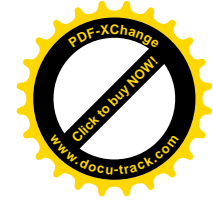
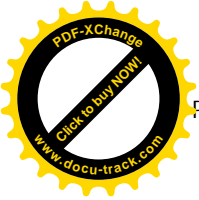


**COMPANY NO: 5025994**  
**A company limited by guarantee**



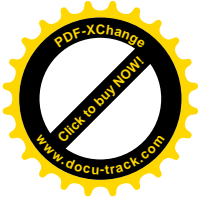
## **Annual Report and Financial Statements**

**For the year ended 31 March 2009**



# Contents of the Annual Report

	<b>Page</b>
Corporate framework	1
Company information	2
Chairman's statement	3
Report of the Board	5
Independent auditors' report	9
Profit and loss account	11
Balance sheet	12
Cash flow statement	13
Notes to the financial statements	14



# Corporate Framework

Poole Housing Partnership (PHP) Limited is the company that has been set up to manage and maintain BoP's Housing stock. It commenced trading on 1 April 2004. PHP now manages just over 4,600 tenanted properties and 540 leasehold properties.

Our Mission is 'Working with residents to deliver quality homes in strong communities'.

Our objectives are:

Working with residents  
Strong and sustainable communities  
Excellent services  
Value for money  
Quality homes

In more detail, we aim to:

- Work to create strong and sustainable communities;
- Deliver investment in our services for estate management, sheltered housing and resident participation;
- Empower the communities we work with to take more control of the environment they live in and shape the services they receive;
- Ensure that our services are effective, efficient and provided at the right price;
- Consult on and publish clear and measurable standards for all service areas;
- Enable a motivated and focussed staff through empowerment, team building, training and effective appraisal;
- Recognise the central role of our staff in delivering services, and provide them with attractive terms and conditions;
- Provide innovative, flexible and responsive housing management and maintenance services;
- Work with all our partners to provide best value, quality solutions and continuous improvement across all services;
- Be an outward looking, learning organisation at the forefront of innovation and development in the housing sector; and
- Use complaints and customer feedback positively to learn and improve services.

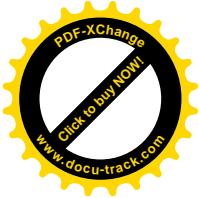
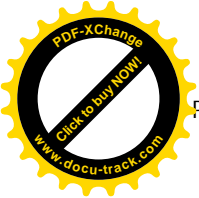
## **Governance and leadership**

The company has in place effective systems to deliver the high standards of governance required to meet the financial responsibilities and management duties to which it aspires.

It has adopted the Langland's standard for Public Service Governance and has carried out a self-assessment against this standard, supported by a system of appraisal and an annual training programme.

The company is a viable and properly managed organisation with high standards of integrity and financial probity and one that is enhancing the reputation of local authority housing.

Finally, the Board of PHP knows how well it is performing, what its strengths and weaknesses are, and has processes in place to deliver continuous improvement. We are confident that we will continue to raise standards and performance year on year into the future.



# Company Information

## Board Members

### Council Members (5)

Christopher Bulteel :  
 Michael Wilkins :  
 Graham Wilson :  
 Lindsay Wilson :  
 Carol Evans : Appointed 13.05.2008

### Resident Members (5)

Sara Hobbs :  
 Brian Jones :  
 John Tyrrell :  
 Jennie Vincent : Resigned 24.09.2008  
 Angeline Knott :  
 Louvaine Knight : Appointed 24.09.2008

### Independent Members (5)

Bill Constance (Chairman) :  
 Stephen Dunhill :  
 Derek Johnson :  
 Anne Keogh :  
 Amit Kotecha : Resigned 27.01.2009

### Executive Officers

Chief Executive : Joe Logan  
 Head of Finance : Robin Ingleton  
 Head of Best Value & Performance : Bill Shaw  
 Head of Technical Services : Mike Harrison  
 Head of IT & Income : Sue Phillips  
 Head of Housing Management : Carmelina Brown

Secretary : Claire McKenna

Registered Office : Beech House  
 28-30 Wimborne Road  
 Poole  
 Dorset  
 BH15 2BU

Registered Number : 5025994

Auditors : Grant Thornton UK LLP  
 Hartwell House  
 55-61 Victoria Street  
 Bristol  
 BS1 6FT

Bankers : Barclays Bank PLC  
 100 High Street  
 Poole  
 BH15 1BL



# Chairman's Statement

## **Introduction**

*I am pleased to present Poole Housing Partnership Limited's (PHP) fifth set of financial statements. PHP has continued to grow as a strong and successful community business.*

*PHP was set up by the Borough of Poole (BoP) as the best option to manage Poole's housing stock. BoP gave us the tools and support to fulfil our mandate. Ownership of the housing stock remains with BoP whilst PHP manages all aspects of the housing stock for BoP. The income arising from the housing stock, less agreed levels of expenditure, remains the property of BoP.*

