2007 £'000	Company 2007 £'000	Consolidated 2006 £'000
<b>Turnover</b>	2	2,942	2,942	2,781
Operating costs	2	(2,089)	(2,087)	(1,769)
<b>Operating surplus</b>		853	855	1,012
Other finance costs	16/27	-	-	(2)
Surplus on Sale of property not developed for outright sale	26	-	-	36
Interest receivable and similar income	4	71	71	31
Interest payable and similar charges	5	(675)	(675)	(669)
<b>Surplus on ordinary activities for the year</b>	6	249	251	408
Tax on surplus on ordinary activities	7	-	-	-
<b>Surplus before transfers</b>	14	249	251	408
Transfer (to)/from designated reserve	13	(499)	(499)	(578)
(Deficit) for the year	14	(250)	(248)	(170)

All amounts relate to continuing activities.

The above (deficits) are calculated on the historical cost basis.

The notes on pages 13 to 32 form part of these accounts.

# ASHTON PIONEER HOMES LIMITED

## STATEMENT OF RECOGNISED SURPLUSES AND DEFICITS (Consolidated and Company)

For the year ended 31st March 2007

	<b>2007 Consolidated £'000</b>	<b>2007 Company £'000</b>	<b>2006 Consolidated £'000</b>	<b>2006 Company £'000</b>
Surplus for the year after taxation	249	251	408	403
Actuarial loss on pension fund assets (see below)	—	—	(23)	(23)
Total recognised surpluses for the year	249	251	385	380
Prior year adjustment	—	—	(145)	(145)
Total surpluses and deficits recognised since last annual report	249	251	240	235

The information required to comply with FRS17 has not been provided in respect of the pension scheme with Greater Manchester Pensions Fund Scheme. Any adjustment necessary will be reflected in the accounts for 2007/2008.

# ASHTON PIONEER HOMES LIMITED

## CONSOLIDATED BALANCE SHEET

As at 31st March 2007

	Notes	2007 £'000	2006 £'000
<b>Fixed assets</b>			
Housing properties at cost	8	9,186	7,741
Social Housing Grant and other Grants		(4,180)	(3,045)
Depreciation		<u>(418)</u>	<u>(323)</u>
Net book value of housing properties	8	4,588	4,373
Other fixed assets	8	<u>555</u>	<u>551</u>
Total fixed assets		5,143	4,924
<b>Current Assets</b>			
Debtors	9	301	200
Cash at bank and short term deposits	10	<u>1,204</u>	<u>1,117</u>
		1,505	1,317
<u>Less: Creditors amounts falling due within one year</u>	11	<u>(471)</u>	<u>(413)</u>
<b>Net current assets</b>		<u>1,034</u>	<u>904</u>
<b>Total assets less current liabilities</b>		<u>6,177</u>	<u>5,828</u>
<u>Less: Creditors amounts falling due after more than one year</u>	12	10,550	10,450
Pension liability	16	<u>166</u>	<u>166</u>
		10,716	10,616
<b>Capital and reserves</b>			
Designated Reserves	13	1,245	746
Revenue reserves	14	<u>(5,784)</u>	<u>(5,534)</u>
		<u>6,177</u>	<u>5,828</u>

The accounts on pages 13 to 32 were approved by the Board on 18th October 2007 and were signed on its behalf by:-

Secretary                      **A.E. BERRY**

Board Member                **W. BRAY**

Board Member                **L. FLETCHER**

The notes on pages 13 to 32 form part of these accounts.

# ASHTON PIONEER HOMES LIMITED

## COMPANY BALANCE SHEET

As at 31st March 2007

	Notes	2007 £'000	2006 £'000
<b>Fixed assets</b>			
Housing properties at cost		7,791	7,741
Social Housing Grant and other Grants		(3,059)	(3,045)
Depreciation		<u>(418)</u>	<u>(323)</u>
Net book value of housing properties	8	4,314	4,373
Other fixed assets	8	<u>555</u>	<u>551</u>
Total fixed assets		4,869	4,924
<b>Current Assets</b>			
Debtors	9	1,705	198
Cash at bank and short term deposits	10	<u>1,187</u>	<u>1,111</u>
		2,892	1,309
<u>Less: Creditors amounts falling due within one year</u>	11	<u>(1,589)</u>	<u>(412)</u>
<b>Net current assets</b>		<u>1,303</u>	<u>897</u>
<b>Total assets less current liabilities</b>		<u>6,172</u>	<u>5,821</u>
<u>Less: Creditors amounts falling due after more than one year</u>	12	10,550	10,450
Pension liabilities	16	<u>166</u>	<u>166</u>
		10,716	10,616
<b>Capital and reserves</b>			
Designated Reserves	13	1,245	746
Revenue reserves	14	<u>(5,789)</u>	<u>(5,541)</u>
		<u>6,172</u>	<u>5,821</u>

