

Registered Company No 03895031

“JOHNNIE” JOHNSON DEVELOPMENTS LIMITED

Report and Financial Statements

Year ended 31 March 2007



Contents

Section	Page
Board Members, Executive Directors, Advisors and Bankers	1
Report of the Board	2
Independent Auditors' Report to the Shareholders of "Johnnie" Johnson Developments Limited	4
Profit and Loss Account	5
Reconciliation of movements in funds	6
Balance Sheet	7
Cash Flow Statement	8
Notes to the Financial Statements	9

Board of Directors, Advisors and Bankers

Board of Directors

Chairman
Mel Hill
Les Baker
David Evans
Pamela Allenby
Jim Lunney

Registered office
Astra House
Spinners Lane
Poynton
Cheshire
SK12 1GA

Registered number
Registered Company No 03895031
VAT Registration No 732490637

Auditors
RSM Robson Rhodes LLP
Colwyn Chambers
19 York Street
Manchester M2 3BA
Deloitte & Touche LLP
P O Box 500
201 Deansgate
Manchester M60 2AT

Solicitors
Trowers & Hamlins
Heron House
Albert Square
Manchester M2 5HD

Bankers
National Westminster Bank Plc
Royal Bank Scotland
5th Floor
135 Bishopsgate
London EC2M 3UR

Report of the Board

The Board of Directors presents its Report and the Audited Financial Statements for the year ended 31st March 2007

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 £3,102,617 and anticipates further projects in 2007/08.

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 5.

Charitable Donations

The Company has provided for a Gift Aid payment of £146,621 to "Johnnie" Johnson Housing Trust Ltd.

The Board of Directors

The Board of Directors is listed on page 1.

Board Meetings

The Board of Directors met in formal session twice in 2006/07.

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.

Report of the Board (continued)

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 were first appointed as auditors to the company in January 2000 and their engagement is to be reviewed during 2007 in accordance with good practice. A resolution to reappoint RSM Robson Rhodes LLP as external auditors subject to external competition will be proposed at the Annual General Meeting.

RSM Robson Rhodes LLP ("Robson Rhodes") is in the process of merging its audit practice with that of Grant Thornton UK LLP ("Grant Thornton"), with the successor firm being Grant Thornton. Robson Rhodes have therefore indicated their intention to resign as auditor, but also their willingness to continue in office as Grant Thornton. Their resignation will create a casual vacancy which the directors intend to fill by appointing Grant Thornton pending the Group's review of auditors in line with good practice.

Disclosure of Information to Auditors

At the date of making this report each of the company's directors, as set out on page 1, 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

10th July 2007

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

We have audited the financial statements of "Johnnie" Johnson Developments Limited for the year ended 31 March 2007, which comprise the profit and loss account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. 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 regulations made under 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 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 the Board of Directors and Auditors

The responsibilities of the board of directors for preparing the report and 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 responsibilities of the board of directors for the financial statements.

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 Report of the Board of Directors 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 other information accompanying the financial statements and consider whether it is consistent with the audited financial statements. The other information comprises only the Report of the Board of Directors. 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 judgments made by the board of 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 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985,
- the information given in the Report of the Board of Directors is consistent with the financial statements.

RSM Robson Rhodes LLP.

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
Manchester
18th July 2007

Profit and Loss Account

For the year ended 31 March 2007

	Note	2007 £ '000	2006 £ '000
Turnover continuing activities	3	3,103	2,840
Operating costs	3	(3,103)	(2,840)
Operating profit continuing activities	3	-	-
Tax on profit on ordinary activities	7	-	-
Profit for the financial year		-	-

The notes on pages 9 to 13 form part of these financial statements

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

There are no recognised gains or losses except as reported above

Reconciliation of movements in funds

For the year ended 31 March 2007

	2007 £ '000	2006 £ '000
Opening total funds	-	-
Total recognised profit relating to the year	-	-
	<hr/>	<hr/>
Closing total funds	-	-
	<hr/> <hr/>	<hr/> <hr/>

Balance Sheet

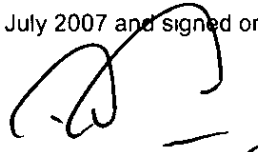
At 31 March 2007

	Note	2007 £ '000	2006 £ '000
Current assets			
Debtors	8	182	7
		<u>182</u>	<u>7</u>
Creditors Amounts falling due within one year	9	(182)	(7)
		<u>-</u>	<u>-</u>
Net current assets		-	-
		<u>-</u>	<u>-</u>
Total assets less current liabilities		-	-
		<u>-</u>	<u>-</u>
Capital and reserves			
Non-equity share capital	10	-	-
Revenue reserve		-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