*Our mission statement, against which we measure our actions, is:*

*'Working with residents to deliver quality homes in strong communities.'*

## **2008/09 Key Achievements**

- We want to continue to provide an excellent housing service. We were inspected by the Audit Commission in the summer of 2008 and we attained a rating of 3 stars with excellent prospects for improvement which is the highest rating awarded.*
- We want to remain customer focussed and are continually monitoring our performance. From our most recent annual tenant satisfaction survey, 87% (2008: 84%) of respondents were satisfied with our overall service, still above the average for housing organisations of 81%. The proportion of tenants 'very satisfied' with our overall service increased to 46% from 39% in 2008.*

## **Financial Results for the Year**

*The operating deficit for 2008/09 of £414,000 includes adjustments totalling £228,000 in respect of pension costs to be included under FRS17. Further details of the pension liability and related disclosures can be found in Note 15 to the accounts.*

## **Business Planning**

*An annual delivery plan provides the strategic direction for the company. Detailed plans and objectives show how resources will be most effectively used and which improvements will be provided to the housing services. We have developed strategies on Asset Management, Information and Communication Technology, Human Resources, Resident Empowerment and Performance Improvement to ensure we meet our targets.*

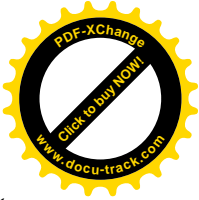
*Our main source of revenue comes from BoP via the Housing Revenue Account (HRA) that PHP manages for BoP. The HRA in turn receives its income from residents as rental payments and service charges.*

## **Performance Monitoring**

*Continuous improvement principles are built into the structure of the organisation, exemplified by our Performance & Improvement team. Panels of staff, residents and Board Members meet monthly to discuss; the progress of the various programmes, monitoring spending against budget, highlighting any changes to planned works, and reviewing performance indicators against prior periods.*

## **Future Developments**

*The results of the ALMO pilot schemes, involving the development of new build housing, have now been released. The future opportunities that this may open in Poole to re-model under-utilised areas of land on some of BoP's existing estates are now being investigated.*



*Additionally, the Department for Communities and Local Government is currently running a pilot scheme involving future self-financing arrangements for Councils, rather than being tied into the national Housing Revenue Account subsidy scheme. Under the existing scheme, Poole residents currently pay £4 million per annum, which is then re-distributed. The Consultation Paper is due in the summer of 2009 (NB issued at the end of July 2009).*

*During the year, PHP re-ran the HRA 30 year Business Plan, based on an update of the stock condition database. This now indicates a significant future-funding shortfall after 2011/12. This is a common situation for Councils who still own their housing stock. Therefore, the BoP has started the process necessary to consider the various options. This will report in 2009/10.*

### **The PHP Team**

*Meeting our targets depends upon our highly trained and committed team that support PHP's operations. We are continually reviewing the staff resources that are needed, and have been able to attract experienced members of staff to fulfil the roles required, especially within the technical team. PHP has reviewed and released its new Training Policy and Strategy, to continue and improve the support available to staff, through both internal updates as well as for those who wish to continue studying to further their careers.*

### **Financial Position**

*There has been a significant movement on PHP's Balance Sheet whereby previously PHP's pension surplus stood at £476,000 at 31 March 2008. At 31 March 2009 PHP's pension fund stands at a deficit of £916,000, a change of £1,392,000. This has resulted from the current market conditions, "the credit crunch" but no action will be taken until the next formal actuarial valuation at 31 March 2010.*

### **Summary**

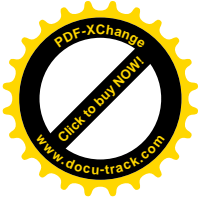
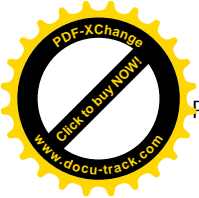
*Although there has been some movement on the Board this year, we have almost fully achieved our aim to have in place our full complement of directors at all times, and through appraisal and training to raise the standard of leadership of the organisation.*

*Our priorities for the future are increasing and developing resident involvement in decision-making, communicating our plans for creating and sustaining stronger neighbourhoods, strengthening working relationships with nearby Local Authorities and housing providers, and investigating future business opportunities for PHP.*

### **Bill Constance**

*Chairman*

*23rd September 2009*



## Report of the Board

The Board presents its report and audited financial statements for the year ended 31 March 2009. Poole Housing Partnership (PHP) is a company limited by guarantee without share capital and is managed by a Board, with day-to-day management undertaken by the executive officers. The Borough of Poole (BoP) is the sole member of PHP and effectively owns PHP.

### **Principal activity**

The company's principal activities are to manage and maintain the housing stock of BoP. PHP provides services on a local level through its main office at Beech House in Poole.

### **Performance for the year**

The Board report a deficit before taxation of £369,999 (2007/08: £241,207 surplus). The company's turnover was £8,011,554 (2008/09: £8,163,000) funded by a Management Fee of £7,842,855 (2007/08: £7,974,000) and miscellaneous income of £169,000 (2007/08: £189,000).

As part of the ongoing monitoring of the company's progress, regular monthly reports are prepared, as well as key performance indicators being calculated. These include:

#### *PHP Indicators*

- Average spend on each void property of £1,122 (2007/08: £1,240).
- Average completion time for non-urgent repairs – 15 days (2007/08: 12 days).

#### *Housing Revenue Account (HRA) Indicators*

- Rent lost due to void properties of £134,254 (2007/08: £82,648).
- Percentage of capital programme spend compared to approved resources – 92.4% (2007/08: 92%).
- Average re-let time for General Needs void properties – 15 days (2007/08: 11 days).

