



*Part of the New Charter Housing Trust Group*

**NEW CHARTER BUILDING COMPANY LIMITED**

**(Company Number 3807120)**

**REPORT**

**AND**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**

**NEW CHARTER BUILDING COMPANY LIMITED**

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## **NEW CHARTER BUILDING COMPANY LIMITED**

### **MEMBERS, SENIOR STAFF, ADVISORS AND BANKERS**

#### **Board of Management**

Chair	Vincent Ricci
Vice Chair	Kieran Quinn
Other Members	Andrew Stafford Liliane Laine-Slater Geoffrey Howarth

**Group Chief Executive** Ian Munro

#### **Executive Officers**

Group Director of Finance &  
Deputy Chief Executive Martin Frost

Group Company Secretary &  
Director of Legal Services Danny McLoughlin

Managing Director of  
Building Andrew Stafford

**Registered Office** Cavendish 249  
Cavendish Street  
Ashton-under-Lyne  
OL6 7AT

**Auditor** **Baker Tilly UK Audit LLP**  
3 Hardman Street  
Manchester  
M3 3HF

**Internal Auditor** **Beever & Struthers**  
St Georges House  
215-219 Chester Road  
Manchester  
M15 4JE

**Principal Bankers** **Cooperative Bank plc**  
PO Box 101  
Balloon Street  
Manchester M60 4EP

## **REPORT OF THE BOARD OF MANAGEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2009**

The Directors present the Financial Statements of the Company for the year ended 31<sup>st</sup> March 2009.

### **PRINCIPAL ACTIVITIES**

The principal activity of the Company is the provision of a building maintenance operation across the North West. New Charter Building Company is a company limited by guarantee.

### **FUTURE DEVELOPMENT**

The Company was established for the purpose of receiving the Building Maintenance department of Tameside Metropolitan Borough Council and for the provision of a building maintenance operation within the New Charter Housing Group. The diminution of work from the primary client, New Charter Homes, a consequence of the planned completion of their initial investment programme has encouraged us to develop a wide range of alternative clients. These external contracts will help to secure employment for our skilled workforce, assist in maintaining buying power for materials and bring substantial additional resources into the Group.

### **OPERATING REVIEW**

#### **REVIEW OF 2008/09**

There has been a recurring similarity in each of the annual Business Plans produced by New Charter Building Company Limited in recent years. We continue to drive the Company forward to success, using our fully engaged team who possess the necessary skills and experience to deliver continual improvement and consistency within the repairs and maintenance function deemed essential in a service provider.

Each year's results, measured either by financial or other key performance indicators, clearly highlight the experience and knowledge that is commensurate with a Company that knows its value and expertise in the field of construction service provision.

Consistent improvement year on year has been achieved in the following activity areas relevant to the continual growth of a corporate/commercial Building Company:

- Financial performance
- Customer satisfaction levels
- Responsive and void property repairs.
- Number of kept appointments.
- Gas servicing outputs.
- Repair timescales across all categories of repair.

**(Report of the Board of Management continued)**

- Investment work delivery.
- External business growth.

Once again major partnerships and acquisitions have increased repair stock levels to its highest ever number throughout the North West. With a reduced labour and management force the Company has managed to return its rebate contribution to the Group, along with maintaining a more than satisfactory overall financial and operational performance.

Our marketing conversion rate showed a commendable increase of 9.32%, when compared against the same period to 31<sup>st</sup> March 2008. This was achieved in a unique market due to the global credit crunch and clouded future economic visibility, which clearly demonstrates our ability to grow in challenging times.

As a result the report for 2008/09 is presented with confidence, illustrating the commitment and reality that all employees have fully supported the Company in achieving ever more challenging targets across all its business activities, within an increasing competitive market.

The success of any Company can only be achieved by true partnership working. As a consequence thanks and praise are rightly extended to customers, suppliers, employees, trade unions, board members and partners for their roles in the continuing growth of New Charter Building Company.

**ACHIEVEMENTS OVER THE YEAR.**

- Responsive repairs delivered to 99% plus across all categories.
- Void levels delivered to a further record low.
- Customer satisfaction levels have reached their highest ever level.
- The number of kept appointments has again reached record levels.
- Gas servicing visits completed within the 11 month target for the fourth consecutive year.
- Record level of employee attendance at work.
- As a consequence sickness levels are at an all time low.
- Accidents at work are also at an all time low.
- Major growth of a successful/profitable external business unit.
- Accreditation achieved for environmental standard ISO 14001.

**(Report of the Board of Management continued)**

- Certification charter for supporting women in science, engineering and technology.
- MANCAT College awarding two of our apprentices, 'The Apprentice of The Year'.
- Continued the apprentice intake policy, in conjunction with the age profile exercise to sustain excellent service and growth.
- Full participation and contribution to the Group's 'Best Companies' award.
- Substantial charitable donation to 'Great Neighbourhoods' (improving lives).
- Full assurance being awarded on our external commercial activity audit.