The financial statements were approved by the Board on 10th July 2007 and signed on its behalf by



Mel Hill
Chairman



Jim Lunney
Secretary

Cash Flow Statement

For the year ended 31 March 2007

	Note	2007 £ '000	2006 £ '000
Net cash (outflow) from operating activities	13	(181)	(15)
Returns on investments and servicing of finance		-	-
Taxation paid		-	-
Capital expenditure		-	-
Management of liquid resources		-	-
Financing		-	-
(Decrease) in cash	14	<u>(181)</u>	<u>(15)</u>

Notes to the Financial Statements

1. Legal status

The company is registered under the Companies Act 1985

2. 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 Limited

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 Limited forms part of a group controlled by "Johnnie" Johnson Housing Trust Limited

Notes to the Financial Statements

3. Turnover, Cost of Sales, Operating Costs and Operating Profit Continuing Activities

	Turnover	2007 Operating costs	Operating surplus
	£ '000	£ '000	£ '000
Development services	3,103	(2,956)	147
Other – Gift Aid payment	-	(147)	(147)
Total	<u>3,103</u>	<u>(3,103)</u>	<u>-</u>

	Turnover	2006 Operating costs	Operating surplus
	£ '000	£ '000	£ '000
Development services	2,840	(2,698)	142
Other – Gift Aid payment	-	(142)	(142)
Total	<u>2,840</u>	<u>(2,840)</u>	<u>-</u>

4. Operating Surplus

This is arrived at after charging/(crediting)

	2007 £ '000	2006 £ '000
Auditors' remuneration (including VAT)		
- for audit services	1	1
- for non-audit service	-	-
Gift Aid Payment to "Johnnie" Johnson Housing Trust	<u>147</u>	<u>142</u>

5. Employees

"Johnnie" Johnson Developments Limited has no employees or employee costs (2006 nil) The employees of the parent company "Johnnie" Johnson Housing Trust Limited perform work for "Johnnie" Johnson Developments Limited

6. Board Members and Executive Directors

The board of directors did not receive any remuneration during the year from this company (2006 nil) The remuneration and expenses were paid by the parent company "Johnnie" Johnson Housing Trust Limited

Notes to the Financial Statements

7. Tax on Surplus on Ordinary Activities

	2007 £ '000	2006 £ '000
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

8. Debtors

	2007 £ '000	2006 £ '000
Amounts owed by group undertakings	177	-
Other debtors	5	7
	<u>182</u>	<u>7</u>
	<u>182</u>	<u>7</u>

9. Creditors: Amounts Falling Due Within One Year

	2007 £ '000	2006 £ '000
Overdraft	181	-
Amounts owed to group undertakings	-	6
Accruals and deferred income	1	1
	<u>182</u>	<u>7</u>
	<u>182</u>	<u>7</u>

10. Share Capital

	2007 £	2006 £
Authorised		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

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

Notes to the Financial Statements

11. Financial Commitments

Capital expenditure commitments were as follows

	2007 £ '000	2006 £ '000
Capital expenditure		
Expenditure contracted for but not provided in the accounts	-	2,553
Expenditure authorised by the board but not contracted	-	-
	<u>-</u>	<u>2,553</u>

12. Contingent Liabilities

The company had no known contingent liabilities at 31 March 2007 (2006 nil)

13. Reconciliation of Operating Profit to Net Cash Outflow from Operating Activities

	2007 £ '000	2006 £ '000
Operating profit	-	-
Working capital movements		
Debtors	(175)	2
Creditors	(6)	(17)
Net cash outflow from operating activities	<u>(181)</u>	<u>(15)</u>

14. Reconciliation of Net Cash Flow to Movement in Net Debt

	2007 £ '000	2006 £ '000
(Decrease) in cash	(181)	(15)
Increase in net debt from cash flows	<u>(181)</u>	<u>(15)</u>
Total changes in net debt for the period	<u>(181)</u>	<u>(15)</u>
Net funds at 1 April	-	15
Net debt at 31 March	<u>(181)</u>	<u>-</u>

Notes to the Financial Statements

15. Analysis of Net Debt

	1 April 2006 £ '000	Cash Flow £ '000	Non-cash movement £ '000	31 March 2007 £ '000
Cash at bank and in hand	-	-	-	-
Bank overdraft	-	(181)	-	(181)
Changes in cash	-	(181)	-	(181)
Current asset investment	-	-	-	-
Changes in debt	-	-	-	-
Changes in net debt	-	(181)	-	(181)

16. Ultimate Parent Company

The ultimate parent company is "Johnnie" Johnson Housing Trust Limited, 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.