### **Board members and executive officers**

The Board Members and the Executive Officers of the company who served during the year are set out on page 2. The Board consists of tenant representatives, BoP nominees and independents.

The executive officers are the Chief Executive, the Head of Finance, the Head of Best Value & Performance, the Head of Technical Services, the Head of IT & Income, and the Head of Housing Management, details of whom are set out on page 2. None of the Directors or the Executive Officers has any financial interest in the company.

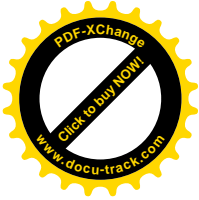
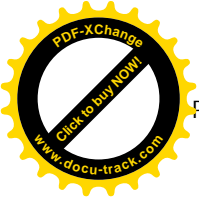
The company has insurance policies that indemnify its Board Members and Executive Officers against liability when acting for PHP.

### **Remuneration**

The Board is responsible for setting the company's remuneration policy for its executive officers. It agrees the appointment of executive officers and their remuneration.

### **Remuneration – pensions**

The company participates in the Local Government Pension Scheme, a defined benefit pension scheme managed by Dorset County Council. The assets of the scheme are invested and managed independently of the finances of the company. Contributions are based on pension costs of the company's units in the fund



## Report of the Board (continued)

As at 31 March 2009, PHP's share of the scheme assets was a deficit of £916,000, as shown on the balance sheet and Note 15.

### **Employees**

*The strength of the company lies in the quality and commitment of its employees. The company's ability to meet its objectives and commitments to tenants in an efficient and effective manner depends on the contribution of employees throughout the company.*

*The company continues to communicate its corporate vision and values through regular office and departmental meetings, staff training days, newsletters and appraisals. The company received the Investors in People award in December 2007, and is committed to equal opportunities for all its employees. The Board of PHP have carried out a review of pay grades for all Local Government Services jobs in accordance with the requirements of the National Conditions of Service. This review involved staff and recognised trade union consultation, with the agreement coming into effect on 1 April 2008. PHP has also been accredited with the Work-Life Balance standard, for giving staff a measure of control over when, where and how they work, and ensuring they maintain a fair balance between work and their home life. This has been demonstrated by the recent increased flexibility on the flexi-time scheme.*

*The company has adopted the Commission for Race Equality's Code of Practice in Rented Housing and the Equality Standard for Local Government.*

### **Health and safety**

*The Board is aware of its responsibilities on all matters relating to health and safety. PHP's needs are wide and varied, with specialist construction knowledge required to protect customers as well as employees.*

### **Governance arrangements**

*The Board derives its power to manage PHP from the Articles of Association of PHP. In particular Article 19 gives the Board the power to manage PHP. The powers of the Board are exercised on behalf of BoP as owner.*

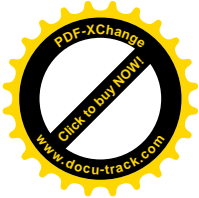
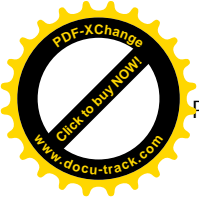
### **The Board and the committees**

*Four sub-committees support PHP's Board in its work. These deal with Finance, Personnel, Resident Involvement and Service Review issues respectively. Each consists of three Board members and meets regularly with the executive officers. The sub-committees bring an added level of monitoring, control and review to the running of PHP and the HRA. Each sub-committee has its own detailed terms of reference.*

### **Internal controls assurance**

*The Department for Communities and Local Government (DCLG), recommends that the Board of Arms Length Management Organisations should consider and adopt the appropriate parts of the Audit Commission Code of Practice 2008.*

*The Board has, via the Finance Sub-committee, taken the necessary steps to implement those parts of the Code that are appropriate to PHP's operations.*



## Report of the Board (continued)

### **Statement of Internal Financial Control**

*The Board of Directors acknowledges its overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness. The process for identifying, evaluating and managing the significant risks faced by the company is ongoing, has been in place throughout the year and up to the date of the approval of the annual report and financial statements.*

*These controls are designed to give reasonable assurance with respect to:*

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

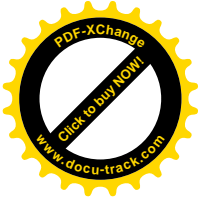
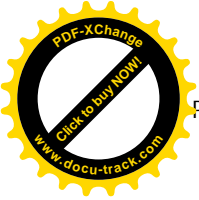
*It is the Board of Directors responsibility to establish and maintain systems of internal financial control. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives; and to provide reasonable, and not absolute, assurance against misstatement or loss. Key elements of the control framework include:*

- *Adoption of Borough of Poole's Financial Regulations and Standing Orders;*
- *The external provision of internal audit under a Service Level Agreement with the Borough of Poole;*
- *Board approved terms of reference and delegated authorities to the Finance sub-committee for audit and performance monitoring;*
- *Robust business planning process;*
- *Detailed financial budgets and forecasts for each year;*
- *Formal recruitment and staff appraisal policies;*
- *Regular reporting to senior management, the Finance sub-committee and the Board of performance against financial budgets and key targets;*
- *Clearly defined management responsibilities for the identification, evaluation and control of significant risks;*
- *Annual review by the Finance sub-committee of the risks associated with the company's operations; and*
- *Detailed policies and procedures applicable to the company's work. The adopted BoP's financial regulations and standing orders are available electronically to all staff. The Company Secretary maintains all PHP's policies centrally.*