The accounts on pages 8 to 32 were approved by the Board on and were signed on its behalf by:-

Secretary

Board Member

Board Member

The notes on pages 13 to 32 form part of these accounts.

# ASHTON PIONEER HOMES LIMITED

## CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31st March 2007

	Notes	2007	2006
		£'000	£'000
<b>Net cash inflow from operating activities</b>		942	1,227
<b>Returns on investment and servicing of finance</b>	19	(603)	(638)
<b>Capital expenditure</b>			
Acquisition and construction of housing properties		(1,445)	(30)
Social housing grant received		1,121	-
Other capital Grants		14	-
Purchase of other fixed assets		(42)	(536)
Sale of Housing Properties		<u>-</u>	<u>36</u>
		<u>(352)</u>	<u>(530)</u>
<b>Net cash inflow before management of liquid resources and financing</b>		(13)	59
<b>Financing</b>	19	<u>100</u>	<u>100</u>
<b>Increase in cash</b>	19	87	159
		<u>=====</u>	<u>=====</u>
<b>Reconciliation of operating surplus to net cash inflow from operating activities</b>			
Operating surplus		853	1,012
Depreciation charges		132	133
Change in debtors		(101)	104
Change in creditors		58	(18)
Pension liability		<u>-</u>	<u>(4)</u>
Net cash inflow from operating activities		942	1,227
		<u>=====</u>	<u>=====</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
Increase in cash in the period		<u>87</u>	<u>159</u>
Change in net debt	19	87	159
Net debt at 1st April 2006		<u>1,117</u>	<u>958</u>
<b>Net debt at 31st March 2007</b>		<u>1,204</u>	<u>1,117</u>

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

### 1. Principal accounting policies

The company is incorporated under the Companies Act 1985 and is registered with the Housing Corporation as a Registered Social Landlord (RSL) as defined by the Housing Act 1996.

#### Basis of accounting

The financial statements of the Group have been prepared in accordance with applicable Accounting Standards and Statements of Recommended Practice. The financial statements comply with the Companies Act 1985, Housing Act 1996, the Accounting Requirements for Registered Social Landlords General Determination 2006 and the Statement of Recommended Practice updated by the National Housing Federation in 2005. The financial statements are prepared on the historical cost basis of accounting.

#### Basis of consolidation

The Group financial statements consolidate the financial statements of Ashton Pioneer Homes Limited and APH Developments Limited at 31st March 2007.

#### Turnover

Turnover represents rental income receivable, grants from local authorities and the Housing Corporation, and other income.

#### Fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and capital grants. Depreciation is charged on a straight line basis over the expected economic useful lives of the assets at the following annual rates:

Housing properties	2.00%
Property, plant and machinery	5.00%
Computer equipment	33.33%
Office equipment	20.00%
Offices	2.00%
Motor Vehicle	25.00%

Freehold land is not depreciated.

The useful economic lives of all tangible fixed assets are reviewed annually.

#### Housing properties

As required by FRS 15, the Group has reviewed the economic useful lives of its housing properties. Properties were transferred at negative value and refurbishment works were completed prior to depreciation being charged.

Properties originally transferred from Tameside MBC are not yet reviewed for impairment due to their having no value. New Build Properties completed since transfer are depreciated and reviewed for impairment as appropriate.

Housing properties in the course of construction are stated at cost and not depreciated.

Housing properties are transferred to completed properties when they achieve practical completion.

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

### 1. Principal accounting policies (Continued)

#### Social housing and other grants

Where developments have been financed wholly or partly by social housing and other grants, the grants are deemed as prepaid until the development has achieved practical completion when it is deducted from the costs of the development.

Social housing grant received for items of cost written off in the income and expenditure account are matched against those costs as part of turnover.

