

Blackpool Coastal Housing Limited

(a company limited by guarantee)

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2011



Company Registration Number: 05868852

Blackpool Coastal Housing Limited Company Limited by Guarantee

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Blackpool Coastal Housing Limited

Company Limited by Guarantee

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Non- Executive Directors (Voting)

Tenant board members

Bill Rogers (Vice Chair) (1)

Alison Stringer (2)

Doreen Wightman (Chair)

Caroline Cook (1)

resigned 2nd July 2010

Janet Stirling (2)

Council nominated board members

Cllr Jim Houldsworth (2)

resigned 8th June 2011

Cllr Ron Bell (1)

resigned 8th June 2011

Cllr Joan Greenhalgh (1)

resigned 10th May 2010

Cllr Simon Blackburn (1)

resigned 8th June 2011

Cllr Tim Cox (1)

resigned 8th June 2011

Cllr Martin Mitchell (1)

appointed 8th June 2011

Cllr Lily Henderson MBE (2)

appointed 8th June 2011

Cllr Christine Wright (2)

appointed 8th June 2011

Cllr Andrew Stansfield (1)

appointed 8th June 2011

Cllr Adrian Hutton (1)

appointed 8th June 2011

Cllr Fredrick Jackson (2)

appointed 3rd June 2010, resigned 8th June 2011

Independent board members

Judith Mills (2)

Diane Bellinger (1)

Carol Hall (1)

resigned 15th March 2011

Paul Whitehead (1)

Alan Marsh (2)

The Non-Executive Directors were members of the following Board Committees within the year ended 31 March 2011, as indicated:

(1) Member of the Finance, Audit and Corporate Services committee

(2) Member of the Service Delivery committee

SENIOR MANAGEMENT TEAM

Peter Jefferson

Chief Executive

Peter Whittaker

Company Secretary

Neil Jack

Director of Finance & Resources

Maggie Cornall

Director of Housing Services

Cyril Holland

Director of Property Services

Blackpool Coastal Housing Limited Company Limited by Guarantee

OFFICERS AND PROFESSIONAL ADVISERS

REGISTERED OFFICE

Coastal House
17-19 Abingdon Street
Blackpool
Lancashire
FY1 1DG

AUDITOR

Baker Tilly UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester M3 3HF

BANKERS

National Westminster Bank Plc
20 Corporation Street
Blackpool
FY1 1ER

The Co-op Bank
1 Balloon Street
Manchester
M60 4EP

SOLICITORS

Legal and Democratic Services
Blackpool Council
Town Hall
Blackpool
FY1 1NB

ACTUARY

Mercer
Mercer Court
Tithebarn
Liverpool
L2 2QH

Blackpool Coastal Housing Limited

Company Limited by Guarantee

DIRECTORS' REPORT

The Directors submit their report and financial statements of Blackpool Coastal Housing Limited for the year ended 31 March 2011.

INCORPORATION

Blackpool Coastal Housing Limited ("the Company") was incorporated on 6 July 2006 and commenced operations on 15 January 2007 as a result of entering into a fifteen year management agreement between Blackpool Council and the Company.

PRINCIPAL ACTIVITIES

The Company's principal business activities are to manage, maintain and improve the social rented housing stock of Blackpool Council.

CONSTITUTION

The Company is incorporated as a private company limited by guarantee under the Companies Act 2006. As such it has no share capital and is effectively owned by its sole member, Blackpool Council.

BUSINESS REVIEW AND RESULTS FOR THE PERIOD

2010/11 represents the first year of adopting International Financial Reports Standards (IFRS). In line with Blackpool Council and other local government bodies, the Company has prepared its financial statements for the year ended 31 March 2011 on this basis. The key changes resulting from the conversion from UK GAAP (Generally Accepted Accounting Practice) requirements to IFRS are as follows:

- Outstanding annual and flexi leave has been valued and accrued
- Presentation of the financial statements, including disclosure notes, has significantly changed.

The adoption of IFRS reporting requirements has also required the restatement of the opening balances of the two previous financial years (2009/10 and 2008/9).

The year ended 31 March 2011 was the fourth full year of operation for the Company and the financial result was a surplus of £403,000 (pre adjustment for International Accounting Standard (IAS) 19). The Company's revenue for the year was £11,839,000 with a pre tax surplus of £781,000. The adjusted surplus from £403,000 to £781,000 is as a result of the adjustments required by the recognition of the pension liability accounted for under IAS 19.

Excluding the IAS 19 adjustments a surplus of £403,000 for the year would have been reported. The reconciliation between the two figures is set out below reversing the IAS 19 adjustments currently shown as a gain within the income statement.

	Yr ended 31 March 2011	Yr ended 31 March 2010
	£ '000	£ '000
Surplus for the period under IAS 19	781	642
Current service cost	562	347
Past service cost (gain)	(697)	-
Operating charge under IAS 19	<u>(135)</u>	<u>347</u>
Actual pension contributions	(360)	(363)
Return on employer assets	(488)	(343)
Interest on pension liabilities	605	463
IAS 19 adjustment in the period	<u>(378)</u>	<u>104</u>
Surplus for the period excluding IAS 19	<u><u>403</u></u>	<u><u>746</u></u>

Blackpool Coastal Housing Limited

Company Limited by Guarantee

DIRECTORS' REPORT

Vision Statement – Working Together to Achieve Quality Living

Blackpool Coastal Housing (BCH):

- Will be 'One Team' – where everyone identifies with the Company as a whole not just with the area in which they work
- Will have 'One Culture' - where tenants' views are at the heart of all decision-making and customer and staff involvement not only inform, but also lead the development of services in the community
- Will share 'One Vision' to be the best housing management service on the Fylde Coast, and to be an excellent employer providing services our staff are proud to deliver and our customers are delighted to receive

Mission Statement

In delivering its Vision BCH will:

- Effectively manage the investment in Blackpool Council's housing stock to ensure it meets the Decent Homes Standard and meets the additional standards developed by customers (known as the Blackpool Standard). Based on the current funding allocation, 90% of the stock will meet the Decent Homes Standard by December 2015
- Continually improve services to tenants
- Extend the empowerment of tenants in the management of their homes and the services they receive
- Contribute to the wider regeneration and sustainability of the communities of Blackpool by entering into partnerships with appropriate organisations by training and, where possible, by employing local people
- Provide value for money to tenants, Blackpool Council and the wider community
- Become one of the Sunday Times Top 100 best companies to work for
- Minimise the detrimental impact the organisation has upon the environment

Values Statement

- BCH puts people at the heart of everything it does, valuing staff and empowering customers to be involved in decision making in a spirit of openness
- In improving and developing its services BCH balances the aspirations of its customers and the ideas of its staff with value for money and cost effective services
- BCH is committed to partnership and works with all of its stakeholders to provide services that meet the needs of customers
- BCH strives to improve continually, puts things right quickly in the event things go wrong and learns so that it does not happen again
- BCH offers fair access and treatment to all customers and employees regardless of age, race, sex, disability, sexual orientation or religion

Equality & Diversity Statement

Blackpool Coastal Housing is committed to providing services that meet the needs of all sections of the community housed by Blackpool Council, living near properties managed by BCH, or seeking access to housing services or information about housing services in the Blackpool area.

We value and celebrate the richness of cultures, backgrounds and traditions of the town's population.

Blackpool Coastal Housing is also committed to developing a workforce and a democratic Board that reflects the community it serves. We seek to be an employer that values and develops the skills and abilities of people from different backgrounds.

Blackpool Coastal Housing Limited

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DIRECTORS' REPORT

As a provider of housing services to local people we recognise our important role in improving the quality of life for everyone in Blackpool and the need to be accountable to tenants, leaseholders and the Council and to deliver all services with equality and fairness. We work in partnership with Blackpool Council contributing towards their equality and diversity agenda and other relevant strategies.

Blackpool Coastal Housing will not tolerate discrimination against anyone because of their race, religion or belief, culture, nationality, ethnic background, colour, physical or mental disability, mental health, gender, sexuality, age, literacy, caring responsibility, income level, and marital status.

ENVIRONMENTAL POLICY

BCH is committed to ensuring a balance between meeting our business objectives and acting responsibly to protect the environment.

As well as improving our own services and the way that we manage and repair homes we are also committed to helping our residents save energy (and money) in running their home.

The core objectives of our Environmental Policy are:

- To reduce consumption of energy
- To reduce consumption of water
- To reduce waste
- To reduce unnecessary use of resources
- To reduce use of transport
- To maximise use of available land
- To create and maintain sustainable communities
- To widely communicate our approach to reducing the effect our work has on the environment
- To monitor our performance on reducing the impact we have on the environment through an annual action plan
- To be consistent with local Sustainable Homes and Sustainable Communities policies

PERFORMANCE REVIEW 2010/2011

Our business Goals are decided by our Board. Their decisions on our goals are reviewed annually at an annual strategy meeting. Our articles of association, what we know about our customers' needs and wants, our contract with Blackpool Council, and the wider local and national policy environment are all considered in reaching the decision as to what our goals should be.

The Board of BCH is ultimately responsible for the performance of the organisation and regularly monitors and reviews performance against the objectives and targets. Monitoring by the Board complements the arrangements agreed with the Council as set out in the Management Agreement.

Using a balanced scorecard approach, BCH measures performance at organisational, directorate, and service levels.

Business Process KPIs

Of 11 Business Process KPIs reported at the end of 2010-2011, 8 met or exceeded target, 1 was within tolerances and 2 did not meet target.

Areas identified for improvement during 2011-12 are:

- The percentage of urgent repairs completed on time
- The average number of days taken for urgent repairs

Blackpool Coastal Housing Limited

Company Limited by Guarantee

DIRECTORS' REPORT

Financial KPIs

Of 13 Financial KPIs reported at the end of 2010-2011, 7 met or exceeded target, 2 were within tolerances and 4 did not meet target.

Areas identified for improvement during 2011-12 are:

- The percentage of tenants evicted as a result of rent arrears
- The number of tenants evicted as a result of rent arrears
- The percentage of former tenant arrears written off as a proportion of total collectable rent
- The amount of former tenant arrears

Customer KPIs

Of 11 Customer KPIs reported at the end of 2010-2011, 8 met or exceeded target, and 3 did not meet target.

Areas identified for improvement during 2011-12 are:

- Customer satisfaction with repairs service
- The number of ASB cases opened on Mereside
- The number of ASB cases opened on Queens Park

Organisational Development KPIs

Of 11 Organisational Development KPIs reported at the end of 2010-2011, 4 met or exceeded target, 3 were within tolerance and 4 did not meet target.

Of the 4 KPI's that did not meet target, 2 areas have been identified for improvement during 2011-12:

- The percentage of staff turnover
- The number of training sessions per employee

Services Provided

BCH is responsible for administering all landlord housing services, including the Building Maintenance Direct Workforce, which delivers the Day to Day and Void Housing Repairs Services. BCH is also responsible for determining and implementing cyclical and planned maintenance programmes, including the capital funded Decent Homes Programme. The third year was completed in 2010-11 on time, to budget and with exceptionally high levels of customer satisfaction.

Supported Housing Services are provided for vulnerable tenants, particularly older people and homeless people, including a Sheltered Housing Service and an Emergency Housing Service. These responsibilities are delivered by BCH under the Supporting People Programme, through a contracting agreement with Blackpool Council. Contracting agreements are also in place to allow BCH to manage Blackpool Council's Travellers Site.