*The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Finance sub-committee to regularly review the effectiveness of the system of internal control. The Board receives recommendations from the Finance sub-committee together with minutes of the Finance-sub-committee meetings.*

*The means by which the Finance sub-committee reviews the effectiveness of the system of internal control include considering risk reports, internal audit reports, management reports and assurances and the external audit management letter.*

*The Board of Directors is also of the opinion that the company has suitable internal financial controls for maintaining adequate accounting records, safeguarding the assets of the company and for taking reasonable steps to prevent and detect fraud and other irregularities. The Board of Directors is also required to indicate where the financial statements are prepared other than on the going concern basis.*



## Report of the Board (continued)

### **Statement of Directors' responsibilities for the annual report and financial statements**

*The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.*

*Company law requires the directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:*

- *Select suitable accounting policies and then apply them consistently;*
- *Make judgements and estimates that are reasonable and prudent; and*
- *State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.*

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

### **Disclosure of information to auditors**

*At the date of making this report each of the company's directors, as set out on page 2, confirm the following:*

- *So far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and*
- *Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.*

### **Going Concern**

*After making enquiries the Board has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.*

### **Annual General Meeting**

*The Annual General Meeting is to be held on 30 September 2009 to receive the accounts to 31 March 2009.*

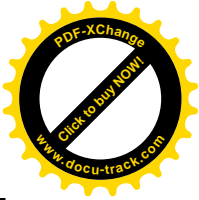
### **Auditors**

*Grant Thornton UK LLP are willing to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.*

### **Approval**

*The Report of the Board was approved by the Board on 23 September 2009 and was signed on its behalf by:*

*Bill Constance*  
**Chairman**



## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF POOLE HOUSING PARTNERSHIP**

We have audited the financial statements of Poole Housing Partnership Limited for the year ended 31 March 2009, which comprise the principal accounting policies, the profit and loss account, the balance sheet, the statement of total recognised gains and losses, the cash flow statement and notes 1 to 21. These financial statements have been prepared under the accounting policies set out therein.

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

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Board is consistent with the financial statements.

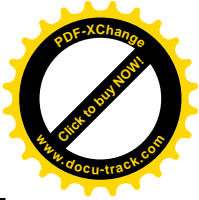
In addition, we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

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

### **Basis of audit opinion**

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

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



## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF POOLE HOUSING PARTNERSHIP** *continued*

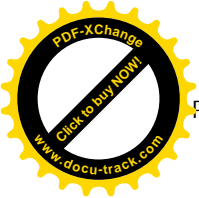
### **Opinion**

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its profit for the year then ended;
- The financial statements have been properly prepared in accordance with the Companies Act 1985; and
- The information given in the Report of the Board is consistent with the financial statements.

**GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
BRISTOL**

23 September 2009



# Profit and Loss Account

For the year ended 31 March 2009

	Note	2009 £	2008 £
Turnover	3	8,011,554	8,162,682
Operating costs	4	(8,425,757)	(8,042,728)
<b>Operating (loss) / profit</b>	5	(414,203)	119,954
Interest received	6	35,204	41,251
Other finance charges	7	9,000	80,000
<b>(Loss) / Profit on ordinary activities before taxation</b>		(369,999)	241,205
Tax charge on ordinary activities	10	(8,385)	(9,138)
<b>Retained (loss) / profit for the year</b>		(378,384)	232,067

All activities are continuing.

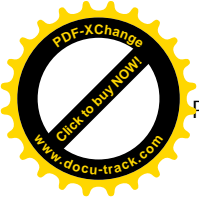
The notes on pages 14 to 27 form part of these financial statements.

Historical cost profits and losses were identical to those shown in the profit and loss account.

## Statement of Total Recognised Gains and Losses

For the year ended 31 March 2009

	Note	2009 £	2008 £
(Loss) / Profit for the financial year after taxation		(378,384)	232,067
Actuarial gain relating to the pension scheme		(1,173,000)	1,595,000
<b>Total recognised (losses) / gains for the year</b>	14	(1,551,384)	1,827,067



# Balance Sheet

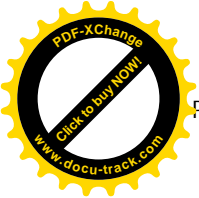
At 31 March 2009

	Note	2009 £	2008 £
<b>Tangible fixed assets</b>	11	288,086	331,120
<b>Current assets</b>			
Debtors	12	129,143	431,949
Cash at bank and in hand		1,311,583	984,507
		<u>1,440,726</u>	<u>1,416,456</u>
<b>Creditors: Amounts falling due within one year</b>	13	(1,081,960)	(941,340)
<b>Net current assets</b>		<u>358,766</u>	<u>475,116</u>
<b>Net assets excluding pension liability</b>		646,852	806,236
<b>Pension asset / (liability)</b>	15	(916,000)	476,000
<b>Net liabilities including pension asset / (liability)</b>		<u>(269,148)</u>	<u>1,282,236</u>
<b>Capital and reserves</b>			
Profit and loss deficit	14	(269,148)	1,282,236
		<u>(269,148)</u>	<u>1,282,236</u>