Social housing grant can be recycled by the RSL under certain conditions, if a property is sold, or if another relevant event takes place. In these cases, the SHG can be used for projects approved by the Housing Corporation. However, SHG may have to be repaid if certain conditions are not met.

In certain circumstances, SHG may be repayable, and in that event, is a subordinated unsecured repayable debt.

#### Leased assets

Rentals paid under operating leases are charged to the income and expenditure account as incurred.

#### Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

#### Pension costs

The cost of providing retirement pensions and related benefits is charged to management expenses over the periods benefiting from the employees' services.

The Group has fully adopted the provision of FRS17 "Retirement Benefits" in preparing the accounts, as set out in note 16. Details of the prior year adjustment relating to full adoption of FRS17 are set out in note 27.

#### Major repairs designations

The Group now provides for future major repairs on all of its housing properties.

#### Provisions

The Group only provides for contractual liabilities.

#### Works to existing housing properties

The Group capitalises expenditure on housing properties, which increases the net rental stream over the life of the property. An increase in the net rental stream may arise through an increase in the rental income, a reduction in future maintenance costs, or a significant extension of the life of the property.

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

### 1. Principal accounting policies (Continued)

#### Value added tax

Ashton Pioneer Homes Limited and APH Developments Limited are both registered for VAT purposes. Due to the low amounts able to be reclaimed the majority of amounts disclosed in the financial statements are still inclusive of VAT.

#### Loan finance issue costs

These are written off as incurred.

#### Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets on the company after deducting all of its liabilities.

#### Cyclical policy

During the initial five year period when catch up repairs were carried out no cyclical work was undertaken. Following the initial period, due to the size of the association, works will be charged to the Income and Expenditure Account as incurred.

#### Designated Aerial Reserve

Transfers are made into the designated reserve equivalent to the income received from the mobile phone masts. The reserve also allows funds to be set aside for improvements to TV aerials to ensure good reception and enable the transfer to digital reception.

#### Major Repair Reserve

The reserve is intended to provide short term funds for work arising from the Stock Condition Survey and also to build up a long term fund for future major works

### 2. Turnover, operating costs and operating surplus

	2007			
	Turnover £'000	Cost of sales £'000	Operating costs £'000	Operating Surplus £'000
<b>Company</b>				
Social housing lettings	2,827	-	(1,986)	841
Other	—	—	—	—
	2,827	-	(1,986)	841
<b>Non social housing activities</b>				
Other	115	-	(101)	14
	—	—	—	—
	115	-	(101)	14
<b>Total</b>	2,942	-	(2,087)	855



## **ASHTON PIONEER HOMES LIMITED**

See note 3 for detailed analysis of the social housing lettings.

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

3. Income and expenditure from social housing lettings	Group	Company	Group	
	2007	2007		total
Group and company	General	General	2006	
	needs	needs	£'000	
	housing	housing		
	£'000	£'000	£'000	
<b>Income</b>				
Rents	2,396	2,396	2,247	
Service charges	440	440	462	
Charges for support services	18	18	16	
Gross rents receivable	2,854	2,854	2,725	
Less: Rent losses from voids	(27)	(27)	(37)	
Net rents receivable	2,827	2,827	2,688	
Other revenue grants	-	-	-	
Total income	2,827	2,827	2,688	
<b>Expenditure</b>				
Services	652	652	610	
Support services	18	18	15	
Management	474	472	424	
Routine maintenance	538	538	506	
Planned repairs expenditure	197	197	50	
Depreciation on Housing Properties	95	95	95	
Rent losses from bad debts	14	14	10	
Total expenditure on lettings	1,988	1,986	1,710	
Operating surplus on lettings	839	841	978	
Voids	(27)	(27)	(37)	
<b>4. Interest receivable and similar income</b>				
	2007	Group	2007	Company
	£'000	2006	£'000	2006
	£'000	£'000	£'000	£'000
Bank interest received	71	31	71	31

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

5. Interest payable and similar charges	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Interest payable on loans	675	669	675	669
	=====	=====	=====	=====
6. Surplus for the year	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
<b>Is stated after (charging)/crediting: -</b>				
Auditors remuneration (including VAT):				
In their capacity as auditors	(12)	(9)	(10)	(8)
In respect of other services	-	-	-	-
Operating lease payments	(9)	(7)	(9)	(7)
Depreciation	(131)	(133)	(131)	(133)
Profit on disposal of property surplus	-	36	-	11
	=====	=====	=====	=====
7. Taxation on ordinary activities	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
UK corporation tax at 19% (2006: 19%)	-	-	-	-
	=====	=====	=====	=====

There is no liability to corporation tax based on the results for the year.