The functions delegated to BCH can be summarised as:

- Income collection
- Tenant information and consultation on matters which are the responsibility of BCH
- Tenant participation, including involvement in monitoring and review of service standards
- Anti-Social Behaviour management
- Enforcement of tenancy conditions
- Leaseholder Management
- Stock investment decisions

Blackpool Coastal Housing Limited

Company Limited by Guarantee

DIRECTORS' REPORT

- Responsive repairs
- Planned and cyclical maintenance
- Managing lettings, voids and under occupation
- Tenancy sign up and allocation
- Estate management and caretaking; and
- Sheltered Housing Service and Hostels

The functions retained by the Council include:

- Overall housing strategy and enabling
- Determining policies on lettings and anti-social behaviour (in consultation with BCH) and rents
- Managing the Supporting People programme
- Homelessness, general housing advice
- Administration of the Housing Register

FUTURE DEVELOPMENTS

The BCH Delivery Plan sets out the company's strategic aims and operational targets, and how they are to be delivered, as required under the terms of the Management Agreement with Blackpool Council. The key development aims are set out below:

- Continue to invest in technology to make services more efficient and more accessible to customers
- Continue to develop a multi skilled repairs and maintenance workforce and support the creation of local job opportunities
- Develop customer involvement activity and structures to put customers at the heart of everything BCH does, including making decisions
- Increase the amount of rent income collected and reduce the levels of money that are owed
- Further develop the ways that BCH deals with Anti-Social Behaviour to ensure that customers live in safe, clean, and well maintained communities
- Continue to use the information from customers to improve services and develop new services that meet customers' needs
- Work with partners to ensure customers have a wider choice of accommodation and that accommodation meets the standards set by customers
- Reduce the amount of reactive repairs done by improving the planned maintenance programmes
- Work with partners and consult with customers regarding the future new build council houses and redevelopments

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have fully considered all major known risks and uncertainties, which may affect the Company in the foreseeable future.

The Company's primary source of income is from Blackpool Council, under the terms of a fifteen year Management Agreement. This agreement expires in December 2021, with a break-clause and formal review due in December 2013. The Management fee is funded from the Council's ring-fenced Housing Revenue Account (HRA) and is negotiated annually in advance. The implementation of Self-Financing for Council Housing in April 2012 and abolition of the current HRA subsidy systems should create more financial certainty and improve strategic planning for both the Council and the Company.

Government funding for the delivery of the Decent Homes Programme has been confirmed to 31 March 2013. Further funding allocations have been advised for the two year period to 31 March 2015, however these amounts are provisional. Although this would impact upon the Council's capital programme, the fee for managing this is supplementary to the Company's principal management fee income.

Blackpool Coastal Housing Limited

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DIRECTORS' REPORT

DIRECTORS

Under the Memorandum and Articles of Association the 15 non-executive directors represent the local community:

- Five Blackpool Council nominees
- Four Blackpool Council tenants and one leaseholder
- Five Independent members

The directors who served during the year are shown on Page 1. Non-executive directors served throughout the period and subsequently, except where indicated. There are no Executive directors.

Third party indemnity insurance was in place for the Directors during the period. The directors have no interests in the Company.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were in office on the date of approval of these statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP, Chartered Accountants as auditor will be put to the Board at the Annual General Meeting.

By order of the Board



Peter Whittaker
Company Secretary
28 September 2011

Blackpool Coastal Housing Limited

Company Limited by Guarantee

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the surplus or deficit of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

The Board of Directors is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Blackpool Coastal Housing Limited

Company Limited by Guarantee

INDEPENDENT AUDITOR'S REPORT

We have audited the financial statements on pages 11 to 34. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its surplus for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the provisions of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Baker Tilly UK Audit LLP

KEITH WARD ACA (Senior Statutory Auditor)
For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Blackpool Coastal Housing Limited
 Company Limited by Guarantee
 INCOME STATEMENT
 for the year to 31 March 2011

	<i>Notes</i>	2011 £'000	2010 £'000
REVENUE	3	11,839	12,156
Operating Costs		(11,638)	(11,394)
Add: exceptional past service credit	17	697	-
		<hr/>	<hr/>
SURPLUS FROM OPERATIONS	4	898	762
Finance costs	5	(117)	(120)
SURPLUS BEFORE TAXATION		<hr/> 781	<hr/> 642
Income tax expense	7	-	-
		<hr/>	<hr/>
SURPLUS FOR THE YEAR	14	<hr/> 781	<hr/> 642
		<hr/> <hr/>	<hr/> <hr/>
OTHER COMPREHENSIVE INCOME, NET OF TAX			
Actuarial gains and losses on defined benefit obligations		820	(1,675)
		<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<hr/> 1,601	<hr/> (1,033)
		<hr/> <hr/>	<hr/> <hr/>

The surplus for the year arises from the Company's continuing operations.

The surplus for the year and total comprehensive income is entirely attributable to its sole member (note 18).

Blackpool Coastal Housing Limited
 Company Limited by Guarantee
 STATEMENT OF CHANGES IN EQUITY

	Retained earnings £'000	Total £'000
BALANCE AT 1 APRIL 2009	(590)	(590)
Surplus for the year	642	642
Other comprehensive income, net of tax:		
Actuarial gains and losses on defined benefit obligations	(1,675)	(1,675)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(1,033)</u>	<u>(1,033)</u>
BALANCE AT 31 MARCH 2010	<u>(1,623)</u>	<u>(1,623)</u>
Surplus for the year	781	781
Other comprehensive income, net of tax:		
Actuarial gains and losses on defined benefit obligations	820	820
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,601</u>	<u>1,601</u>
BALANCE AT 31 MARCH 2011	<u>(22)</u>	<u>(22)</u>

Blackpool Coastal Housing Limited Company Limited by Guarantee

BALANCE SHEET

31 March 2011

Company Registration No: 05868852

	<i>Notes</i>	2011 £'000	2010 £'000
ASSETS			
NON CURRENT ASSETS			
Property, plant and equipment	9	422	228
		<u>422</u>	<u>228</u>
CURRENT ASSETS			
Inventories	10	24	29
Trade and other receivables	11	561	665
Cash and cash equivalents (excluding bank overdrafts)	8	2,880	2,921
		<u>3,465</u>	<u>3,615</u>
TOTAL ASSETS		<u><u>3,887</u></u>	<u><u>3,843</u></u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	(1,833)	(2,221)
Current tax liabilities	12	(355)	(326)
		<u>(2,188)</u>	<u>(2,547)</u>
NON CURRENT LIABILITIES			
Retirement benefit obligations	17	(1,721)	(2,919)
TOTAL LIABILITIES		<u>(3,909)</u>	<u>(5,466)</u>
NET ASSETS		<u><u>(22)</u></u>	<u><u>(1,623)</u></u>
EQUITY			
Income Statement		1,699	1,296
Pension Reserve	14	(1,721)	(2,919)
TOTAL EQUITY	14	<u><u>(22)</u></u>	<u><u>(1,623)</u></u>