The financial statements were approved by the Board on 23rd September 2009 and signed on its behalf by:

**W. Constance**  
Chairman

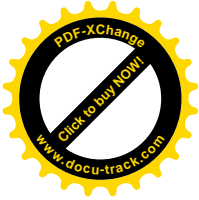
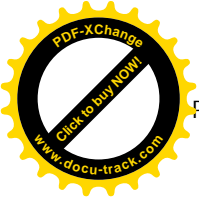
**A. Keogh**  
Board member



# Cash Flow Statement

For the year ended 31 March 2009

	Note	2009 £	2008 £
<b>Net cash (outflow) / inflow from operating activities</b>	18	331,751	(122,203)
<b>Returns on investments and servicing of finance</b>			
Interest received		37,661	37,782
<b>Taxation</b>		(9,138)	(8,007)
<b>Capital expenditure</b>			
Purchase of tangible fixed assets		(33,198)	(56,584)
 		<hr/>	<hr/>
<b>Decrease in cash in the year</b>	20	<u>327,076</u>	<u>(149,012)</u>



# Notes to the Financial Statements

For the year ended 31 March 2009

## 1. LEGAL STATUS

Poole Housing Partnership Limited is a company incorporated under the Companies Act 1985 and limited by guarantee.

## 2. ACCOUNTING POLICIES

### Basis of accounting

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

### Turnover

Turnover consists of the invoiced value (excluding VAT) for goods and services supplied.

### Tangible fixed assets and depreciation

Depreciation is provided evenly on the cost (or valuation where appropriate) of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. The principal annual rates used are:

<b>Asset description</b>	<b>Depreciation method</b>	<b>Period</b>
Leasehold property improvements	Straight line	Over period of lease
Fixture and Fittings	Straight line	Over 4 years
IT equipment	Straight line	Over 3-4 years

Individual assets purchased at a cost of less than £1,000 are expensed to the Profit and Loss account.

### Taxation

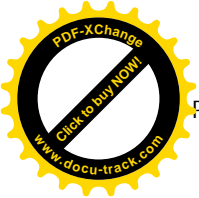
The company prepares its tax return on the basis of mutual trading with its parent council - Borough of Poole (the Council). Transactions between the Company and the Council are not taxable, and the Company is therefore only liable to tax on its third party trading activities.

### Deferred taxation

Deferred tax is provided, except as noted below, on timing differences that have arisen but not reversed by the balance sheet date, where the timing differences result in an obligation to pay more tax, or a right to pay less tax, in the future. Timing differences arise because of differences between the treatment of certain items for accounting and taxation purposes.

In accordance with FRS 19 deferred tax is not provided on timing differences arising from:

- Revaluation gains on land and buildings, unless there is a binding agreement to sell them at the balance sheet date; and
- Gains on the sale of non-monetary assets, where on the basis of all available evidence it is more likely than not that the taxable gain will be rolled over into replacement assets.



# Notes to the Financial Statements

For the year ended 31 March 2009

## 2. ACCOUNTING POLICIES (continued)

### Deferred taxation (continued)

Deferred tax assets are recognised to the extent that it is regarded, as more likely than not that they will be recovered.

Where law or accounting standards require gains and losses to be recognised in the statement of total recognised gains and losses, the related taxation is also taken directly to the statement of total recognised gains and losses in due course.

### Pension costs

The Company operates a contributory pension scheme, of the defined benefit type, for employees. The scheme is administered by trustees and is independent of the Company finances. Contributions are paid to the scheme in accordance with the recommendations of an independent actuary to enable the trustees to meet from the scheme the benefits accruing in respect of current and future service.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the Company's defined benefit pension scheme expected to arise from employee service in the period is charged to operating surplus. The expected return of the scheme's assets and the increase during the period in the present value of the scheme's liabilities arising from the passage of time are included in other finance income/charges. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

The pension scheme's surpluses, to the extent that they are considered recoverable, or deficits, are recognised in full and presented on the face of the balance sheet.

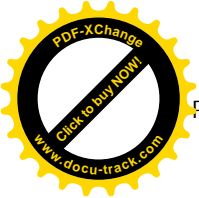
### Operating leases

The Company uses assets under operating leases. Rentals paid under these are charged to the profit and loss account in the year they are incurred.

## 3. TURNOVER

Turnover and operating profit arise solely from the Company's housing management activities in the Borough of Poole.

	<b>2009</b>	<b>2008</b>
	£	£
Management fee	7,842,855	7,973,678
Miscellaneous income	168,699	189,004
	<hr/>	<hr/>
	8,011,554	8,162,682
	<hr/> <hr/>	<hr/> <hr/>



# Notes to the Financial Statements

For the year ended 31 March 2009

## 4. OPERATING COSTS

	<b>2009</b> £	<b>2008</b> £
Housing management services	8,425,757	8,042,728

## 5. OPERATING (LOSS) / PROFIT

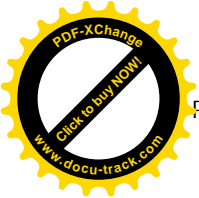
	<b>2009</b> £	<b>2008</b> £
Operating profit / (loss) is stated after charging:		
External auditor's remuneration:		
- Statutory audit	15,650	11,900
- Non-audit services	-	2,000
Operating leases:		
- Buildings	96,585	89,780