All personnel readily accept their corporate/social responsibility regarding community issues, which the Company has eagerly supported through various initiatives; examples of some of these are listed below:

- 24 work experience placements from Tameside schools.
- 14 Wai Yin placements to support women in construction.
- Learning through practice – learning difficulties forum continued.
- 6 long term placements studying for professional trade qualifications.
- Charitable support to clubs, youth groups, schools, elderly and vulnerable groups.
- Real jobs to local people for long term employment prospects.
- Support of local supplier/contractors.
- Step learning numeracy and literacy advancement.
- Development and communication of the business case for gender and ethnic equality within the construction industry.

The Company is mindful of its unique position in neighbourhood and community issues and considers this as a window of opportunity in returning something to the areas we proudly serve.

**EMERGING ISSUES FOR 2009/10.**

- Deliver external income of £5.144m as a minimum for 2009/10.

### **(Report of the Board of Management continued)**

- Increase the reserve fund in line with risk management policy.
- Remain profitable to ensure future apprentice intake year on year.
- Review further efficiencies to maintain improved tender successes.
- Further development of our strategic partnership alliances.
- Continue strategic planning acquisition aimed at long-term partnering to accommodate post 2010 work-flow.
- Network with new clients.
- Further support to the charity 'Great Neighbourhoods' through charitable donations.

### **FOCUS FOR 2009/10.**

Our present order book and operational structure are strong and the Building Company looks forward to the future with confidence, in the clear knowledge that we are only as good as our last job. We have a secure foundation on which to build further, which is underpinned by our forward strategy as listed:-

- Attention to excellent performance.
- Monitored growth.
- Protection of secure employment prospects to existing workforce.
- The desire to create new employment.
- Continuous improvement in customer satisfaction.
- Reputational growth/fit for the future.

### **EMPLOYMENT PRACTICES**

As a member of New Charter Housing Trust Group we adhere to group wide employment practices. The Group Equality and Diversity policy has ensured that every reasonable effort is made to ensure that there is no harassment or unjustified discrimination on the grounds of colour, nationality, race, ethnic or national origin, religion, belief, disability, age, gender, gender reassignment, sexual orientation or marital status in the way it treats its employees, contractors, job applicants and visitors.

The Group remains committed to creating a working environment that offers equality of treatment and opportunity for all employees and to provide them with the opportunity to develop their skills and abilities. This applies to all aspects of the Group's working practices and includes the recruitment and selection of employees, terms and conditions of employment, training, salary, work allocation, promotion and disciplinary procedures.

### **(Report of the Board of Management continued)**

All employees are required to adhere to the Equality and Diversity policy and it is a mandatory requirement that they undergo training and development activities to ensure that they carry out their duties and responsibilities in terms of promoting, developing, implementing and reviewing the Policy in the course of their work.

To encourage all sections of the community to seek employment, facilities necessary to offer a welcoming environment and flexible working patterns have been offered, provided that they do not conflict with service delivery. All vacancies were advertised widely and appropriately.

The Group has regularly informed employees of issues relevant to their employment through meetings with Trade Union representatives, the Employee Consultation Forum and through direct means of communication. During the year's trading, the Group has continued to apply its policy on Trade Union recognition and has provided time off for staff to attend Trade Union facilities.

We are committed to ensuring the health, safety and welfare of all employees and others who maybe affected by our acts or omissions so far as is reasonably practicable. Works carried out by us will so far as is reasonably practicable comply with the requirements of the Health and Safety at Work Act 1974 and other legislation.

### **DONATIONS**

A charitable donation has been made to Great Neighbourhoods, a registered charity, under 'Gift Aid' for the sum of £838,583. (2008 - £1.429m) .

A charitable donation has been made to the New Children's Hospital Appeal, a registered charity, under 'Gift Aid' for the sum of £25.

Donations have been made in the sum total of £4,034 to Tameside Metropolitan Borough Council, Prenton RUFC, Carrbrook Housing Co-operative Ltd, Manchester Working Limited and the Caribbean Carnival of Manchester.

There were no political donations made.

### **FINANCIAL REVIEW**

The financial position and results for the year are set out on pages **17** to **31** of these statements.

The performance for the year shows a profit before interest and tax of **£319k** (2008 - £540k). It should be noted that this profit level is after delivering significant savings to Group clients as their contractor of choice and £839k Gift Aid donation to the charity Great Neighbourhoods.

### **(Report of the Board of Management continued)**

Income generated externally to the Group has increased in this financial year by 65% and the income generated from work done for internal customers has decreased by 8.9%.

Direct costs and operating expenses have been tightly managed and controlled, leading to a consistent gross profit margin when compared against previous accounting periods.

A minimum annual sum of £200k from surplus is retained for reinvestment within the Company. This will be used to fund future initiatives referred to in the 'Operating Review – emerging issues 2009/10'.

The improving financial position of the Company must be noted. This base will provide the framework for developing the strategic direction and give assurance that the profitability can be maintained and delivered in line with the Group Business Plan.