The financial statements on pages 11 to 34 were approved by the Board and authorised for issue on 28 September 2011 and are signed on its behalf by:



Doreen Wightman
Chair



Bill Rogers
Vice Chair

Blackpool Coastal Housing Limited
 Company Limited by Guarantee
 STATEMENT OF CASH FLOWS
 for the year to 31 March 2011

	<i>Notes</i>	2011 £'000	2010 £'000
OPERATING ACTIVITIES			
Cash generated from operations	15	313	1,071
NET CASH FROM OPERATING ACTIVITIES		313	1,071
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(354)	(206)
NET CASH USED IN INVESTING ACTIVITIES		(354)	(206)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(41)	865
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		2,921	2,056
CASH AND CASH EQUIVALENTS AT END OF YEAR		2,880	2,921

Blackpool Coastal Housing Limited

Company Limited by Guarantee

SIGNIFICANT ACCOUNTING POLICIES

for the year to 31 March 2011

BASIS OF ACCOUNTING

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

These financial statements are the first published consolidated financial statements of Blackpool Coastal Housing Limited prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS"). The financial statements of Blackpool Coastal Housing Limited were previously prepared in accordance with UK GAAP.

Some of the IFRS recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from UK GAAP. Consequently, the directors have amended certain accounting policies to comply with IFRS. The directors have also taken advantage of certain exemptions from the requirements of IFRS permitted by IFRS 1 'First-time Adoption of International Financial Reporting Standards'.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the directors have taken advantage of exemptions to retrospective application of IFRS permitted by IFRS 1 'First-time Adoption of International Financial Reporting Standards'.

Reconciliations and descriptions of the affect of the transition to IFRS on the company equity and the company total comprehensive income previously reported under UK GAAP are given in note 19.

REVENUE RECOGNITION

Revenue represents fees for general property management and the Child Accident Prevention Scheme, it is stated net of value added tax. All income is recognised at the point of service delivery. The Management Fee from Blackpool Council is received monthly in arrears.

PROPERTY, PLANT AND EQUIPMENT

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Vehicles, Plant and Equipment	Straight line over 3-5 years
Computer and IT Equipment	Straight line over 3-5 years

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT

At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or cash-generating unit) for which the estimates of future cash flows have not been adjusted.

Blackpool Coastal Housing Limited

Company Limited by Guarantee

SIGNIFICANT ACCOUNTING POLICIES

for the year to 31 March 2011

IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT (continued)

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the income statement immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

INVENTORIES

Inventory is stated at the lower of cost or net realisable value. Cost is calculated using the first in, first out (FIFO) method. Net realisable value represents the estimated selling price less all estimated costs to completion and selling costs to be incurred.

LEASES

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the period of the lease.

PENSION CONTRIBUTIONS

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each year end.

Actuarial gains and losses arising are recognised directly in other comprehensive income in the period in which they arise. Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested, the cost is recognised immediately in the income statement.

An asset or liability is recognised equal to the present value of the defined benefit obligation, adjusted for unrecognised past service costs, and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the lower of the asset, and any unrecognised past service cost plus the present value of available refunds or reductions in future contributions to the plan.

The rate used to discount the benefit obligations is based on market yields for high quality corporate bonds with terms and currencies consistent with those of the benefit obligations.

Gains and losses on curtailments/settlements are recognised when the curtailment/settlement occurs.

TAXATION

HM Revenue and Customs have confirmed that the Company is exempt from corporation tax on its activities with Blackpool Council.

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when the Company has become a party to the contractual provisions of the instrument.

Blackpool Coastal Housing Limited

Company Limited by Guarantee

SIGNIFICANT ACCOUNTING POLICIES

for the year to 31 March 2011

Financial assets

Trade receivables

Trade receivables are classified as loans and receivables and are initially recognised at fair value. They are subsequently measured at their amortised cost using the effective interest method less any provision for impairment. A provision for impairment is made where there is objective evidence, (including customers with financial difficulties or in default on payments), that amounts will not be recovered in accordance with the original terms of the agreement. A provision for impairment is established when the carrying value of the receivable exceeds the present value of the future cash flows discounted using the original effective interest rate. The carrying value of the receivable is reduced through the use of an allowance account and any impairment loss is recognised in the income statement.

Cash and cash equivalents/liquid resources

Cash and cash equivalents comprise cash at bank and in hand and other short-term deposits held by the Company with maturities of less than three months.

Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

Amendments to published standards effective for the year ended 31 March 2011

IAS 24 - Related Party Disclosure
IFRS 7 - Financial Instruments: Disclosure – Improvements
IFRS 9 - Financial Instruments
IAS 1 - Presentation of Financial Statements

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the financial information when the relevant standards and interpretations come into effect. Only standards and interpretations relevant to the company have been listed above.

Blackpool Coastal Housing Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2011

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the Company's pension scheme.

The pension liability is calculated using a number of complex judgements and assumptions including the rate of consumer price index (CPI), rate of increase in salaries, changes in retirement ages, mortality rates and expected return of pension scheme assets. The sensitivity of the overall pension liability to changes in the weighted principal assumptions is detailed in note 17.

Under the going concern concept it is assumed that BCH will continue to operate for the foreseeable future and that there is neither the intention, nor the need, to liquidate the Company or cease trading. The Company's Management Agreement with Blackpool Council is to 31 March 2021, with a seven year break clause (31 March 2013).

2 FINANCIAL RISK MANAGEMENT

The Company's Finance, Audit and Corporate Services committee is responsible for reviewing the risk register and for risk management within the Company, including financial risks. The Finance, Audit and Corporate Services committee reports to the Board biannually on this matter. Risks are also reviewed on a regular basis at department level and the key risks identified are kept under review by the Senior Management Team.

