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Board of Directors

MEL HILL FIMgt FIMBM (Chairman)
LES BAKER ACMA
DAVID EVANS
PAMELA ALLENBY
JIM LUNNEY BA FCIH Dip BFM(CIPFA)

Directors Retiring During This Year

ALAN BRIDGE MI Mgt Resigned 26th July 2005

Auditors	RSM Robson Rhodes LLP Manchester	Deloitte & Touche LLP Manchester (Internal Auditors)
Solicitors	Trowers & Hamlins Manchester	
Bankers	National Westminster Bank	
Company Registration Number	03895031	
VAT Registration Number	732490637	

Report Of The Board Of Directors For The Year Ended 31st March 2006

The Board of Directors presents its Report and the Audited Financial Statements for the year ended 31st March 2006.

Legal Status

"Johnnie" Johnson Developments Limited is registered at Companies House and is a wholly owned subsidiary of "Johnnie" Johnson Housing Trust Ltd. The Company was incorporated on 21st January 2000 and began trading on 1st April 2000.

Principal Activities

The Company has been established to act as the development body for "Johnnie" Johnson Housing Trust Ltd where it is not appropriate for the latter to undertake housing development and refurbishments on its own account.

Review of the Year

During the year the company undertook a number of projects for "Johnnie" Johnson Housing Trust with a turnover of £2,840,487 and anticipates further projects in 2006/07.

Future Developments

The Company will continue to provide a development vehicle for "Johnnie" Johnson Housing Trust Ltd where it is appropriate and advantageous to do so.

Employees

Details of employees and costs are set out in note 4.

Charitable Donations

The Company has provided for a Gift Aid payment of £141,932 to "Johnnie" Johnson Housing Trust Ltd.

The Board of Directors

The Board of Directors is listed on page 2.

Board Meetings

The Board of Directors met in formal session twice in 2005/06.

Board of Directors Responsibilities

The Companies Act 1985 requires the Board of Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements the Board of Directors has:

- selected suitable policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards;
- prepared the financial statements on a going concern basis.

The Board of Directors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 1985. The Board of Directors is 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, by establishing and maintaining a

satisfactory system of control over the Company's accounting records, cash holdings and all its receipts and remittances.

Website

The Annual Report and Accounts are available on the "Johnnie" Johnson Housing website. The maintenance and integrity of the website is the responsibility of the Board; the work carried out by the Auditors does not involve consideration of these matters and, accordingly, the Auditors accept no responsibility for any changes that may have occurred to the information contained in the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in the annual reports may differ from legislation in other jurisdictions.

Auditors

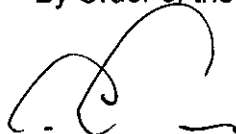
RSM Robson Rhodes LLP have been the auditors for "Johnnie" Johnson Developments Ltd since the inception of the company in January 2000 and have indicated a willingness to continue in office. A resolution to reappoint RSM Robson Rhodes LLP as external auditors will be proposed at the Annual General Meeting.

Disclosure of information to auditors

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

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

By Order of the Board



J F LUNNEY
Secretary

11th July 2006

**Independent Auditors' Report to
The Shareholders of "Johnnie" Johnson Developments Limited**

We have audited the financial statements on pages 6 to 15. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders 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 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 if, in our opinion, the Directors' Report is not consistent with the financial statements, if 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only of the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company as at 31st March 2006 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

RSM Robson Rhodes LLP

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors

27th July 2006

Profit and Loss Account

For the year ended 31st March 2006

	Note	2006 £	2005 £
Turnover: continuing activities	2	2,840,487	3,237,881
Operating costs	2	(2,840,487)	(3,237,881)
		_____	_____
Operating profit: continuing activities	2	-	-
Interest receivable and other income		-	-
Interest payable and similar charges		-	-
Other finance costs		-	-
		_____	_____
Profit on ordinary activities before taxation		-	-
Tax on profit on ordinary activities	6	-	-
		_____	_____
Profit for the financial year		-	-
		=====	=====

The notes on pages 10 to 15 form part of these financial statements.

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

Reconciliation of movements in funds

For the year ended 31st March 2006

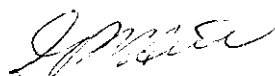
	2006 £	2005 £
Opening total funds as previously stated	1	1
	<hr/>	<hr/>
Total recognised profits and losses relating to the year	-	-
	<hr/>	<hr/>
Closing total funds	1	1
	<hr/> <hr/>	<hr/> <hr/>

Balance Sheet

As at 31st March 2006

	Note	2006 £	2005 £
Tangible fixed assets			
Other tangible fixed assets		-	-
Current assets			
Debtors	7	6,719	8,293
Cash at bank and in hand		542	15,856
		<u>7,261</u>	<u>24,149</u>
Creditors: Amounts falling due within one year	8	(7,260)	(24,148)
		<u>1</u>	<u>1</u>
Net current assets		<u>1</u>	<u>1</u>
Total assets less current liabilities		<u>1</u>	<u>1</u>
Creditors: Amounts falling due after more than one year		-	-
Capital and reserves			
Non-equity share capital	9	1	1
Revenue reserve		-	-
		<u>1</u>	<u>1</u>

The financial statements were approved by the Board on 11th July 2006 and signed on its behalf by:



Mr M Hill FI Mgt FIMBM

Chairman



Mr J F Lunney BA FCIH Dip BFM(CIPFA)

Secretary

Cash Flow Statement

For the year ended 31st March 2006

	Note	2006 £	2005 £
Net cash (outflow)/inflow from operating activities	12	(15,314)	222,241
Returns on investments and servicing of finance		-	-
Taxation paid		-	-
Capital expenditure		-	-
Management of liquid resources		-	-
Financing		-	-
(Decrease)/increase in cash	13	<u>(15,314)</u>	<u>222,241</u>

Notes to the Financial Statements

For the year ended 31st March 2006

1. Principal Accounting Policies

The Financial Statements have been prepared in accordance with applicable Accounting Standards and Financial Reporting Standards in the United Kingdom. A summary of the more important accounting policies is set out below.

