

**“JOHNNIE” JOHNSON
HOUSING ASSOCIATION
LIMITED**

Report and Financial Statements

Year ended 31 March 2007

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Board Members, Executive Directors, Advisors and Bankers

Board

Chairman	Mel Hill	
Deputy Chair	David Goodman	
Other Members	Alan Bridge Retired (12 Sept 2006)	Barbara Garvey
	Pamela Allenby	Morris Globe
	Derek Ankers	Norman Laidler
	Les Baker	Joe Robinson (co-optee)
	Rina Dabhi	Kath Lavery (co-optee)
	David Evans	

Executive Directors

Chief Executive and Secretary	Jim Lunney
Director of Finance	Richard Coughlan (to 15 September 2006) Harvey Norton (from 1 February 2007)
Director of Development & Property Services	Steven Normansell
Director of Housing Services	Peter Daly
Registered office	Astra House Spinners Lane Poynton Cheshire SK12 1GA

Registered number Registered as a non-charitable social landlord under the Industrial and Provident Societies Acts, No: 23699R

Registered by the Housing Corporation, No: SL3344

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
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Solicitors	Trowers & Hamblins Heron House Albert Square Manchester M2 5HD	Howarth Goodman 8 King Street Manchester M60 8HG
	Dickinson Dees 112 Quayside Newcastle Upon Tyne NE99 1SB	Jones Maidment Wilson Market Court 20-24 Church Street Altrincham Cheshire WA14 4DW

Bankers	National Westminster Bank Plc Royal Bank Scotland 5th Floor 135 Bishopsgate London EC2M 3UR	Alliance & Leicester Commercial Bank Corporate Charging Bootle Merseyside GIR 0AA
	Bank of Scotland Housing Finance Corporate Banking P O Box 39900 Level 7, Bishopsgate Exchange 155 Bishopsgate London EC2M 3YB	The Housing Finance Corporation Ltd 4th Floor 107 Cannon Street London EC4N 5AF
	Cheshire Building Society Castle Street Macclesfield Cheshire SK11 6AH	

Report of the Board

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

Legal Status

"Johnnie" Johnson Housing Association Limited ("The Association") is registered under the Industrial and Provident Societies Act 1985 and is registered with the Housing Corporation as a Registered Social Landlord as defined by the Housing Act 1996.

Principal Activities

The principal activity of the Association continues to be the provision of affordable accommodation, principally on a leasehold or shared ownership basis.

Review of the Year

There have been no significant changes in the activity of the Association during the financial year. The Association continues to operate satisfactorily.

Future Developments

The Association will continue to provide a high quality service for properties currently in management. Where opportunities arise, development of further sites will be undertaken.

Changes in Fixed Assets

Details of fixed assets are set out in Note 9. As noted on page 10 the Association moved to showing its housing assets in the balance sheet at current value during the 1998/99 financial year and depreciation of the housing assets commenced in 1999/00. A revaluation of housing assets was undertaken in March 2005. The Board of Management have sought professional guidance in determining a depreciation policy for the Association. Whilst our properties may have a physical life of another 125 years or more, given regular repair and maintenance, it is unlikely that their useful life will exceed 100 years. Changes in demand for social housing have been a feature of our sector in recent years and further changes in overall demand can be expected in the years ahead. Accordingly, the Board is of the view that it would be prudent not to overstate the expected useful lives of its business assets.

Employees

Details of employees and costs are set out in Note 6.

Charitable Donations

During the year the Association made a Gift Aid Payment of £7,158 to "Johnnie" Johnson Housing Trust Ltd.

The Board of Management

The Board of Management is listed on page 1. The Board members are drawn from a wide background bringing together professional and commercial expertise. Annually the Board sets aside time to review its makeup and consider the need for introducing new or additional skills and knowledge.

Each member of the Board of Management holds one fully paid share of £1 in the Association.

Board Meetings

The Board of Management meets formally, at least eight times a year, for regular business in addition to the Annual General Meeting. Special 'Away Days' were also held to consider specific issues in greater depth and to consider Board members' skills, training and development.

Board of Management Skills

The individual members who comprise the Board bring skills from a variety of backgrounds, and represent both our residents and our community involvement across a broad regional base. They collectively possess skills and experience in the following:

- Housing management and housing needs
- Property management or maintenance
- Housing development, building and technical
- Finance
- Business and commerce
- Legal matters
- Information technology systems and management
- Public relations
- Health and social welfare
- Local Authorities
- Strategic management and planning
- Human resources and personnel
- Residents issues and concerns

Report of the Board (continued)

NHF Code of Governance

We are pleased to report the association complies with the principal recommendations of the NHF Code of Governance. Members are restricted to a maximum of 12 years in office whilst the Chair may only hold that position for maximum of 7 years.