The company has accumulated tax losses of over £4 million. The deferred tax asset in respect of these has not been recognised, on the grounds that it is not anticipated that they will be recovered in the near future.

<b>Housing Properties Completed £'000</b>	<b>New Office £'000</b>	<b>Computer equipment £'000</b>	<b>Office conversion £'000</b>	<b>Office furniture £'000</b>	<b>Site furniture £'000</b>	<b>Motor Vehicle £'000</b>	<b>Total £'000</b>
7,741	515	29	-	62	86	24	8,457
50	-	12	11	19	-	-	1,487
—	—	—	—	—	—	—	—
7,791	515	41	11	81	86	24	9,944
—	—	—	—	—	—	—	—
323	11	25	-	34	81	14	488
95	10	10	1	9	4	3	132
-	-	-	-	-	-	-	-
—	—	—	—	—	—	—	—
418	21	35	1	43	85	17	620
—	—	—	—	—	—	—	—
1,711	-	-	-	-	-	-	1,711
-	-	-	-	-	-	-	1,121
—	—	—	—	—	—	—	—
1,711	-	-	-	-	-	-	2,832
—	—	—	—	—	—	—	—

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<b>Housing properties completed £'000</b>	<b>New Office £'000</b>	<b>Computer equipment £'000</b>	<b>Office conversion £'000</b>	<b>Office furniture £'000</b>	<b>Site furniture £'000</b>	<b>Motor Vehicle £'000</b>	<b>Total £'000</b>
1,334	-	-	-	-	-	-	1,334
14	-	-	-	-	-	-	14
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,348	-	-	-	-	-	-	1,348
<u>4,314</u>	<u>494</u>	<u>6</u>	<u>10</u>	<u>38</u>	<u>1</u>	<u>7</u>	<u>5,144</u>
<u>4,373</u>	<u>504</u>	<u>4</u>	<u>-</u>	<u>28</u>	<u>5</u>	<u>10</u>	<u>4,924</u>
						<b>2007 £'000</b>	<b>2006 £'000</b>
						<u>7,791</u>	<u>7,741</u>

<b>Housing Properties Completed £'000</b>	<b>New Office £'000</b>	<b>Computer equipment £'000</b>	<b>Office conversion £'000</b>	<b>Office furniture £'000</b>	<b>Site furniture £'000</b>	<b>Motor Vehicle £'000</b>	<b>Total £'000</b>
7,741	515	29	-	62	86	24	8,457
50	-	12	11	19	-	-	92
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
7,791	515	41	11	81	86	24	8,549
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
323	11	25	-	34	81	14	488
95	10	10	1	9	4	3	132
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
418	21	35	1	43	85	17	620
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,711	-	-	-	-	-	-	1,711
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,711	-	-	-	-	-	-	1,711
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

<b>Housing properties completed £'000</b>	<b>New Office £'000</b>	<b>Computer equipment £'000</b>	<b>Office conversion £'000</b>	<b>Office furniture £'000</b>	<b>Site furniture £'000</b>	<b>Motor Vehicle £'000</b>	<b>Total £'000</b>
1,334	-	-	-	-	-	-	1,334
14	-	-	-	-	-	-	14
-	-	-	-	-	-	-	-
1,348	-	-	-	-	-	-	1,348
4,314	494	6	10	38	1	7	4,870
4,373	504	4	-	28	5	10	4,924
						<b>2007 £'000</b>	<b>2006 £'000</b>
						7,791	7,741