### **DIRECTORS**

The Directors of the Company who served during the year were:

	<b><u>Appointed</u></b>	<b><u>Resigned</u></b>
Stephen Hall	4 <sup>th</sup> October 1999	1 <sup>st</sup> October 2008
Vincent Ricci – Chair	5 <sup>th</sup> March 2002	
Julie Hardman	19 <sup>th</sup> June 2001	1 <sup>st</sup> October 2008
Geoffrey Howarth	24 <sup>th</sup> September 2002	
Ian Munro	18 <sup>th</sup> July 2001	1 <sup>st</sup> October 2008
Kieran Quinn – Vice Chair	15 <sup>th</sup> November 2005	
Andrew Stafford	16 <sup>th</sup> August 2005	
Liliane Laine – Slater	17 <sup>th</sup> May 2006	

### **AUDITOR**

A resolution to reappoint Baker Tilly UK Audit LLP as the Group's auditor will be proposed at the AGM. Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

**(Report of the Board of Management continued)**

**Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the surplus or deficit for that period.

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

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

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2000. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

**Disclosure of information to auditor**

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

**(Report of the Board of Management continued)**  
**Internal Controls**

The Tenant Services Authority (TSA), formerly the Housing Corporation, amended the requirements with regard to the Trust Board's overall responsibilities with regard to matters relating to internal control. The Trust Board, through the Audit committee must be satisfied that measures are in place, which cover such matters as;

- An understanding of internal control
- Prevention of fraud
- Effectiveness of internal control processes and systems
- Understanding of risk and minimisation of exposure without compromising broader objectives
- A regular review of risks facing the Group
- A summary of the main policies designed to manage risk
- A summary of the key sources of evidence
- Confirmation that the fraud register has been reviewed
- Confirmation that action has been taken in respect of any significant matters identified and any supervisory action required by the Housing Corporation

To assist in this work the TSA indicates that it would be appropriate for the Board to provide assurance in respect of these matters. This report is designed to provide the foundation for the statement which will need to be included in the Annual Report and accounts.

The Trust Board acts for the whole Group on these matters including New Charter Building Company.

**Group Chief Executive's Statement of Internal Control 2008/9**

No system of internal control can possibly seek to eliminate all risks. The system adopted at New Charter is designed to manage risk insofar as possible given the present understanding of the internal and external risks faced by the Group.

The system is based around a thorough understanding of New Charter's business and operational environment and management of the risk which arises. It includes areas of work which cut across the whole Group structure, including New Charter Housing, Aksa and Gedling Homes.

There have been no significant changes in levels of risk without concomitant management measures during the course of the year nor have there been any significant failings during the period. There has been no evidence of substantial fraudulent activity.

### **(Report of the Board of Management continued)**

The Group carried out significant constitutional changes during the year and as a consequence has aligned risk and its management much more clearly with overall governance arrangements. Subsidiaries, particularly New Charter Homes, are now more focused and clearly responsible for their operational areas.

Board Members have been actively engaged in understanding and prioritising risk.

### **Mechanisms to provide effective internal control**

I have reviewed the systems and policies designed to deliver internal control and I am satisfied that these have remained in place throughout the financial year 2008/9. They can be summarised as follows: -

- The Group has a well-designed and robust business planning process, which clearly sets out business aims and objectives and has outcomes against which progress can be demonstrated. Non-Executives staff and tenants are closely involved in the formulation and approval of the Business Plan. This has been scrutinised and given a level of full assurance by our internal auditors Beever and Struthers.
- Boards and Committees have a clear understanding of risk and risk management and have demonstrated a desire to ensure risk management features in all deliberations. We have also reviewed the risk management strategy and relevant risk registers to embed risk management into the day to day management of the business.
- The Loan Facilities for New Charter Trust, New Charter Homes, Aksa Housing and for Gedling Homes require formal annual approval by funders of the relevant business plans. These approvals were given unconditionally in 2008/9.
- Monitoring of control systems by Audit Committee, Internal Audit and GMT.
- All Board reports are required to show a Risk Evaluation in terms of Financial and Legal/Governance implications.
- Management information and performance control systems are in place to regularly report financial results and other performance indicators to Group management team and to Boards. This process has been scrutinised by our internal auditors and has been given a level of full assurance.
- Contract Standing Orders, Financial Regulations and Scheme of Delegations are in place and were reviewed during 2008/9.
- The fraud-register and whistle blowing policy are in place. The fraud register is considered at every Audit Committee. All policies and procedures are programmed for regular review including Health and Safety and IT Disaster Recovery; these now include Business Continuity Planning.

**(Report of the Board of Management continued)**

- There is on-going development of a continual improvement culture across the Group.
- Culture of risk awareness developed through individual Key Work Objectives, with performance managed through a regular review process.

**Process for assessing and managing risk during 2008/9**

- The Audit Committee has continued to meet on a regular basis to consider reports from Officers and Auditors.
- Membership of the Audit Committee is drawn from across the Boards of the Group, including co-opted members and is chaired by an independent director of the Trust Board.
- Internal and External Auditors have unfettered access to Audit Committee members.
- In line with best practice, Audit Committee members hold an annual meeting with Internal and External Auditors in the absence of officers.
- Audit Committee have agreed and monitored an annual audit programme, which has been determined against an analysis of known and anticipated risk.
- All Internal Audit reports are presented to Audit Committee who take responsibility for ensuring recommendations are implemented. Internal audit also undertake follow up assignments to ensure compliance, as appropriate.
- Audit Committee is kept informed of developing best practice including Housing Corporation Risk Management Topic Papers.
- Internal Audit remains a contracted out service.
- Risk register produced and a revised process for managing the risk appetite introduced to identify, evaluate and manage risks to organisational objectives. Presented to and monitored by Audit Committee.
- Work with external auditors both before and during closure of accounts meant an unqualified opinion was offered.
- Baker Tilly presented their Audit Strategy to the February 2008 Audit Committee which did not identify any additional risk for the Group. Audit Committee considered their Audit highlights Memorandum in August 2008.