Internal Controls Assurance

The Board has overall responsibility for establishing and maintaining the whole system of internal control and for reviewing its effectiveness.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

The process for identifying, evaluating and managing the significant risks faced by the Association is ongoing, has been in place throughout the period commencing 1st April 2006 up to the date of approval of the annual report and financial statements. The Board receives and considers reports from management on these risk management and control arrangements at each meeting during the year.

Internal Controls Assurance

The Board cannot delegate ultimate responsibility for the system of internal control, but it can, and has, delegated authority to the Audit & Risk Management Committee to regularly review the effectiveness of the system of internal control. The Board receives regular reports from the Audit & Risk Management Committee.

The means by which the Audit & Risk Management Committee reviews the effectiveness of the system of internal control include considering risk reports, internal audit reports, management assurances, the external audit management letter and specialist reviews on areas such as treasury, health and safety, and efficiency. The Audit & Risk Management Committee has received the Chief Executive's annual review of the effectiveness of the system of internal control for the association, together with the annual report of the internal auditor, and has reported its findings to the Board. The Board has in turn conducted its own annual review of the effectiveness of the system of internal control.

Website

The Annual Report and Accounts are available on the "Johnnie" Johnson Housing's 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.

Going Concern

After making enquiries the Board has a reasonable expectation that the Association has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in the financial statements.

Auditors

RSM Robson Rhodes LLP were first appointed as auditors to the Association at the 1999 Annual General Meeting 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 auditors following the Annual General Meeting, 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 Association's review of auditors in line with good practice.

By Order of the Board

J F LUNNEY
Secretary

10th July 2007

Statement of Responsibilities of the Board

Statement of the Responsibilities of the Board for the Report and Financial Statements

The board is responsible for preparing the report and financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

The Industrial and Provident Societies Acts and registered social landlord legislation in the United Kingdom require the board to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the association at the end of the year and of the surplus or deficit of the association for the year then ended.

In preparing those financial statements the board is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- follow applicable United Kingdom Accounting Standards and the Statement of Recommended Practice: "Accounting by registered social landlords" (Update 2005), subject to any material departures disclosed and explained in the financial statements.

The board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the association and enable it to ensure that the financial statements comply with the Industrial and Provident Societies Acts 1965 to 2002, paragraph 16 of Schedule 1 to the Housing Act 1996 and the Accounting Requirements for registered social landlords General Determination 2006. It is also responsible for safeguarding the assets of the association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The board is responsible for ensuring that the Report of the Board is prepared in accordance with the Statement of Recommended Practice: "Accounting by registered social landlords" (Update 2005).

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

Independent Auditors' Report to the Members of "Johnnie" Johnson Housing Association Limited

We have audited the financial statements of "Johnnie" Johnson Housing Association Limited for the year ended 31 March 2007, 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. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the association's members, as a body, in accordance with regulations made under section 9 of the Friendly and Industrial and Provident Societies Act 1968. Our audit work has been undertaken so that we might state to the association'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 association and the association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Board and Auditors

The responsibilities of the board 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 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 Industrial and Provident Societies Acts 1965 to 2002, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006. We also report to you if, in our opinion, the Report of the Board is not consistent with the financial statements, if the association 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. 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 board in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and association'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 association as at 31 March 2007 and of its surplus for the year then ended; and
- the financial statements have been properly prepared in accordance with the Industrial and Provident Societies Acts 1965 to 2002, the Housing Act 1996 and the Accounting Requirements for Registered Social Landlords General Determination 2006.

RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
Manchester
10th July 2007

Income and Expenditure Account

For the year ended 31 March 2007

	Note	2007 £ '000	2006 £ '000
Turnover: continuing activities	2	148	124
Operating costs	2	(163)	(135)
Operating (deficit): continuing activities	4	(15)	(11)
Interest receivable and other income	5	11	8
(Deficit) on ordinary activities before taxation		(4)	(3)
Tax on surplus on ordinary activities	8	-	-
(Deficit) for the financial year		(4)	(3)

The notes on pages 10 to 19 form part of these financial statements.