Risk reports are provided to the Finance, Audit and Corporate Services committee / Board of Directors biannually in advance of the Board meetings and are discussed by the Board to ensure that the risk mitigation procedures are compliant with the Company policy and that any new risks are appropriately managed.

Liquidity risk and credit risk

Management's objective is to meet its liabilities as they fall due whilst maintaining sufficient headroom to enable the Board to react to unexpected changes in market conditions. The Company is largely dependent on its largest customer, the Council, which represents 100% (2010: 100%) of its turnover in order to maintain the necessary cash headroom to operate effectively.

The Management fee from the Council is receivable monthly in arrears by Blackpool Coastal Housing Limited. Blackpool Coastal Housing Limited is exposed to liquidity and credit risk principally in the event that the Council were to experience cash flow difficulties in paying Blackpool Coastal Housing Limited its management charge monthly or in returning the funds that Blackpool Coastal Housing Limited has deposited with it.

The Company maintains cash deposits with a UK bank. All Blackpool Coastal Housing Limited's cash and cash equivalents are held in a Council maintained bank account, separate from other Council accounts.

Credit risk predominantly arises from trade receivables (principally the Council) and cash and cash equivalents (Council and UK).

Blackpool Coastal Housing Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2011

2 FINANCIAL RISK MANAGEMENT (continued)

Maturity analysis

The table below analyses the Company's financial liabilities on a contractual gross undiscounted cash flow basis into maturity groupings based on amounts outstanding at the reporting date up to the contractual maturity date.

Liabilities - 2011	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	2,188	-	-	-	2,188
	2,188	-	-	-	2,188

The table below analyses the Company's financial assets held for managing liquidity risk which are considered to be readily saleable or are expected to generate cash inflows to meet cash outflows on financial liabilities.

Assets - 2011	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Cash at bank and on hand	2,880	-	-	-	2,880
Trade receivables	561	-	-	-	561
	3,441	-	-	-	3,441

Liabilities - 2010	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Trade and other payables	2,547	-	-	-	2,547
	2,547	-	-	-	2,547

Assets - 2010	Within 6 months £'000	6 months - 1 year £'000	1 to 5 years £'000	Over 5 years £'000	Total £'000
Cash at bank and on hand	2,921	-	-	-	2,921
Trade receivables	665	-	-	-	665
	3,586	-	-	-	3,586

The Company would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

Blackpool Coastal Housing Limited
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NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2011

2 FINANCIAL RISK MANAGEMENT (continued)

The table below shows the Company's financial assets and liabilities split by those bearing fixed and floating rates and those that are non-interest bearing:

Assets - 2011	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Cash and cash equivalents	-	-	2,880	2,880
Trade and other receivables	-	-	561	561
	-	-	3,441	3,441

Liabilities - 2011	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Trade and other payables (excluding deferred income and other social security)	-	-	1,796	1,796
	-	-	1,796	1,796

Assets - 2010	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Cash and cash equivalents	-	-	2,921	2,921
Trade and other receivables	-	-	665	665
	-	-	3,586	3,586

Liabilities - 2010	Fixed rate	Floating rate	Non-interest bearing	Total
	£'000	£'000	£'000	£'000
Trade and other payables (excluding deferred income and other social security)	-	-	2,121	2,121
	-	-	2,121	2,121

Blackpool Coastal Housing Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2011

2 FINANCIAL RISK MANAGEMENT (continued)

Credit risk

The Company's maximum exposure to credit risk, gross of any collateral held, relating to its financial assets is equivalent to their carrying value as disclosed below. All financial assets have a fair value which is equal to their carrying value.

	2011 £'000	2010 £'000
<i>Maximum exposure to credit risk</i>		
Trade and other receivables - Council	547	654
- Other	14	11
Cash and cash equivalents	2,880	2,921
	<u>3,441</u>	<u>3,586</u>

3 REVENUE

Sales were made wholly within the United Kingdom and derived from the Company's principal activity of housing management as detailed;

	2011 £'000	2010 £'000
Management fee from Blackpool Council	11,654	11,924
Other Council Income	178	232
Other	7	-
	<u>11,839</u>	<u>12,156</u>

4 SURPLUS FROM OPERATIONS

surplus from operations is stated after charging/(crediting):

	2011 £'000	2010 £'000
Depreciation of owned property plant and equipment	160	87
Auditor's fees:		
On audit services	17	17
Rentals under operating leases	84	34

The following table analyses the nature of expenses:

	2011 £'000	2010 £'000
Staff costs (see note 6)	4,810	4,465
Depreciation, and impairments (see note 9)	160	87
Repairs & Maintenance	3,297	3,215
Other expenses	3,371	3,627

Total expenditure allocated to operating costs

	<u>11,638</u>	<u>11,394</u>
--	---------------	---------------

5 FINANCE INCOME AND COSTS

	2011 £'000	2010 £'000
Return on pension assets	(488)	(343)
Interest on pension liabilities	605	463
	<u>117</u>	<u>120</u>

Blackpool Coastal Housing Limited
 Company Limited by Guarantee
 NOTES TO THE FINANCIAL STATEMENTS
 for the year to 31 March 2011

6	STAFF COSTS	2011 No.	2010 No.
	The average monthly number of persons employed by the Company during the period was:		
	Support services	22	22
	Property Services	71	74
	Housing Services	66	67
	Senior Management Team	5	5
		164	168
		164	168
		2011 £'000	2010 £'000
	Wages and salaries	3,814	3,717
	Social security costs	285	275
	Other pension costs	562	347
	Modernisation and redundancy costs	54	-
		4,715	4,339
	Agency Staff	95	126
		4,810	4,465

The Directors received no remuneration. Remuneration to the Senior Management Team are detailed in note 18. In addition to Other pension costs, past service credit of £697,000 has been credited to the Income Statement (see note 17).

7 INCOME TAX EXPENSE

The Company is a wholly owned subsidiary of the Council and its income is derived from services provided to the Council. HM Revenue and Customs has confirmed that transactions between ALMOs and their Councils do not amount to trading and, accordingly, any surplus or deficit arising thereon is outside the scope of corporation tax.