**(Report of the Board of Management continued)**

- The Tenant Service Authority Regulatory Judgment for the Group places all factors effectively at “green” (although the TSA have stopped using “traffic lights” in their assessments).
- The Tenant Services Authority recognises viability as a key issue and the judgment states that “**The Group meets the expectations set out in the Regulatory Code in terms of financial viability**”. This has been further reinforced by notification that the Judgment is sufficient and a formal Annual Viability Review will not be undertaken.
- A number of weaknesses and threats were identified which must be addressed. Within the Business Planning process:
  - Management cost savings are to be achieved
  - There is a need to tightly control responsive repairs expenditure
  - The investment programme is at risk of cost inflation pressures
- Overall Group exposure as a consequence of the ‘Credit Crunch’ is limited.
  - The Group has not developed any shared ownership or for sale products
  - Interest rates are largely fixed and so costs of borrowing are known and managed over significant periods of time and this approach formed a key feature of the funding facility for Gedling Homes
  - The Building Company viability is managed through ensuring a significant forward order book which is linked to reducing the reliance upon direct employees to deliver external work
  - Scenario planning well in hand for future disinflation during 2009/10
- Management reports on operational and financial matters have continued to be provided to all relevant Boards and Committees.
- There has continued to be timely and regular reporting of key business information and performance indicators at Management and Board meetings.
- Insurance risk remains well managed; retendering during the year saw the overall premium fall reflecting a good claims record.
- There has been no instance of substantial fraud during the year. Only one entry, relating to the theft of a door, was made in 2008/9.
- No Regulatory or Supervisory action by the Tenant Services Authority has been taken during the year, beyond normal, planned, regulatory engagement.
- The Company has received external accreditation in such areas as
  - Investors in People
  - Best Companies 2 Star – Outstanding Organisation

**(Report of the Board of Management Continued)**

- Times Top 100 Best Companies to work for
- ROSPA Gold Award
- In a Mock Audit Commission Inspection in September 2007, 2 Star “Good” service with “Promising Prospects for Improvement”
- Gas safe; NICEE FENSA etc. accreditations up to date

This gives an external validation of a variety of controls in place throughout the organisation.

The very few significant compliance weaknesses identified by Internal Auditors during the course of the year were either promptly attended to or clear plans developed to minimise risk. Of the fifteen reports considered by the Committee, one gave limited, ten were substantial and four were full assurance. A review of the 65 recommendations made during the year showed an implementation rate of 75.2% for the year. Whilst Internal Audit advice suggests that this in an acceptable level of performance and the actual number of outstanding ‘significant’ recommendations is five, I am taking steps to improve this rate of compliance.

My conclusion is that systems of internal control provide assurance that risk is understood, embedded in the organisation and managed.

There are no areas of exceptional or undue concern within the business.



**I H MUNRO**  
GROUP CHIEF EXECUTIVE  
NEW CHARTER HOUSING TRUST LTD

**12<sup>th</sup> August 2009**

The report of the Board of Management was approved on 12<sup>th</sup> August 2009 and signed by order of the board by:

Mr D O McLoughlin  
Company Secretary - New Charter Building Company Limited  
New Charter Housing Trust Limited  
Cavendish 249  
Cavendish Street  
Ashton-under-Lyne  
OL6 7AT

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW CHARTER BUILDING COMPANY LIMITED**

### **We have audited the financial statements on pages 17 to 31.**

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

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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom 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 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.

**(Independent Auditors' Report continued)**

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

**Opinion**

In our opinion:

- The financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31<sup>st</sup> March 2009 and of its profit for the year then ended and 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.

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

**NEW CHARTER BUILDING COMPANY LIMITED**

**PROFIT AND LOSS ACCOUNT**

**FOR THE YEAR ENDING 31 MARCH 2009**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>Turnover</b>	29,896	27,659
Cost of sales	(24,534)	(21,790)
<b>Gross Profit</b>	<u>5,362</u>	<u>5,869</u>
Net operating expenses	(5,043)	(5,329)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b>	<u>3</u> 319	<u>540</u>
Interest payable and similar charges	2      (23)	(25)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	<u>296</u>	<u>515</u>
<b>TAXATION</b>		
Taxation on ordinary activities	6      (86)	(182)
<b>PROFIT FOR THE YEAR</b>	<u><u>210</u></u>	<u><u>333</u></u>

All of the above results derive from continuing operations.

There were no recognised gains or losses other than those shown in the Profit and Loss account for the year.

The notes on pages 20 to 31 form an integral part of the financial statements.