## 6. INTEREST RECEIVABLE

	<b>2009</b> £	<b>2008</b> £
Bank interest receivable	35,204	41,251

## 7. OTHER FINANCE CHARGES

	<b>2009</b> £	<b>2008</b> £
Expected return on pension scheme assets	456,000	470,000
Interest on pension scheme liabilities	(447,000)	(390,000)
Net return	9,000	80,000



# Notes to the Financial Statements

For the year ended 31 March 2009

## 8. EMPLOYEES

The average number of people employed by the Company for the year was:

	<b>2009</b>	<b>2008</b>
	<b>No.</b>	<b>No.</b>
Executive/Secretariat	5	4
Estate/Housing management	50	48
Maintenance/Technical services	29	28
Finance and administration	3	2
Performance monitoring	4	4
IT services	11	10
	<hr/>	<hr/>
Total	102	96
	<hr/> <hr/>	<hr/> <hr/>

The employee costs for the year were:

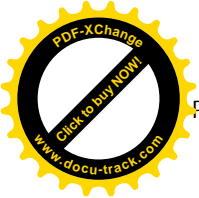
	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,504,806	2,303,226
Social security costs	179,689	165,820
Pension costs	493,000	460,316
	<hr/>	<hr/>
	3,177,495	2,929,362
	<hr/> <hr/>	<hr/> <hr/>

Pension costs include:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Current service cost of defined benefit scheme	493,000	433,000
	<hr/> <hr/>	<hr/> <hr/>

The current service costs of defined benefit scheme comprises:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Current service costs	456,000	433,000
Past Service Cost	37,000	-
	<hr/>	<hr/>
Total operating charge	493,000	433,000
	<hr/> <hr/>	<hr/> <hr/>



# Notes to the Financial Statements

For the year ended 31 March 2009

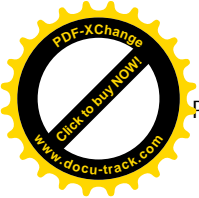
## 9. BOARD MEMBERS AND EXECUTIVE OFFICERS

No Board Members received any remuneration from the Company during the year. Expenses paid during the year amounted to £2,119 (2008: £2,619).

The aggregate amount of emoluments (including pension and national insurance contributions) paid to or receivable by the Executive Officers of the Company during the year was £342,700 (2008: £350,808).

## 10. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2009 £	2008 £
<b>Current taxation:</b>		
UK Corporation tax on profits of the period	8,385	9,138
Adjustments in respect of prior period	-	-
<b>Deferred taxation:</b>		
Origination and reversal of timing differences	-	-
Adjustment in respect of earlier period	-	-
	<hr/>	<hr/>
<b>Tax on profit on ordinary activities</b>	<b>8,385</b>	<b>9,138</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>Current tax reconciliation</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
(Loss) / profit on trading activities before taxation	(369,999)	241,207
	<hr/> <hr/>	<hr/> <hr/>
Theoretical tax at UK corporation tax rate of 19%	(74,000)	48,241
Effects of:		
- (Losses) / Income not subject to taxation under mutual trading status	82,385	(39,103)
- Adjustments in respect of prior period	-	-
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<b>Actual current taxation charge</b>	<b>8,385</b>	<b>9,138</b>



# Notes to the Financial Statements

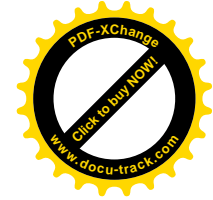
For the year ended 31 March 2009

## 11. TANGIBLE FIXED ASSETS

	Short Leasehold Improvements £	Computer Equipment £	Fixtures & Fittings £	Total £
<b>Cost</b>				
At 1 April 2008	347,434	192,323	51,648	591,405
Additions	55,569	16,447	-	72,016
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	403,003	208,770	51,648	663,421
<b>Depreciation</b>				
At 1 April 2008	114,129	112,605	33,551	260,285
Charge for the year	48,610	53,546	12,894	115,050
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2009	162,739	166,151	46,445	375,335
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2009	240,264	42,619	5,203	288,086
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 March 2008	233,305	79,718	18,097	331,120
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## 12. DEBTORS

	2009 £	2008 £
Amount due from the Borough of Poole	-	241,070
Rechargeable repairs	27,350	55,016
Prepayments	97,928	101,835
Other debtors	3,865	34,028
	<hr/>	<hr/>
	129,143	431,949
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# Notes to the Financial Statements

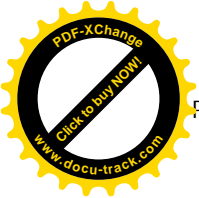
For the year ended 31 March 2009

## 13. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Amount due to the Borough of Poole	84,606	-
Corporation tax	8,385	9,138
Other taxation and social security	191,074	257,735
Accruals	763,516	645,018
Pension costs	34,379	29,449
	<hr/>	<hr/>
	1,081,960	941,340
	<hr/> <hr/>	<hr/> <hr/>

## 14. RECONCILIATION OF MOVEMENT IN RESERVES

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Opening reserve / (deficit)	1,282,236	(544,831)
Total recognised (losses) / gains for the year	(1,551,384)	1,827,067
	<hr/>	<hr/>
Closing balance	(269,148)	1,282,236
	<hr/> <hr/>	<hr/> <hr/>



# Notes to the Financial Statements

For the year ended 31 March 2009

## 15. PENSIONS

The company participates in the defined benefit Local Government Pension Scheme ('LGPS'), administered by Dorset County Council. This is a funded scheme, meaning that both employer and employees pay contributions into the fund, calculated at a level that is estimated to balance the pensions liabilities with investment assets.