8 FINANCIAL INSTRUMENTS

2011	Loans and receivables £'000	Total £'000
Current financial assets		
Trade and other receivables	561	561
Cash and cash equivalents	2,880	2,880
Total	3,441	3,441
	3,441	3,441
2011	Other financial liabilities £'000	Total £'000
Current financial liabilities		
Trade and other payables	2,188	2,188
Total	2,188	2,188
	2,188	2,188

Blackpool Coastal Housing Limited
 Company Limited by Guarantee
 NOTES TO THE FINANCIAL STATEMENTS
 for the year to 31 March 2011

8 FINANCIAL INSTRUMENTS (continued)

2010	Loans and receivables £'000	Total £'000
Current financial assets		
Trade and other receivables	665	665
Cash and cash equivalents	2,921	2,921
Total	3,586	3,586
<hr/>		
2010		
	Other financial liabilities £'000	Total £'000
Current financial liabilities		
Trade and other payables	2,547	2,547
Total	2,547	2,547
<hr/>		

Blackpool Coastal Housing Limited
 Company Limited by Guarantee
 NOTES TO THE FINANCIAL STATEMENTS
 for the year to 31 March 2011

9 PROPERTY, PLANT & EQUIPMENT

	Computer and IT equipment £'000	Vehicles, Plant and Equipment £'000	Total £'000
Cost:			
At 1 April 2009	53	142	195
Additions	120	86	206
Disposals	-	-	-
Transfer	-	-	-
At 31 March 2010	173	228	401
Additions	272	82	354
Disposals	-	-	-
Transfer	-	-	-
At 31 March 2011	445	310	755
Accumulated depreciation and any recognised impairment losses:			
At 1 April 2009	34	52	86
Charged in the year	40	47	87
Disposals	-	-	-
Transfer	-	-	-
At 31 March 2010	74	99	173
Charged in the year	96	64	160
Disposals	-	-	-
Transfer	-	-	-
At 31 March 2011	170	163	333
Net book value:			
At 31 March 2011	275	147	422
At 31 March 2010	99	129	228
At 1 April 2009	19	90	109

Depreciation expense of £160,000 (2010: £87,000) has been charged to operating costs.

Blackpool Coastal Housing Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2011

10	INVENTORIES	2011 £'000	2010 £'000
	Raw materials and consumables	24	29
		<u>24</u>	<u>29</u>

Raw materials set out above are carried at net realisable value.

11	TRADE AND OTHER RECEIVABLES	2011 £'000	2010 £'000
	Trade receivables – Blackpool Council	547	654
	Other receivables	14	11
		<u>561</u>	<u>665</u>

The following table provides analysis of trade and other receivables that were past due at 31 March, but not impaired. The Company believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	2011 £'000	2010 £'000
Over 3 months	2	1
	<u>2</u>	<u>1</u>

Payment terms are 30 days from the date of Invoice. No impairment losses have been recognised in the current or preceding years.

12	TRADE AND OTHER PAYABLES	2011 £'000	2010 £'000
	Trade and other payables are as follows:		
	Amounts payable relating to invoiced amounts	671	910
	Accruals	1,125	1,211
	Deferred income	37	100
	Other tax and social security	355	326
		<u>2,188</u>	<u>2,547</u>

Trade and other payables principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 30 days (2010: 30 days).

The directors consider that the carrying amount of trade payables approximates to their fair value.

Blackpool Coastal Housing Limited
Company Limited by Guarantee
NOTES TO THE FINANCIAL STATEMENTS
for the year to 31 March 2011

13 COMPANY LIMITED BY GUARANTEE

The Company is limited by guarantee, incorporated and domiciled in the United Kingdom, and is governed by its memorandum and articles of association. The guarantor is its sole member, Blackpool Council, (see note 18) is listed in the Company's Register of Members. The liabilities in respect of the guarantee are set out in the memorandum of association and are limited to £1 per member of the Company.

14	RESERVES	2011 £'000	2010 £'000
	Retained Earnings		
	1 April	(1,623)	(590)
	Retained surplus for the year	781	642
	Actuarial gain/(loss) (note 17)	820	(1,675)
	At 31 March	(22)	(1,623)
		2011 £'000	2010 £'000
	Analysed as:		
	Income Statement reserve (excluding pension deficit)	1,699	1,296
	Pension deficit	(1,721)	(2,919)
		(22)	(1,623)
15	CASH FLOWS	2011 £'000	2010 £'000
	Reconciliation of surplus from operations to net cash inflow from operating activities		
	Surplus before taxation	898	762
	Depreciation	160	87
	Pension contributions paid in period (note 17)	(360)	(363)
	Pension contributions (credited)/charged in the period (note 17)	(135)	347
	Decrease in stock	5	2
	Decrease in trade and other receivables	104	89
	(Decrease)/Increase in trade and other payables	(359)	147
	Net cash inflow from operations	313	1,071
	<i>CASH AND CASH EQUIVALENTS</i>		
	Cash and cash equivalents represent:		
		2011 £'000	2010 £'000
	Cash at bank	2,880	2,921
		2,880	2,921

Blackpool Coastal Housing Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2011

16	COMMITMENTS UNDER OPERATING LEASES	Land and buildings 2011 £'000	Land and buildings 2010 £'000	Plant and machinery 2011 £'000	Plant and machinery 2010 £'000
	The minimum lease payments under non-cancellable operating lease rentals are in aggregate as follows:				
	Expiry of lease:				
	Within 1 year	-	-	-	-
	Between 2 – 5 years	-	-	35	35
	After 5 years	974	-	-	-
		<u>974</u>	<u>-</u>	<u>35</u>	<u>35</u>

Operating lease payments for land and buildings represent rentals payable by the Company for certain of its office properties and office equipment. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years

Blackpool Coastal Housing Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2011