**NEW CHARTER BUILDING COMPANY LIMITED**

**BALANCE SHEET**

**AS AT 31 MARCH 2009**

		2009		2008	
		£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Tangible fixed assets	7		-		-
<b>CURRENT ASSETS</b>					
Stock	8	735		381	
Debtors	9	6,343		8,889	
		<u>7,078</u>		<u>9,270</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	10	(3,774)		(6,217)	
Provisions	11	(333)		(292)	
				<u>(6,509)</u>	
<b>NET CURRENT ASSETS</b>			2,971		2,761
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>2,971</u>		<u>2,761</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	12	(411)		(411)	
<b>NET ASSETS</b>			<u>2,560</u>		<u>2,350</u>
<b>CAPITAL AND RESERVES</b>					
Profit and Loss Account	13		2,560		2,350
			<u>2,560</u>		<u>2,350</u>

The financial statements on pages 17 to 31 were approved by the Board of directors and authorised for issue on the 12th August 2009 and are signed on its behalf by:

V Ricci (Chair)

D O McLoughlin (Company Secretary)

The notes on pages 20 to 31 form an integral part of the financial statements.

**NEW CHARTER BUILDING COMPANY LIMITED**

**CASHFLOW STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2009**

	<b>2009</b>		<b>2008</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	14	109		202
 <b>RETURNS ON INVESTMENTS AND SERVICING FINANCE</b>				
Interest paid		<u>(23)</u>	<u>(25)</u>	
		(23)		(25)
<b>TAXATION</b>				
Payment of Corporation Tax		(179)		(127)
<b>CASHFLOW BEFORE FINANCING</b>		<u>(92)</u>		<u>50</u>
 <b>FINANCING</b>				
Loans advances received	92		(50)	
		92		(50)
<b>MOVEMENT IN CASH</b>		<u><u>-</u></u>		<u><u>-</u></u>

**Management of liquid resources**

Cash balances are held in the parent company who manage the funds on behalf of New Charter Building Company Ltd.

**The notes on pages 20 to 31 form an integral part of the financial statements.**

# NEW CHARTER BUILDING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 MARCH 2009

#### I ACCOUNTING POLICIES

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

##### **Basis of Accounting**

The financial statements have been prepared under the historical cost convention and comply with the Companies Act 1985 and applicable accounting standard.

##### **Turnover**

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year. Turnover includes attributable profits and is recognised and stated after providing for any foreseeable losses on contracts.

##### **Fixed Assets**

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

Plant & machinery	5 years
Office furniture & equipment	5 years
IT equipment - infrastructure	5 years
IT equipment - new acquisitions	5 years

##### **Pension Costs**

The Trust operates a defined benefit pension scheme based on final pensionable salary. Details of the scheme are set out in note 16. Contributions from the Group and participating employees are paid into an independently administered fund. These payments are made in accordance with the triennial calculations by professionally qualified independent actuaries. In the intervening years, the actuary reviews the continuing appropriateness of the rates of contributions.

Defined benefit schemes are funded, with the assets held separately from the Group in separate trustee administered funds. A liability is recognised in the balance sheet in respect of the defined benefit plan which represents the present value of the defined benefit obligation at the balance sheet date less the fair value of the plan assets. A full valuation of the liability is calculated by an independent actuary every 3 years and updated on an annual basis using the projected unit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses are recognised in reserves in the year in which they arise. Past service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

##### **Provisions**

Provisions are made to the extent that the Company has no discretion to avoid the expenditure provided for. Designated provisions have been made towards the 53rd payroll week which occurs once every 6 years, lease vehicle off-hire damage and defects liability in relation to Investment works.

##### **VAT**

New Charter Housing Trust Group is registered as a Group for VAT purposes. The Trust's main income stream, being rent, is exempt from VAT. The majority of expenditure is subject to VAT, which the Trust is unable to reclaim. This expenditure is therefore shown inclusive of VAT. VAT can be reclaimed under the partial exemption method for certain other activities and is credited to the Income and Expenditure Account. The Trust's Group status allows the New Charter Building Company Limited to process inter-company transactions exclusive of VAT.

**NEW CHARTER BUILDING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**Operating leases**

Costs in respect of operating leases are charged to the Profit and Loss account on a straight line basis over the lease term.

**Stock**

Stock is valued at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the Company, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

**Long Term Contracts**

The amount of profit attributable to the stage of completion of a long term contract is recognised when the outcome of the contract can be foreseen with reasonable certainty. Turnover for such contracts is stated as cost appropriate to their stage of completion plus attributable profits, less amounts recognised in previous years. Provision is made for any losses which are foreseen.

Amounts recoverable on the contracts are included in debtors and represent turnover recognised in excess of payments on account.

**Deferred Taxation**

Provision is made for deferred taxation, using the liability method on all material timing differences to the extent that it is probable that a liability or asset will crystallise. It is accounted for on a non discounted basis.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the revenue of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences occur. Revenue based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

**NEW CHARTER BUILDING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>2 INTEREST PAYABLE AND SIMILAR CHARGES</b>		
On intercompany loans	<u>23</u>	<u>25</u>
	<u>23</u>	<u>25</u>

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>3 PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION</b>		
Is stated after charging:		
Depreciation	-	12
Auditor remuneration (inc VAT)		
- in their capacity as auditor	10	22
Operating lease charges (Other)	6	8
Donations	<u>843</u>	<u>1,429</u>

**4 DIRECTORS' EMOLUMENTS**

The remuneration paid to the Group Management Team, (GMT), and members of the Boards of Management was:

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments payable (including pension contributions & benefits in kind)	<u>184</u>	<u>164</u>
Emoluments payable to the highest paid member (excluding pension contributions but includes benefits in kind)	<u>162</u>	<u>144</u>

**NEW CHARTER BUILDING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

<b>DIRECTORS EMOLUMENTS (continued)</b>	<b>2009</b>	<b>2008</b>
The number of directors, including the highest paid director, who received emoluments (exc pension contributions) in the following ranges were as follows:		
	Number	Number
£130,001 - £140,000	-	-
£140,001 - £150,000	-	1
£150,001 - £160,000	-	-
£160,001 - £170,000	1	-
	<u>1</u>	<u>1</u>
	£000	£000
Aggregate amount of highest paid director's pension	<u>22</u>	<u>20</u>

The Managing Director is a normal member of the Greater Manchester Pension Fund scheme and does not receive enhanced rates

Remuneration and expenses payable to members of the Board who were neither officers nor employees of the Company.	£000	£000
	<u>£45</u>	<u>£47</u>

**5 EMPLOYEE INFORMATION**

	<b>2009</b>	<b>2008</b>
The average number of persons employed during the year expressed in full time equivalent employees, was		
	Number	Number
Management	24	26
Administrative	28	30
Direct labour	<u>203</u>	<u>230</u>
	<u>255</u>	<u>286</u>
Full time	253	283
Part time	2	3
	<u>255</u>	<u>286</u>

	<b>2009</b>	<b>2008</b>
Staff costs for the above persons were:	<b>£'000</b>	<b>£'000</b>
Wages and salaries	7,760	8,676
Social security costs	596	609
Other pension costs	<u>1,368</u>	<u>1,093</u>
	<u>9,723</u>	<u>10,378</u>

**NEW CHARTER BUILDING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>		
<b>a Analysis of tax charge in the year</b>		
<b>UK corporation tax</b>		
Current tax on income for the year/period	88	182
Adjustments in respect of prior periods	(2)	-
	86	182
<b>Total current tax</b>	86	182

**b Factors affecting tax charge for the year**

The tax assessed is higher than the standard rate of corporation tax in the UK (28%) (2008:30%). The differences are explained below :

	<b>£'000</b>	<b>£'000</b>
Profit on ordinary activities before tax	296	515
Current tax at 28% (2008:30%)	83	155
Effects of:		
Expenses not deductible for tax purposes	1	47
Capital allowances for period in excess of depreciation	4	(20)
Creation of tax losses not recognised		
Non qualifying depreciation		
CGT accounts/accounts profit re non qualifying properties		
Renewals allowance		
Adjustments in respect of prior periods	(2)	-
Excess of taxable profits over book profits on sale of properties	-	-
Rollover relief		
<b>Current tax charge</b>	86	182

A deferred tax asset of £13,618,177 (2008 - £9,778,368) in relation to tax losses and £70,170 in relation to ACA's has not been recognised due to insufficient certainty over the timing of the surpluses that would allow the asset to be realised. Deferred tax liability of £2,202,265 in relation to rollover relief has not been recognised as no binding contract to sell assets is in place at the balance sheet date.

**NEW CHARTER BUILDING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**7 FIXED ASSETS - OTHER TANGIBLE ASSETS**

	<b>Plant &amp; Machinery £'000</b>	<b>IT equipment £'000</b>	<b>Furniture &amp; equipment £'000</b>	<b>Total £'000</b>
<b>COST</b>				
At 1st April 2008 and 31 March 2009	242	18	11	271
<b>DEPRECIATION</b>				
At 1st April 2008 and 31 March 2009	242	18	11	271
<b>NET BOOK VALUE</b>				
At 31st March 2009	-	-	-	-
<b>NET BOOK VALUE</b>				
At 31st March 2008	-	-	-	-

NEW CHARTER BUILDING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	2009	2008
	£'000	£'000
<b>8 STOCK</b>		
Raw materials and consumables	436	381
Work in progress	300	-
	<u>735</u>	<u>381</u>
	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>9 DEBTORS</b>		
Trade Debtors	1,541	1,155
Less Provision for bad and doubtful debts	(5)	(18)
	<u>1,537</u>	<u>1,137</u>
Amount due from parent and from fellow subsidiaries - Trade	3,271	6,277
Prepayments and accrued income	1,535	1,475
	<u>6,343</u>	<u>8,889</u>
	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>10 CREDITORS - Amounts falling due within one year</b>		
Amount due to parent undertakings	291	2,973
Trade creditors	2,273	2,202
Other Creditors	258	266
Taxation on ordinary activities	107	
Tax/PAYE Creditor	<u>86</u>	
Other taxation and social security	193	185
Accruals and deferred income	759	591
	<u>3,774</u>	<u>6,217</u>
	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>11 PROVISIONS</b>		
Opening Provision		
Defects Liability - investment works	130	150
Week 53 payroll (every six years)	152	127
Vehicle Off-hire Damage	10	36
	<u>292</u>	<u>313</u>
Provision in year		
Defects Liability - investment works	9	(21)
Week 53 payroll (every six years)	15	26
Vehicle Off-hire Damage	18	17
	<u>41</u>	<u>22</u>
Adjustment in year		
Defects Liability - investment works	-	-
Week 53 payroll (every six years)	-	-
Vehicle Off-hire Damage	(1)	(43)
	<u>(1)</u>	<u>(43)</u>
Closing Provision		
Defects Liability - investment works	138	130
Week 53 payroll (every six years)	167	152
Vehicle Off-hire Damage	27	10
	<u>333</u>	<u>292</u>
	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>12 CREDITORS - Amounts falling due after more than one year</b>		
Amounts owed to fellow subsidiary undertakings	411	411
	<u>411</u>	<u>411</u>