A qualified actuary using the "projected unit" method performs the triennial actuarial valuations. The next full valuation to be completed is as at 31 March 2010, to be reflected in future disclosures. This valuation relates to the whole fund. The first pension expense calculation for the Company's share of the fund was undertaken at 31 March 2005.

### Contributions

The employers' contributions to the LGPS by the Company for the year to 31 March 2009 were £265,000 (2008: £233,000). The employer's contribution rate was fixed at 12.3% (being current service) of pensionable pay until 31 March 2009.

The anticipated employers' contributions to the LGPS by the Company for the year to 31 March 2010 are £314,000.

### Assumptions

The major assumptions used by the actuary in assessing scheme liabilities on an FRS 17 basis were:

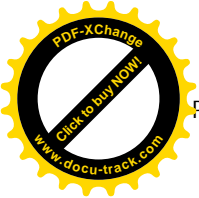
	<b>2009</b>	<b>2008</b>
	<b>% Per</b>	<b>% Per</b>
	<b>annum</b>	<b>annum</b>
Rate of increase in salaries	4.5	5.2
Rate of increase in pensions in payment	3.0	3.7
Discount rate	6.7	6.6
Inflation assumptions (RPI)	3.0	3.7

### Mortality assumptions

The adopted set of demographic assumptions is consistent with those used for the formal funding valuation as at 31 March 2007. The post-retirement mortality tables adopted were the PA92 series projected to calendar year 2007 for pensioners and 2017 for non-pensioners with a -2 year age rating and a 95% scaling factor.

The assumed life expectations on retirement at age 65 are:

		<b>2009</b>
		<b>No. Of</b>
		<b>Years</b>
Retiring Today	Males	20.84
	Females	23.86
Retiring in 20 Years	Males	21.79
	Females	24.80



# Notes to the Financial Statements

For the year ended 31 March 2009

## 15. PENSIONS (continued)

### Major categories of plan assets as a percentage of total plan assets

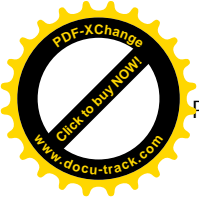
	2009	2008
Equities	7.0%	7.3%
Gilts	4.0%	4.5%
Bonds	6.5%	6.6%
Property	6.6%	6.8%
Cash	3.0%	5.0%

### Actual return on plan assets:

	2009 £'000	2008 £'000
Actual return on plan assets	(1,898)	(318)

### Amounts recognised in the balance sheet:

	2009 £'000	2008 £'000
Fair value of the above assets related to the company	5,335	7,036
Value placed on liabilities related to the company	(6,251)	(6,560)
(Deficit) / Surplus relating to the company	(916)	476
Net pension (liability) / asset	(916)	476



# Notes to the Financial Statements

For the year ended 31 March 2009

## 15. PENSIONS (continued)

### Analysis of amount recognised in the statement of total recognised gains and losses (STRGL)

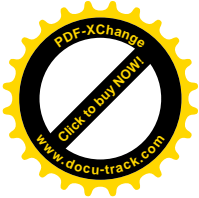
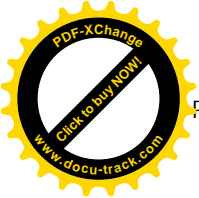
	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Actual return less expected return on pension scheme assets	(2414)	(774)
Experience gains and losses	-	(415)
Exceptional actuarial valuation movement	-	1,545
Change in assumptions underlying the present value of scheme liabilities	1241	1,239
	<hr/>	<hr/>
Actuarial (loss) / gain recognised in STRGL	(1,173)	1,595
	<hr/> <hr/>	<hr/> <hr/>
<b>Accumulated gain / (loss) recognised in STRGL</b>	<b>925</b>	<b>2,098</b>

### Movement in deficit during the period

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Company share of scheme liabilities at the beginning of the period	476	(999)
Movement in period:		
- Current service cost	(456)	(433)
- Past Service Cost	(37)	-
- Employer contributions	265	233
- Net finance charge	9	80
- Actuarial gain	(1,173)	1,595
	<hr/>	<hr/>
Company share of scheme (liabilities) / assets at end of period	(916)	476
	<hr/> <hr/>	<hr/> <hr/>

### Reconciliation of liabilities

	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<b>Liabilities at the start of the period</b>	<b>6,560</b>	<b>6,650</b>
Service cost	456	433
Interest cost	447	390
Employee contributions	143	119
Actuarial gain / (losses)	(1,241)	(824)
Benefits paid	(151)	(208)
Past service cost	37	-
	<hr/>	<hr/>
<b>Liabilities at end of period</b>	<b>6251</b>	<b>6560</b>
	<hr/> <hr/>	<hr/> <hr/>