17 RETIREMENT BENEFIT OBLIGATIONS

Defined benefit plan

The Company is an admitted member of the Lancashire County Pension Scheme, a local government funded defined benefit scheme. The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2011 by Mr John Livesey, Fellow of the Institute and Faculty of Actuaries. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Key assumptions used:	Valuation at	
	2011	2010
	%	%
Discount rate	5.5	5.7
Expected return on plan assets	5.2	4.6
Expected rate of salary increases	5.0	5.25
Future pension increases	3.0	3.5

Mortality rate assumptions are based on publicly available data in the UK. The average life expectancy for a pensioner retiring at 65 on the reporting date is:

	2011	2010
	years	years
Male	86.6	86.2
Female	89.2	89.1

The average life expectancy for a pensioner retiring at 65, aged 45 at the reporting date:

Male	88	87.2
Female	90.8	90

The sensitivity of the overall pension liability to changes in the weighted principal assumptions is:

	Change in assumption	Overall impact on liability
Discount rate	Increase by 0.1%	Decrease by £245,000
Salary growth rate	Increase by 0.1%	Increase of £122,000
Expected return on equities	Increase by 0.1%	No impact
Rate of mortality	1 year addition to life expectancy	Increase of £243,000

Amounts recognised in the Income Statement in respect of these defined benefit schemes are as follows:

	2011	2010
	£'000	£'000
Current service cost	562	347
Interest cost	605	463
Expected return on scheme assets	(488)	(343)
Past service cost (gain)	(697)	-
	<u>(18)</u>	<u>467</u>

Of the charge for the year, (£135,000) (2010: £347,000) has been included in operating expenses, and £117,000 (2010: £120,000) in finance costs, within the Income Statement.

Actuarial gains and losses are reported as "other comprehensive income". The gain recognised in 2011 was (£820,000), against a loss in 2010 of £1,675,000, and the cumulative loss is £1,721,000 (2010: £2,919,000).

Blackpool Coastal Housing Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2011

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

In his budget statement on 22 June 2010, the Chancellor announced that the government would start to increase public service pensions in line with the consumer price index (CPI) rather than the retail price index (RPI), which has been the practice in the past. This change has been allowed for in the calculation of the IAS 19 liability at the year end and has resulted in a gain of £697,000. This credit is considered to be a change in benefit and has been recognised as a gain in the Income Statement. This is in accordance with the guidance provided by the Urgent Issues Task Force (UITF) Abstract 48 'Accounting Implications of the Replacement of the Retail Prices Index with the Consumer Prices Index for Retirement Benefits'.

The actual return on scheme assets was £613,000 (2010: £1,780,000).

The amounts included in the Statement of Financial Position arising from the Company's obligation in respect of defined benefit retirement schemes is as follows:

	2011 £'000	2010 £'000
Fair value of scheme assets	9,338	7,434
Present value of defined benefit obligations	(11,059)	(10,353)
Surplus/(deficit) in scheme	(1,721)	(2,919)
Asset/(liability) recognised in the Balance Sheet	(1,721)	(2,919)

All of the defined benefit plan obligations relate to funded schemes

Analysis for reporting purposes:

	2011 £'000	2010 £'000
Non-current assets	-	-
Current assets	9,338	7,434
Current liabilities	(11,059)	(10,353)
Non-current liabilities	-	-
	(1,721)	(2,919)

Movements in the present value of defined benefit obligations in the current period were as follows:

	2011 £'000	2010 £'000
At 1 April	10,353	6,278
Current service cost	562	347
Past service cost	-	-
Negative past service costs	(697)	-
Interest cost	605	463
Actuarial gains and losses	262	3,112
Contributions by plan participants	188	197
Benefits paid	(214)	(44)
At 31 March	11,059	10,353

Blackpool Coastal Housing Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2011

17 RETIREMENT BENEFIT OBLIGATIONS (continued)

Movements in the fair value of defined benefit obligations in the current period were as follows:

	2011 £'000	2010 £'000
At 1 April	7,434	5,138
Expected return on scheme assets	488	343
Actuarial gains and (losses)	1,082	1,437
Employer contributions	360	363
Employee contributions	188	197
Benefits paid	(214)	(44)
At 31 March	<u>9,338</u>	<u>7,434</u>

The analysis of the scheme assets and the expected rate of return at the reporting date were as follows:

	Expected return %		Fair value of assets £'000	
	2011	2010	2011	2010
Equities	7.5	7.5	5,977	4,907
Government bonds	4.4	4.5	654	520
Other bonds	5.1	5.2	1,307	892
Property	6.5	6.5	747	372
Cash/liquidity	0.5	0.5	93	297
Other	7.5	7.5	560	446
			<u>9,338</u>	<u>7,434</u>

The five year history of experience adjustments are as follows:

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Present value of defined benefit obligations	(11,059)	(10,353)	(6,278)	(7,485)	(6,503)
Fair value of scheme assets	<u>9,338</u>	<u>7,434</u>	<u>5,138</u>	<u>6,169</u>	<u>5,175</u>
Surplus/(deficit) in scheme	<u>(1,721)</u>	<u>(2,919)</u>	<u>(1,140)</u>	<u>(1,316)</u>	<u>(1,328)</u>
Experience adjustments on scheme liabilities	(262)	(3,112)	2,100	917	(1,583)
Experience adjustments on scheme assets	<u>1,082</u>	<u>1,437</u>	<u>(1,713)</u>	<u>(433)</u>	<u>(13)</u>

The estimated amounts of contributions expected to be paid to the scheme during the financial year ending 31 March 2012 is £351,000.

18 RELATED PARTY TRANSACTIONS

Blackpool Coastal Housing Limited's parent and ultimate parent is Blackpool Council. Blackpool Coastal Housing Limited is an Arms Length Management Organisation of Blackpool Council, established to run the management and maintenance function of the Council's homes and other buildings.

During the year Blackpool Coastal Housing Limited supplied services to Blackpool Council totalling £11,832,700 (2010: £12,156,000) and purchased goods and services from the Council totalling £2,903,203 (2010: £2,888,000).