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

9. Debtors	Group		Company	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
<b>Amounts falling due within one year:</b>				
Amounts owed by subsidiaries	-	-	1,405	78
Rent arrears	155	104	122	104
Less: Provision for doubtful debts	(40)	(40)	(40)	(40)
Work in Progress	-	79	-	-
Prepayments and accrued income	<u>186</u>	<u>57</u>	<u>218</u>	<u>56</u>
	301	200	1,705	198
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
<b>10. Cash at bank and short term deposits</b>				
Cash at bank	<u>1,204</u>	<u>1,117</u>	<u>1,187</u>	<u>1,111</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
<b>11. Creditors</b>				
<b>Amounts falling due within one year:</b>				
Trade creditors	145	126	143	126
Accruals and deferred income	256	243	255	242
Taxation and social security	33	12	33	12
Rents in advance	37	32	37	32
SHG in advance	<u>-</u>	<u>-</u>	<u>1,121</u>	<u>-</u>
	471	413	1,589	412
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
<b>12. Creditors</b>				
<b>Amounts falling due after more than one year:</b>				
<b>Loans not repayable by instalments:</b>				
In one year or more but less than two years	-	-	-	-
In two years or more and less than five years	-	-	-	-
In five years or more	<u>10,550</u>	<u>10,450</u>	<u>10,550</u>	<u>10,450</u>
	10,550	10,450	10,550	10,450
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

These loans are secured by specific charges on Ashton Pioneer Homes housing properties and floating charges on all of Ashton Pioneer Homes' assets and are repayable at varying rates of interest.

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

13. Designated reserve	2007 Group and Company			2006
	Aerial Reserve £'000	Major Repairs Reserve £'000	Total £'000	Total £'000
At 1st April 2006	80	666	746	168
Transfer to designated reserve	22	528	550	578
Transfer from designated reserve	(51)	—	(51)	—
At 31st March 2007	51	1,194	1,245	746
	==	==	==	==

14. Revenue reserves	Group As restated		Company As restated	
	2007 £'000	2006 £'000	2007 £'000	2006 £'000
At 1st April 2006	(5,534)	(5,341)	(5,541)	(5,343)
Transfer (to)/from designated reserve	(499)	(578)	(499)	(578)
Surplus for the year	249	408	251	403
Actuarial gain/(loss) on pension	—	(23)	—	(23)
At 31st March 2007	(5,784)	(5,534)	(5,789)	(5,541)
	==	==	==	==

The Association has considered the recommendation in the Accounting Determination in relation to the disclosure of transfers to and from reserves in the income and expenditure account. It considers the disclosure of the movements on the fact of the income and expenditure account provides the reader of the accounts with a more complete understanding.

15. Capital commitments	2007 £'000	2006 £'000	2007 £'000	2006 £'000
Capital expenditure that has been contracted for but has not been provided for in the financial statements	413	-	413	-
Capital expenditure that has been authorised by the board of management but has not yet been contracted for	—	2,151	—	2,151
	413	2,151	413	2,151
	==	==	==	==

The RSL expects to finance the above expenditure by a mixture of loan finance and Social Housing Grant.

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

### 16. Pension obligations

#### General

Ashton Pioneer Homes Limited participates in the Social Housing Pension Scheme (SHPS).

SHPS is a multi-employer defined benefit scheme. Employer participation in the Scheme is subject to adherence with the employer responsibilities and obligations as set out in the "SHPS House Policies and Rules Employer Guide".

The Scheme operated a single benefit structure, final salary with a 1/60<sup>th</sup> accrual rate, to March 2007. From April 2007 there are three benefit structures available, namely;

1. Final salary with a 1/60<sup>th</sup> accrual rate
2. Final salary with a 1/70<sup>th</sup> accrual rate
3. Career average revalued earnings with a 1/60<sup>th</sup> accrual rate

An employer can elect to operate different benefit structures for their active members (as at the first day of April in any given year) and their new entrants. An employer can only operate one open benefit structure at any one time. An open benefit structure is one which new entrants are able to join.

Ashton Pioneer Homes Limited has elected to operate the final salary with a 1/60<sup>th</sup> accrual rate benefit structure for active members as at 1<sup>st</sup> April 2007 and the career average revalued earnings with a 1/60<sup>th</sup> accrual rate benefit structure for new entrants from 1<sup>st</sup> April 2007.

The Trustee commissions an actuarial valuation of the Scheme every 3 years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due. From April 2007 the split of the total contribution rate between member and employer is set at individual employer level, subject to the employer paying no less than 50% of the total contribution rate.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period Ashton Pioneer Homes Limited paid contributions at the rate of 11.7%. Member contributions varied between 3.1% and 6.1% depending on their age.