Basis of Accounting

The Financial Statements are prepared on the historical cost convention basis in accordance with the requirements of the Companies Act 1985.

Turnover

Turnover represents development activity income on contracts received from "Johnnie" Johnson Housing Trust Ltd.

Related Parties

The Board of Directors includes tenants of "Johnnie" Johnson Housing Trust Ltd. The tenancies for these Directors are on normal terms and they are unable to use their position to their advantage.

Group Structure

"Johnnie" Johnson Developments Ltd forms part of a group wholly owned by "Johnnie" Johnson Housing Trust Ltd.

Notes to the Financial Statements continued

For the year ended 31st March 2006

2. Turnover, cost of sales, operating costs and operating profit continuing activities

	2006			
	Turnover £	Cost of sales £	Operating costs £	Operating profit £
Income and Expenditure from Development services	2,840,487	-	2,698,555	141,932
Other: Gift Aid Payment	-	-	141,932	(141,932)
Total	2,840,487	-	2,840,487	-

	2005			
	Turnover £	Cost of sales £	Operating costs £	Operating profit £
Income and Expenditure from Development services	3,237,881	-	3,084,909	152,972
Other: Gift Aid Payment	-	-	152,972	(152,972)
Total	3,237,881	-	3,237,881	-

Notes to the Financial Statements continued

For the year ended 31st March 2006

3. Operating profit/(loss) for the year

This is arrived at after charging:

	2006 £	2005 £
Auditors' remuneration (including VAT)		
- for audit services	1,055	1,025
- for other services	-	-
Gift Aid Payment to "Johnnie" Johnson Housing Trust	141,932	152,972
	<u> </u>	<u> </u>

4. Employees

"Johnnie" Johnson Developments Limited has no employees or employee costs (2005: £Nil). The employees of the parent company "Johnnie" Johnson Housing Trust Limited perform work for "Johnnie" Johnson Developments Limited.

5. Board members and executive directors

The board members and directors did not receive any remuneration during the year from this company (2005: £Nil). The remuneration and expenses were paid by the parent company "Johnnie" Johnson Housing Trust Limited.

6. Tax on surplus on ordinary activities

	2006 £	2005 £
Current tax		
UK corporation tax on surplus for the year	-	-
Adjustments in respect of prior years	-	-
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

As there is no taxable profit and no short term timing differences, a reconciliation of the tax charge as required by FRS 19 has not been prepared.

Notes to the Financial Statements continued

For the year ended 31st March 2006

7. Debtors

	2006 £	2005 £
Due within one year		
Other debtors	6,719	8,293
	<u>6,719</u>	<u>8,293</u>

8. Creditors: amounts falling due within one year

	2006	2005
Amounts owed to group undertakings	6,070	22,988
Accruals and deferred income	1,190	1,160
	<u>7,260</u>	<u>24,148</u>

9. Share capital

	2006 £	2005 £
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
	2006 £	2005 £
Allotted and fully paid		
1,000 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

"Johnnie" Johnson holds one £1 share in the company. No other shares have been issued.

Notes to the Financial Statements continued

For the year ended 31st March 2006

10. Financial commitments

Capital expenditure commitments were as follows:

	2006 £	2005 £
Capital expenditure		
Expenditure contracted for but not provided in the accounts	2,553,147	1,883,893
Expenditure authorised by the board, but not contracted	-	322,000
	<u>2,553,147</u>	<u>2,205,893</u>
	<u><u>2,553,147</u></u>	<u><u>2,205,893</u></u>

11. Contingent liabilities

There were no known contingent liabilities at 31st March 2006 (2005: £nil).

12. Reconciliation of operating profit to net cash (outflow) / inflow from operating activities

	2006 £	2005 £
Operating profit	-	-
Working capital movements		
Debtors	1,574	198,933
Creditors	(16,888)	23,308
	<u>(15,314)</u>	<u>222,241</u>
Net cash (outflow)/inflow from operating activities	<u><u>(15,314)</u></u>	<u><u>222,241</u></u>

13. Reconciliation of net cash flow to movement in net funds

	2006 £	2005 £
(Decrease)/Increase in cash	(15,314)	222,241
Increase in net debt from cash flows	-	-
Change in market value of investments	-	-
	<u>(15,314)</u>	<u>222,241</u>
Total changes in net fund for the period	<u><u>(15,314)</u></u>	<u><u>222,241</u></u>
Net fund at 1 April	15,856	(206,385)
	<u>542</u>	<u>15,856</u>
Net fund at 31 March	<u><u>542</u></u>	<u><u>15,856</u></u>

Notes to the Financial Statements continued

For the year ended 31st March 2006

14. Analysis of net funds

	1 April 2005 £	Cash Flow £	Non-cash movement £	31 March 2006 £
Cash at bank and in hand	15,856	(15,314)	-	542
Bank overdraft	-	-	-	-
Changes in cash	<hr/>	<hr/>	<hr/>	<hr/>
Current asset investment	-	-	-	-
Loans	-	-	-	-
Finance leases	-	-	-	-
Changes in debt	<hr/>	<hr/>	<hr/>	<hr/>
Changes in net funds	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

15. Ultimate Parent Company

The ultimate parent company is "Johnnie" Johnson Housing Trust Ltd a Registered Social Landlord. The parent company is incorporated in England. Copies of the accounts of "Johnnie" Johnson Housing Trust can be obtained from its Registered Office, Astra House, Spinners Lane, Poynton, Cheshire SK12 1GA.