Blackpool Coastal Housing Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2011

18 RELATED PARTY TRANSACTIONS (continued)

At 31 March 2011, included in Trade and Other Receivables (note 11) is a total amount due from Blackpool Council of £547,000 (2010: £654,000) and included in Trade and Other Payables (note 12) is a total amount due to the Council of £1,227,000 (2010: £1,695,000). The net balance due to Blackpool Council is £680,000 (2010: £1,041,000).

The amounts outstanding are unsecured, carry or bear no interest and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Remuneration of key management personnel

The Non-Executive Directors received no remuneration. The remuneration of the Senior Management Team of the Company is set out below in aggregate.

	2011 £'000	2010 £'000
Short-term employee benefits	301	264
Post-employment benefits	53	31
	354	295
	354	295

19 IFRS TRANSITION DISCLOSURES

RECONCILIATION OF COMPANY EQUITY AT 1 APRIL 2009

	NOTES	UK GAAP £'000	Effect of transition to IFRS £'000	IFRS £'000
ASSETS				
Non-current assets				
Property, plant and equipment		109	-	109
		109	-	109
Current assets				
Inventories		31	-	31
Trade and other receivables		754	-	754
Cash and cash equivalents		2,056	-	2,056
		2,841	-	2,841
TOTAL ASSETS		2,950	-	2,950
LIABILITIES				
Current liabilities				
Trade and other payables	(a)	(2,289)	(38)	(2,327)
Current tax liabilities		(73)	-	(73)
		(2,362)	(38)	(2,400)
Non-current liabilities				
Retirement benefit obligations		(1,140)	-	(1,140)
TOTAL LIABILITIES		(3,502)	(38)	(3,540)
NET LIABILITIES		(552)	(38)	(590)

Blackpool Coastal Housing Limited
 Company Limited by Guarantee
 NOTES TO THE FINANCIAL STATEMENTS
 for the year to 31 March 2011

19 IFRS TRANSITION DISCLOSURES (continued)

	NOTES	UK GAAP £'000	Effect of transition to IFRS £'000	IFRS £'000
EQUITY				
Income Statement	(a)	588	(38)	550
Pension Reserve		(1,140)	-	(1,140)
			-	
TOTAL EQUITY (ATTRIBUTABLE TO THE COUNCIL)		(552)	(38)	(590)

RECONCILIATION OF COMPANY EQUITY AT 1 APRIL 2010

	NOTES	UK GAAP £'000	Effect of transition to IFRS £'000	IFRS £'000
ASSETS				
Non-current assets				
Property, plant and equipment		228	-	228
		<u>228</u>	<u>-</u>	<u>228</u>
Current assets				
Inventories		29	-	29
Trade and other receivables		665	-	665
Cash and cash equivalents		2,921	-	2,921
		<u>3,615</u>	<u>-</u>	<u>3,615</u>
TOTAL ASSETS		3,843	-	3,843
LIABILITIES				
Current liabilities				
Trade and other payables	(a)	(2,183)	(38)	(2,221)
Current tax liabilities		(326)	-	(326)
		<u>(2,509)</u>	<u>(38)</u>	<u>(2,547)</u>
Non-current liabilities				
Retirement benefit obligations		(2,919)	-	(2,919)
TOTAL LIABILITIES		(5,428)	-	(5,466)
NET LIABILITIES		(1,585)	(38)	(1,623)

Blackpool Coastal Housing Limited
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 NOTES TO THE FINANCIAL STATEMENTS
 for the year to 31 March 2011

19 IFRS TRANSITION DISCLOSURES (continued)

	NOTES	UK GAAP £'000	Effect of transition to IFRS £'000	IFRS £'000
EQUITY				
Income Statement	(a)	1,334	(38)	1,296
Pension Reserve		(2,919)	-	(2,919)
			-	
TOTAL EQUITY (ATTRIBUTABLE TO THE COUNCIL)		(1,585)	(38)	(1,623)

RECONCILIATION OF COMPANY TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2010

	NOTES	UK GAAP £'000	Effect of transition to IFRS £'000	IFRS £'000
Revenue		12,156	-	12,156
Operating Costs	(a)	(11,394)	-	(11,394)
Surplus from Operations		762	-	762
Finance costs		(120)	-	(120)
Surplus before tax		642	-	642
Income tax expense		-	-	-
Surplus after tax		642	-	642
Surplus for the year		642	-	642
Other comprehensive income, net of tax: Actuarial gains and losses on defined benefit obligations		(1,675)	-	(1,675)
Total comprehensive income for the year		(1,033)	-	(1,033)
Deficit for the year attributable to:				
The Council		(1,033)	-	(1,033)
		(1,033)	-	(1,033)
Surplus or Deficit reported in accordance with UK GAAP				£'000 (1,033)
Affect of transition to IFRS:				
Impact on Income Statement:				
Recognition of liability to short-term employee benefits	(a)			-
Impact on other comprehensive income:				-
				(1,033)

Blackpool Coastal Housing Limited

Company Limited by Guarantee

NOTES TO THE FINANCIAL STATEMENTS

for the year to 31 March 2011

19 IFRS TRANSITION DISCLOSURES (continued)

(a) Short-term employee benefits

Under IFRS (IAS 19) when an employee has rendered service during an accounting period, the Company recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service as a liability. Short-term employee benefits are those due to be settled within 12 months of the year-end.

Employee benefits are accounted for in the year in which they are earned. An accrual is made for the cost of any annual leave and flexi time outstanding at the end of the financial year. The accrual is charged to the Income Statement and reflected within 'Trade and other payables' on the Balance Sheet.

As a result the following adjustments have been made:

- Trade and other payables (accrued expense) on the Balance Sheet increased by £38,000 (2009), £38,000 (2010) and £32,000 (2011).
- The impact on the Income Statement for the year ended 31 March 2010 was net nil, representing the difference between the accrual at 31 March 2009, £38,000 and 31 March 2010, £38,000. The impact on the Income Statement for the year ended 31 March 2011 is (£6,000), representing the movement between 31 March 2010 of £38,000 and 31 March 2011 of £32,000.

Affect on Cash Flows

There has been no material impact on the cash flow statement on adoption of IFRS.