# Notes to the Financial Statements

For the year ended 31 March 2009

## 15. PENSIONS (continued)

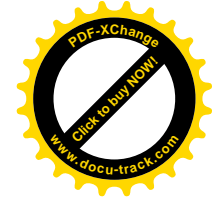
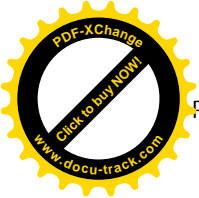
<b>Reconciliation of assets</b>	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
<b>Assets at start of period</b>	<b>7,036</b>	<b>5,648</b>
Expected return on assets	456	470
Actuarial (loss)/gain	(2,414)	774
Employer contributions	265	233
Employee contributions	143	119
Benefits paid	(151)	(208)
	<b>5,335</b>	<b>7,036</b>
	<b>5,335</b>	<b>7,036</b>

Amounts for the current and previous four periods are as follows:

	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Present value of defined benefit obligation	(6,251)	(6,560)	(6,650)	(6,134)
Fair value of scheme assets	5,335	7,036	5,648	(5,098)
(Deficit) / surplus on scheme	(916)	476	(1,002)	(1,037)
Experience adjustments on plan liabilities	(1,241)	824	-	-
Experience adjustments on plan assets	(2,414)	(774)	-	-

### Indemnity from Borough of Poole

On 1 April 2004, certain employees were transferred from the Borough of Poole Council ('the Council') to PHP. Subsequent valuations for FRS 17 purposes assumed that members accrued benefits at the date of transfer would become the responsibility of PHP with the Council providing a formal letter of indemnity to PHP in respect of the actuarial deficit existing at the date of transfer. The Council are now recognising the full level of the deficit within their financial statements, meaning that PHP are no longer responsible for any element of the deficit that existed at the date of transfer.



# Notes to the Financial Statements

For the year ended 31 March 2009

## 16. RELATED PARTY TRANSACTIONS

Poole Housing Partnership Limited ('PHP') (company limited by guarantee) is a local authority controlled company of the Borough of Poole (BoP). The accounts of BoP are publicly available on the council's website, [www.poole.gov.uk](http://www.poole.gov.uk). BoP has delegated responsibility for overseeing the management and maintenance of its residential and related stock to PHP in accordance with the five-year Management Agreement effective from 1 April 2004. This was extended by a further 5 years from 1 April 2009. BoP has an option to extend the agreement for further periods of up to five years.

The Council pays the company a management fee in accordance with the Management Agreement and any subsequently approved variations. In 2008/9 the management fee amounted to £7,842,855 (2007/8: £7,973,678). At 31 March 2009 PHP owed Borough of Poole £84,606. PHP's bank account is a sub-account of the balances controlled by BoP.

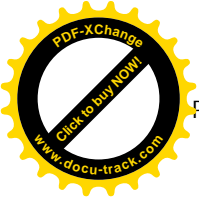
PHP maintains its own financial ledger independently of BoP.

BoP charged PHP £395,914 (2008: £417,003) for the provision of support services, including Service Level Agreements, amounting to:

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Telephone and voice mail service	13,671	13,592
Building occupancy and administration	-	-
IT services	133,741	109,330
Personnel services	45,866	57,544
Corporate finance, internal audit and payroll	74,350	69,933
Legal services	15,519	5,083
Revenues and benefits - cash office and billing	5,386	68,320
Postage and courier	3,480	3,348
Car parking	30,065	-
Property services	-	-
Environmental & Consumer Protection – cleansing	49,505	48,534
Transportation – engineering & street lighting	20,000	38,430
Leisure – tree works	-	-
Other	4,331	2,839

### Tenant Board Members

Certain members of the Board are resident in properties maintained by Poole Housing Partnership and owned by the parent undertaking, the Borough of Poole. These residents have a standard tenancy agreement and are required to fulfil the same obligations and receive the same benefits as other tenants.



# Notes to the Financial Statements

For the year ended 31 March 2009

## 17. COMMITMENTS

The Company has annual commitments under operating leases as follows:

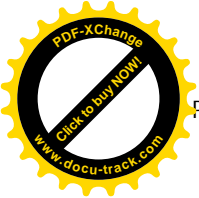
	<b>2009</b> <b>Land and</b> <b>Buildings</b> £	<b>2008</b> <b>Land and</b> <b>Buildings</b> £
Leases:		
Expiring after four years	98,500	98,500

## 18. RECONCILIATION OF OPERATING PROFIT / (LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<b>2009</b> £	<b>2008</b> £
Operating (loss) / profit	(414,203)	119,954
Depreciation charges	115,049	100,166
Pension – current service charge less contributions (Note 15)	228,000	200,000
Decrease / (increase) in debtors	261,531	(305,942)
Increase / (decrease) in creditors	141,374	(236,381)
Net cash inflow / (outflow) from operating activities	331,751	(122,203)

## 19. ANALYSIS OF NET FUNDS

	<b>1 April 2008</b> £	<b>Cash flow</b> £	<b>31 March 2009</b> £
Cash in hand	984,507	327,076	1,311,583



# Notes to the Financial Statements

For the year ended 31 March 2009

## 20. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>
Net funds at 1 April	984,507	1,133,519
Increase / (decrease) in cash in the period	327,076	(149,012)
	<hr/>	<hr/>
Net funds at 31 March	<u>1,311,583</u>	<u>984,507</u>

## 21. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Council of the Town and County of the Borough of Poole, which is the sole member of Poole Housing Partnership.