The housing loans are drawn down from total facilities of £290m and are secured by a fixed charge over the Group's housing properties and other assets. The loan currently outstanding under facility A bearing interest at an average rate of 5.74%. Within 'loans payable in more than five years', there is a drawing of £52.55m under facility B bearing interest at an average rate of 4.89%.

**NEW CHARTER BUILDING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

**13 RESERVES**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
As at 1st April 2008	2,350	2,017
Profit for the year	210	333
At 31st March 2009	<u>2,560</u>	<u>2,350</u>

**14 NOTES TO THE CASHFLOW STATEMENT**

a	Reconciliation of operating profit to net cash inflow from operating activities				
		<b>2009</b>	<b>2008</b>		
		<b>£'000</b>	<b>£'000</b>		
	Operating profit	319	540		
	Decrease/(Increase) in debtors	2,546	(3,871)		
	Decrease/(Increase) in stock	(354)	22		
	(Decrease)/Increase in creditors	(2,402)	3,511		
	Net cash inflow from operating activities	<u>109</u>	<u>202</u>		
b	Reconciliation of net cash inflow to movement in net debt				
		<b>2009</b>	<b>2008</b>		
		<b>£'000</b>	<b>£'000</b>		
	movement in cash in year	-	-		
	Change in net debt resulting from cash flows	-	-		
	Change in net debt	<u>-</u>	<u>-</u>		
	Net debt at beginning of year	(411)	(411)		
	Net debt at end of year	<u>(411)</u>	<u>(411)</u>		
c	Analysis of changes in net debt				
		<b>March 2009</b>	<b>Cash Flows</b>	<b>2008</b>	<b>Cash Flows</b>
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Cash & investments	-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Debt due within one year	-	-	-	-
	Debt due after one year	(411)	-	(411)	(411)
		<u>(411)</u>	<u>-</u>	<u>(411)</u>	<u>(411)</u>
		<u>(411)</u>	<u>-</u>	<u>(411)</u>	<u>(411)</u>

**15 OPERATING LEASE COMMITMENTS**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
At 31st March 2009 annual commitments under non-cancellable operating leases were as follows:		
Within one year or on demand	<u>6</u>	<u>7</u>

## NEW CHARTER BUILDING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2009

#### 16 PENSIONS

The Trust participates as a contributing member of the Greater Manchester Pension Fund, (administered by Tameside MBC in accordance with the Local Government Pension Fund Regulations). The scheme is a defined benefit scheme providing benefits on final pensionable pay.

The pension cost is assessed in accordance with the advice of an independent professionally qualified actuary using the projected unit method of valuation. Assets and liabilities have been identified on a group basis but the split between each individual Company is not available.

The results and assumptions for the Group as at 31st March 2009 are as follows :

Valuation date	31st March 2009
Valuation Method	Projected unit
Value of assets	£67,917,000
Investment Return per annum	6.30%
Salary scale increases per annum	4.60%
Pension increases per annum	3.10%

The Pension contributions made by the Trust in the year to 31st March 2009 totalled £3,362m covering 795 employees (2008 - £2,945m, 812 employees). The employer's contribution rate was 20.2% of pensionable salary. From 1st April 2009 the level of employer's contribution will increase to 21.7% of pensionable salary. The estimated employer's contribution for the year to 31st March 2010 is approximately £3,596,700.

The Company operates a pension scheme providing benefits based on final pensionable pay. The latest full actuarial valuation was carried out at 31st March 2007 for FRS17 by a qualified independent actuary who was not an employee or officer of the Company.

The major assumptions used in this valuation were:

	2009	2008	2007
Rate of increase in salaries	4.60%	5.10%	4.70%
Rate of increase in pensions in payment and deferred pensions	3.10%	3.60%	3.20%
Discount rate applied on scheme liabilities	6.90%	6.90%	5.40%
Inflation assumption	3.10%	3.60%	3.20%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which due to the timescale covered may not necessarily be borne out in practice.

#### Scheme assets

The fair value of the scheme's assets which are not intended to be realised in the short term and may be subject to significant change before they are realised and the present value of the scheme's liabilities which are derived from cash flow projections over long periods and are thus inherently uncertain, were:

NEW CHARTER BUILDING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2009

	value at 2009 £000	value at 2008 £000	value at 2007 £000
Equities	34,962	37,643	41,034
Bonds	8,349	11,148	9,783
Other - property	3,653	5,190	6,053
Cash	5,218	5,677	4,556
Total market value of assets	52,182	59,658	61,426
Present value of scheme liabilities	67,917	68,574	79,708
<b>Net pension liability</b>	<b>(15,735)</b>	<b>(8,916)</b>	<b>(18,282)</b>

A deferred tax asset has not been recognised due to insufficient certainty over the timing of the surpluses that would allow the asset to be realised.