As at the balance sheet date there were 15 active members of the Scheme employed by Ashton Pioneer Homes Limited and the Association continue to offer membership of the Scheme to its employees.

It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

The last formal valuation of the Scheme was performed as at 30th September 2005 by a professionally qualified actuary using the Projected Unit Method. The market value of the Scheme's assets at the valuation date was £1,278 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £283 million, equivalent to a past service funding level of 82%.

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

### 16 Pension obligations (Continued)

The Scheme Actuary has prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30th September 2006. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. The funding update revealed an increase in the assets of the Scheme to £1,515 million and indicated a decrease in the shortfall of assets compared with liabilities to approximately £235 million, equivalent to a past service funding level of 87%. Annual funding updates of the SHPS Scheme are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However they will provide a good indication of the financial progress of the scheme since the last full valuation.

Since the contribution rates payable to the Scheme have been determined by reference to the last full actuarial valuation the following notes relate to the formal actuarial valuation as at 30 September 2005.

#### Financial assumptions

The financial assumptions underlying the valuation as at 30 September 2005 were as follows:

	<b>p.a.</b>
Ø Investment return pre retirement	7.2%
Ø Investment return post retirement	4.8%
Ø Rate of salary increases to 30 September 2010	5.0%
Ø Rate of salary increases from 1 October 2010	4.0%
Ø Rate of pension increases	2.5%
Ø Rate of price inflation	2.5%

The valuation was carried out using the PA92C2025 mortality table for non pensioners and PA92C2013 mortality table for pensioners. The table below illustrates the assumed life expectancy in years for pension scheme members at age 65 using these mortality assumptions:

	Males	Females
	Assumed life expectancy in years at age 65	Assumed life expectancy in years at age 65
Non-pensioners	20.4	23.3
Pensioners	19.4	22.4

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed at:

Benefit Structure	Long-term joint contribution rate (% of pensionable salaries)
Final salary with a 1/60 <sup>th</sup> accrual rate	17.6
Final salary with a 1/70 <sup>th</sup> accrual rate	15.3
Career average revalued earnings with a 1/60 <sup>th</sup> accrual rate	14.1

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps taken to make up the shortfall.

Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £283 million would be dealt with by the payment of deficit contributions of 4.4% of pensionable salaries with effect from 1 April 2007. These deficit contributions are in addition to the long-term joint contribution rates set out in the table above.

With effect from 1 April 2007 the employer and employee contribution rates for Ashton Pioneer Homes Ltd will be 12.9% to 14.1% and 5.3% to 7.4% respectively.

Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (ie a combined

## **ASHTON PIONEER HOMES LIMITED**

employer and employee rate).

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

### 16. Pension obligations (Continued)

Employers that have closed the Scheme to new members are required to pay an additional employer contribution loading of 3.0% to reflect the higher costs of a closed arrangement.

A small number of employers are required to contribute at a different rate to reflect the amortisation of a surplus or deficit on the transfer of assets and past service liabilities from another pension scheme into the SHPS Scheme.

Employers joining the Scheme after 1 October 2002 that do not transfer any past service liabilities to the Scheme pay contributions at the ongoing future service contribution rate. This rate is reviewed at each valuation and applies until the second valuation after the date of joining the Scheme, at which point the standard employer contribution rate is payable. Contribution rates are changed on the 1 April that falls 18 months after the valuation date.

If the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit by 30 September 2020.

A copy of the recovery plan setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to the Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan are inappropriate. For example the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedules of contributions on the Scheme (which would effectively amend the terms of the recovery plan). The Regulator has reviewed the recovery plan for the SHPS Scheme and confirmed that, in respect of the September 2005 actuarial valuation, it does not propose to issue any scheme funding directions under Part 3 of the Pensions Act 2004.

The next full actuarial valuation will be carried out as at 30 September 2008. An Actuarial Report will be prepared as at 30 September 2007 in line with statutory regulations.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up.

The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buyout basis, i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Ashton Pioneer Homes Ltd has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Social Housing Pension Scheme based on the financial position of the Scheme as at 30 September 2005. As of this date the estimated employer debt for Ashton Pioneer Homes Ltd was 579,000.

