

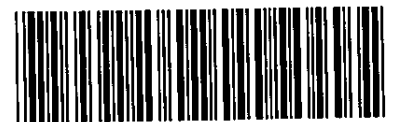
Registered Company No 03895031

# **“JOHNNIE” JOHNSON DEVELOPMENTS LIMITED**

**Report and Financial Statements**

**Year ended 31 March 2008**

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## **Contents**

<b>Section</b>	<b>Page</b>
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**

PKF (UK) LLP  
5 Temple Square  
Temple Street  
Liverpool  
L2 5RH

### **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 2008.

### **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 21<sup>st</sup> January 2000 and began trading on 1<sup>st</sup> 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 £3,536,871 and anticipates further projects in 2008/09.

### **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 £167,616 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 once in 2007/08.

### **Board of Directors Responsibilities**

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required to 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 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;  
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 the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **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**

PKF (UK) LLP were first appointed as auditors to the company in 2007 and their engagement is to be reviewed during 2008 in accordance with good practice. A resolution to reappoint PKF (UK) LLP as external auditors subject to external competition 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 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

15<sup>th</sup> July 2008

## 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 2008 which comprise the income and expenditure account, the balance sheet, the cash flow statement, the statement of total recognised surpluses and deficits and the related notes. The financial statements have been prepared under the accounting policies set out therein.

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

### Respective Responsibilities of the Board 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 have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of Audit Opinion

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

We planned and performed our audit so as to obtain all the information and explanations 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 the company's affairs as at 31 March 2008 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

*PKF (UK) LLP*

PKF (UK) LLP  
Registered auditors  
Liverpool, UK

Date: *24 July 2008*

## **Profit and Loss Account**

**For the year ended 31 March 2008**

	<b>Note</b>	<b>2008</b> <b>£ '000</b>	<b>2007</b> <b>£ '000</b>
<b>Turnover: continuing activities</b>	<b>3</b>	<b>3,537</b>	<b>3,103</b>
<b>Operating costs</b>	<b>3</b>	<b>(3,537)</b>	<b>(3,103)</b>
		<hr/>	<hr/>
<b>Operating profit: continuing activities</b>	<b>3</b>	<b>-</b>	<b>-</b>
<b>Tax on profit on ordinary activities</b>	<b>7</b>	<b>-</b>	<b>-</b>
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>-</b>	<b>-</b>
		<hr/> <hr/>	<hr/> <hr/>

**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 2008

	2008 £ '000	2007 £ '000
Opening total funds	-	-
Total recognised profit relating to the year	-	-
	<hr/>	<hr/>
Closing total funds	-	-
	<hr/> <hr/>	<hr/> <hr/>



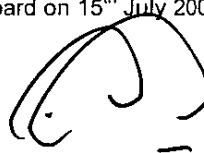
## Balance Sheet

At 31 March 2008

	Note	2008 £ '000	2007 £ '000
<b>Current assets</b>			
Debtors	8	194	182
		<u>194</u>	<u>182</u>
<b>Creditors: Amounts falling due within one year</b>	9	(194)	(182)
		<u>-</u>	<u>-</u>
<b>Net current assets</b>		<u>-</u>	<u>-</u>
<b>Total assets less current liabilities</b>		<u>-</u>	<u>-</u>
<b>Capital and reserves</b>			
Non-equity share capital	10	-	-
Revenue reserve		-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

The financial statements were approved by the Board on 15<sup>th</sup> July 2008 and signed on its behalf by:

Mel Hill  
Chair



Jim Lunney  
Secretary

## Cash Flow Statement

For the year ended 31 March 2008

	Note	2008 £ '000	2007 £ '000
Net cash (outflow) from operating activities	13	(12)	(181)
Returns on investments and servicing of finance		-	-
Taxation paid		-	-
Capital expenditure		-	-
Management of liquid resources		-	-
Financing		-	-
(Decrease) in cash	14	<u>(12)</u>	<u>(181)</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	2008 Operating costs	Operating profit
	£ '000	£ '000	£ '000
Development services	3,537	(3,369)	168
Other – Gift Aid payment	-	(168)	(168)
Total	<u>3,537</u>	<u>(3,537)</u>	<u>-</u>

	Turnover	2007 Operating costs	Operating profit
	£ '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>

### 4. Operating Profit

This is arrived at after charging/(crediting):

	2008 £ '000	2007 £ '000
Auditors' remuneration (including VAT)		
- for audit services	1	1
- for non-audit service	-	-
Gift Aid Payment to "Johnnie" Johnson Housing Trust	<u>168</u>	<u>147</u>

### 5. Employees

"Johnnie" Johnson Developments Limited has no employees or employee costs (2007: 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 (2007: nil). The remuneration and expenses were paid by the parent company "Johnnie" Johnson Housing Trust Limited.

## Notes to the Financial Statements

### 7. Tax on Profit on Ordinary Activities

	2008 £ '000	2007 £ '000
<b>Current tax</b>		
UK corporation tax on profit 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

	2008 £ '000	2007 £ '000
Amounts owed by group undertakings	183	177
Other debtors	11	5
	<u>          </u>	<u>          </u>
	<u>194</u>	<u>182</u>

### 9. Creditors: Amounts Falling Due Within One Year

	2008 £ '000	2007 £ '000
Overdraft	193	181
Amounts owed to group undertakings	-	-
Accruals and deferred income	1	1
	<u>          </u>	<u>          </u>
	<u>194</u>	<u>182</u>

### 10. Share Capital

	2008 £	2007 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted and fully paid</b>		
1,000 ordinary shares of £1 each	<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:

	2008 £ '000	2007 £ '000
<b>Capital expenditure</b>		
Expenditure contracted for but not provided in the accounts	95	-
Expenditure authorised by the board, but not contracted	416	-
	<u>511</u>	<u>-</u>

### 12. Contingent Liabilities

The company had no known contingent liabilities at 31 March 2008 (2007: nil).

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

	2008 £ '000	2007 £ '000
<b>Operating profit</b>	-	-
<b>Working capital movements</b>		
Debtors	(12)	(175)
Creditors	-	(6)
<b>Net cash outflow from operating activities</b>	<u>(12)</u>	<u>(181)</u>

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

	2008 £ '000	2007 £ '000
(Decrease) in cash	(12)	(181)
<b>Increase in net debt from cash flows</b>	<u>(12)</u>	<u>(181)</u>
<b>Total changes in net debt for the period</b>	<u>(12)</u>	<u>(181)</u>
Net funds at 1 April	(181)	-
<b>Net debt at 31 March</b>	<u>(193)</u>	<u>(181)</u>

## Notes to the Financial Statements

### 15. Analysis of Net Debt

	1 April 2007 £ '000	Cash Flow £ '000	Non-cash movement £ '000	31 March 2008 £ '000
Cash at bank and in hand	-	-	-	-
Bank overdraft	(181)	(12)	-	(193)
<b>Changes in cash</b>	<b>(181)</b>	<b>(12)</b>	<b>-</b>	<b>(193)</b>
<b>Current asset investment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in debt</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in net debt</b>	<b>(181)</b>	<b>(12)</b>	<b>-</b>	<b>(193)</b>

### 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.