	Long term rate of return 2009	Long term rate of return 2008	Long term rate of return 2007
Equities	7.00%	7.70%	7.80%
Bonds	5.40%	5.70%	4.90%
Other - property	4.90%	5.70%	5.80%
Cash	4.00%	4.80%	4.90%

	2009 £'000	2008 £'000
<b>Reconciliation of defined benefit obligation</b>		
Opening defined benefit obligation	68,574	79,708
Current service cost	2,070	2,968
Interest Cover	4,826	4,378
Contributions by members	1,033	916
Actuarial gain/(loss)	(8,268)	(18,258)
Past service cost	984	28
Losses/(Gains) on Curtailments	62	190
Actuarial gain/(loss)	(1,364)	(1,356)
Closing Defined Benefit Obligation	67,917	68,574

	2009 £'000	2008 £'000
<b>Reconciliation of Fair Value of Employer Assets</b>		
Opening Fair Value of Employer Assets	59,658	61,426
Expected return on Assets	4,219	4,340
Contributions by members	1,033	916
Contributions by the Employer	3,362	2,945
Actuarial gain/(loss)	(14,727)	(8,613)
Benefits Paid	(1,364)	(1,356)
Closing Fair Value of Employer Assets	52,182	59,658
Net closing balance	15,735	8,916

**NEW CHARTER BUILDING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2009**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>Analysis of pension costs changed in arriving at operating profit/(loss)</b>		
Current service cost	2,070	2,968
Past service cost	984	28
Gains/(losses) on settlements or curtailments	62	190
	<hr/> <hr/>	<hr/> <hr/>
	3,116	3,186

Gains on settlements or curtailments recorded as non operating items totalled £62k respectively.

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>Analysis of amounts included in other finance income/(costs)</b>		
Expected return on pension scheme assets	4,219	4,340
Interest on pension scheme liabilities	(4,826)	(4,378)
	<hr/> <hr/>	<hr/> <hr/>
	(607)	(38)

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
<b>Analysis of amount recognised in statement of total recognised gains and losses</b>		
Actual return less	(14,727)	(8,613)
Experience gains and losses arising on scheme liabilities	-	896
Changes in assumptions underlying the present value of scheme liabilities	7,908	17,362
	<hr/> <hr/>	<hr/> <hr/>
Actuarial (loss)/gain recognised in statement of total recognised gains and losses	(6,819)	9,645

**History of experience gains and losses**

	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>31st March 2009</b>	<b>31st March 2008</b>	<b>31st March 2007</b>	<b>31st March 2006</b>	<b>31st March 2005</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Difference between the expected and actual return on scheme assets:					
Amount	(14,727)	(8,613)	370	6,839	1,900
Percentage of year end scheme assets	(21.68%)	(12.56%)	0.60%	12.60%	4.50%
Experience gains and losses on scheme liabilities:					
Amount	-	896	68	122	(6,580)
Percentage of year end present value of scheme liabilities	0.00%	1.31%	0.10%	0.20%	(10.90%)
Total amount recognised in statement of total recognised gains and losses:					
Amount	(6,459)	9,645	6,485	(4,414)	(6,020)
Percentage of year end present value of scheme liabilities	(9.50%)	14.10%	8.10%	(5.70%)	(10.00%)

## NEW CHARTER BUILDING COMPANY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 MARCH 2009

<u>Reconciliation to the balance sheet</u>	2009	2008	2007
	£'000	£'000	£'000
Net assets excluding pension liability	116,149	96,451	90,136
Pension liability	(15,735)	(8,916)	(18,282)
Net assets including pension liability	<u>100,414</u>	<u>87,535</u>	<u>71,854</u>

#### 17 CHARITABLE DONATION

A charitable donation has been made to Great Neighbourhoods, a registered charity, under "Gift Aid" for the sum of £838,583 (2008 - £Nil).

A charitable donation has been made to the New Children's Hospital Appeal, a registered charity, under "Gift Aid" for the sum of £25.

Donations have been made in the sum total of £4k to Tameside MBC, Prenton RUFC, Carrbrook Housing Co-operative Ltd, Manchester Working Limited and Caribbean Carnival of Manchester.

#### 18 ULTIMATE PARENT UNDERTAKING

The Company is a subsidiary undertaking of New Charter Housing Trust Ltd, which was incorporated in the United Kingdom. The Company's principal address is:

Cavendish 249  
Cavendish Street  
Ashton-under-Lyne  
Cheshire  
OL6 7AT

#### 19 LIMITED BY GUARANTEE

The Company is Limited by guarantee and does not have share capital. Member's liability would be limited to £1 should the company be wound up. Membership does not give any entitlement to the right to a dividend or any other distribution. Members have equal voting rights.

#### 20 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemptions under FRS8 from the requirement to disclose relations with the Group companies on the grounds that it is a wholly controlled subsidiary and that the Parent entity prepares Consolidated financial statements. During the year a charitable donation under Gift Aid of £838,583 was given to Great Neighbourhoods. Great Neighbourhoods is considered a related party as it has directors in common with New Charter Housing Trust Ltd