The latest full valuation of the Greater Manchester Pensions Fund Scheme was at March 2004 and updated to 31 March 2007 by a qualified independent actuary. The financial assumptions underlying the valuation were as follows:-

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

### 16. Pension obligations (Continued)

	2007	2006	2005
Rate of increase in salaries	4.6%	4.6%	4.4%
Rate of increase in pensions	3.1%	3.1%	2.9%
Discount rate	4.9%	4.9%	5.4%
Inflation assumption	3.1%	3.1%	2.9%

The assets in the scheme and the expected rate of return were:

	Long-term rate of return expected at 2007	Value at 2007 £'000	Long-term rate of return expected at 2006	Value at 2006 £'000	Long-term rate of return expected at 2005	Value at 2005 £'000
Equities	7.40%	358	7.40%	358	7.70%	296
Bonds	4.60%	87	4.60%	87	4.80%	62
Property	5.50%	51	5.50%	51	5.70%	44
Cash	4.60%	<u>51</u>	4.60%	<u>51</u>	4.80%	<u>35</u>
Total market value of assets	6.50%	547	6.50%	547	6.99%	437
Present value of scheme liabilities		(713)		(713)		(582)
Net pension liability		(166)		(166)		(145)
		==		==		==
<b>Analysis of the amount charged to operating profit:</b>				<b>2007 £'000</b>		<b>2006 £'000</b>
Current service cost				<u>-</u>		<u>14</u>
Total operating charge				-		14
				==		==
<b>Analysis of the amount charged to other finance charges:</b>				<b>2007 £'000</b>		<b>2006 £'000</b>
Expected return on pension scheme assets						30
Interest on pension scheme liabilities				<u>-</u>		<u>(32)</u>
				-		(2)
				==		==
<b>Analysis of amount recognised in the statement of total recognised gains and losses</b>				<b>2007 £'000</b>		<b>2006 £'000</b>
Actual return less expected return on assets				-		70
Experience gains and losses on liabilities				-		1
Changes in assumptions underlying the present value of scheme liabilities				<u>-</u>		<u>(94)</u>
Actuarial gain/(loss) recognised in the STRGL				-		(23)
				==		==

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

16. Pension obligations (Continued)	2007 £'000	2006 £'000
<b>Movement in deficit during the year:</b>		
(Deficit) in scheme at beginning of the year	(166)	(145)
Movement in year:		
Current service cost	-	(14)
Contributions	-	18
Net return on assets	-	(2)
Actuarial gain/(loss)	<u>-</u>	<u>(23)</u>
(Deficit) in scheme at end of year	(166)	(166)
	<u>=====</u>	<u>=====</u>

The pension charge during the year was £ *Not available* (2006: £18,690).

Minimum contributions as a percentage of pensionable salary are 13.7% to the year until 31st March 2007. Additional lump sum contributions are payable in addition to the percentage salary rates, 2007 - £8,400, 2008 - £8,700.

History of experience gains and losses	2007	2006	2004	2003
Actual return less expected return on assets – ('000s)	70	70	20	71
Actual return less expected return on assets – (1% of scheme assets)	12.7%	12.7%	4.6%	14.5%
Experience gains and losses on liabilities – ('000s)	1	1	92	-
Experience gains and losses on liabilities – (1% of scheme assets)	0.1%	0.1%	15.8%	0%
Actuarial gain/loss recognised in the STRGL – ('000s)	(23)	(23)	101	24
Actuarial gain/loss recognised in the STRGL – (% of scheme assets)	3.2%	3.2%	17.4%	3.3%

As the figures for 2007 have not been made available by Tameside County Council, the figures shown are the same as 2006.

17. Directors' emoluments	2007 £'000	2006 £'000
The aggregate emoluments paid to or receivable by directors	179	176
	<u>=====</u>	<u>=====</u>
The emoluments paid to the highest paid director of the Association excluding pension contributions (see below)	64	64
	<u>=====</u>	<u>=====</u>
The aggregate amount of any compensation paid to directors during the period of accounts.	-	-
	<u>=====</u>	<u>=====</u>
The aggregate amount of directors or past directors' pensions, excluding amounts payable under a properly funded pension scheme.	-	-
	<u>=====</u>	<u>=====</u>

**ASHTON PIONEER HOMES LIMITED**

The aggregate amount of any consideration payable to or receivable by third parties for making available the services of a director.

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# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

### 17. Directors' emoluments (Continued)

The Chief Executive is an ordinary member of the pension scheme. The pension scheme is a final salary scheme funded by annual contributions by the employer and employee. No enhanced or special terms apply. There are no additional pension arrangements. A contribution by the company of £7,433 (2006: £7,237) was paid in addition to the personal contributions of the chief executive.

Directors are defined as the members of the Board, the chief executive and any other person who is a member of the senior management team or its equivalent.

18. Employee information	2007	Group 2006	2007	Company 2006
The average weekly number of persons employed during the year (full-time equivalents, i.e. 35 hours per week) was:				
Office staff	17	14	17	14
Wardens, caretakers and cleaners	19	17	19	17
<b>Staff costs (for the above persons)</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Wages and salaries	730	694	730	694
Social security costs	62	57	62	57
Other pension costs	<u>46</u>	<u>46</u>	<u>46</u>	<u>46</u>
	838	797	838	797
	==	==	==	==
<b>19. Cash flow statement notes</b>			<b>2007 £'000</b>	<b>2006 £'000</b>
<b>Returns on investments and servicing of finance</b>				
Interest received			71	31
Interest paid (including capitalisation)			(674)	(669)
			(603)	(638)
			==	==
<b>Financing</b>				
Loans received			100	100
Loans repaid			—	—
			100	100
			==	==
	<b>At start £'000</b>		<b>Cash flows £'000</b>	<b>At end £'000</b>
<b>Change in net debt</b>				
Cash in hand, at bank	<u>1,117</u>		<u>87</u>	<u>1,204</u>
Total	1,117		87	1,204
	==		==	==

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

<b>19. Cash flow statement notes (Continued)</b>	<b>At start</b>	<b>Cash flows</b>	<b>At end</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Reconciliation of cash movements</b>			
Short term cash deposits	1,117	87	1,204
Total	1,117	87	1,204
	=====	=====	=====

### 20. Operational Leases

The group holds office equipment under non cancellable operating leases. At the end of the year the group had annual commitments under these leases as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Office equipment</b>				
Leases expiring within the next year	-	-	-	-
Leases expiring in the second to fifth years	8	7	8	7
Leases expiring in more than five years	-	-	-	-
	=====	=====	=====	=====

### 21. Units/Bedspaces

<b>Social housing</b>	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Under development at end of year:</b>				
Housing accommodation	16	-	-	-
<b>Under management at end of year:</b>				
Housing accommodation	897	897	897	897
	913	897	897	897
	=====	=====	=====	=====

### 23. Related parties

The Board has tenant members namely, Linda Fletcher, Colin McCord, Joy Poulter, Malcolm Parker and Rosalind Gauchi who hold tenancy agreements on normal terms and cannot use their position to their advantage.

APH Developments Limited is a subsidiary of Ashton Pioneer Homes Limited, being controlled by the same board members.

During the year APH Developments Limited transferred £NIL of work in progress to Ashton Pioneer Homes Limited (2006: £514,219).

Ashton Pioneer Homes Limited charged £NIL in managed charges in the year (2006: £17,000).

<b>24. Social housing grant</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>
The total accumulated SHG received or receivable at the balance sheet date from both capital and revenue sources	2,832	1,711
	=====	=====

# ASHTON PIONEER HOMES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31st March 2007

<b>25. Sale of properties not developed for outright sale</b>	<b>2007 £'000</b>	<b>2006 £'000</b>
Proceeds of sale	-	37
Less: Cost of sales	<u>-</u>	<u>(1)</u>
	-	36
	<u>==</u>	<u>==</u>

### 26. Prior year adjustment

The prior year adjustment in 2006 related to the implementation of FRS 17 'Retirement Benefits'. The adoption of FRS 17 resulted in an increase in other finance costs of £6,000.

<b>Analysis of prior year adjustment</b>	<b>2006 £'000</b>
Adjustment to opening reserves at 1st April 2004	(236)
Adjustment to profit and loss for year ended 31st March 2006	(6)
Adjustment to statement of total recognised surpluses and deficits for year ended 31st March 2005	101
Net current service cost after contributions	<u>(4)</u>
<b>Total prior year adjustment</b>	<u>145</u>

The net adjustment of £145,000 was disclosed on the face of the statement of total recognised gains and losses.