Statement of Total Recognised Surpluses and Deficits

For the year ended 31 March 2007

	2007 £ '000	2006 £ '000
(Deficit) for the financial year	(4)	(3)
	<hr/>	<hr/>
Total recognised surpluses and deficits relating to the year	(4)	(3)
	<hr/> <hr/>	<hr/> <hr/>

Note of Historical Cost Surpluses and Deficits

For the year ended 31 March 2007

	2007 £ '000	2006 £ '000
Reported deficit on ordinary activities before taxation	(4)	(3)
Excess of actual depreciation charge over historical cost depreciation	3	2
	<hr/>	<hr/>
Historical cost surplus on ordinary activities before taxation	(1)	(1)
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of Movements in Funds

For the year ended 31 March 2007

	2007 £ '000	2006 £ '000
Opening total funds	458	461
Total recognised surpluses and deficits relating to the year	(4)	(3)
	<hr/>	<hr/>
Closing total funds	454	458
	<hr/> <hr/>	<hr/> <hr/>

Balance Sheet

At 31 March 2007

	Note	2007 £ '000	2006 £ '000
Tangible fixed assets			
Housing properties	9	330	334
Current assets			
Cash at bank and in hand		789	621
		<hr/>	<hr/>
		789	621
Creditors: Amounts falling due within one year	10	(665)	(497)
		<hr/>	<hr/>
Net current assets		124	124
		<hr/>	<hr/>
Total assets less current liabilities		454	458
		<hr/> <hr/>	<hr/> <hr/>
Capital and reserves			
Non-equity share capital	12	-	-
Revaluation reserve	13	228	231
Revenue reserve	13	226	227
		<hr/>	<hr/>
Association's funds		454	458
		<hr/>	<hr/>
		454	458
		<hr/> <hr/>	<hr/> <hr/>

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

Mel Hill
Chairman

David Goodman
Deputy Chair

Jim Lunney
Secretary

Cash Flow Statement

For the year ended 31 March 2007

	Note	2007 £ '000	2006 £ '000
Net cash inflow from operating activities	15	157	109
Returns on investments and servicing of finance			
Interest received		11	8
Taxation paid		-	-
Capital expenditure		-	-
Management of liquid resources		-	-
Financing		-	-
Increase in cash	16	168	117

Notes to the Financial Statements

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 of the Association are prepared in accordance with applicable accounting standards and the Statement of Recommended Practice: accounting by Registered Social Landlords, update issued in April 2005, and comply with the Accounting Requirements for registered social landlords General Determination 2006.

Turnover

Turnover represents rental income and service charge income, sales of housing properties and sundry housing and non housing services.

Housing properties

Housing properties are properties available for rent and properties subject to shared ownership leases. Housing properties under construction are stated at cost less related social housing grant and other capital grants. The cost of shared ownership properties is stated net of first tranche sale proceeds. Cost includes the cost of acquiring land and buildings, development costs, interest charges incurred during the development period and expenditure incurred in respect of improvements.

Improvements are works which result in an increase in the net rental income, such as a reduction in future maintenance costs, or result in a significant extension of the useful economic life of the property in the business. Only the direct overhead costs associated with new developments or improvements are capitalised.

Housing properties are shown at value. A valuation of stock was undertaken by Countrywide Surveyors, Retford, in March 2005 on an EUV-SH basis in accordance with the Statement of Recommended Practice. The valuation was undertaken in accordance with the RICS Appraisal and Valuation Manual. Cashflows have been discounted at a discount rate of 5.5% and provided a valuation of £337,370.

Housing properties in the course of construction are stated at cost and are transferred into housing properties when completed. Major repairs to properties of a capital nature are included in the cost of the properties when the expenditure is incurred.

Depreciation of housing properties

Freehold land is not depreciated. Depreciation is charged so as to write down the net book value of housing properties to their estimated residual value, on a straight line basis, over their estimated useful economic lives. The depreciable amount is arrived at on the basis of current value less residual value calculated in accordance with the guide to the Statement of Recommended Practice (updated 2005). The Association's housing properties are depreciated over 100 years.

Impairment

The Association properties are, in accordance with Financial Reporting Standard No 11 and the Statement of Recommended Practice (updated 2005), subject to annual impairment reviews.

Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Any such write down is charged to operating surplus unless it was a reversal of a past revaluation surplus in which case it is taken to the statement of total recognised gains and losses.

No impairment was found in the review conducted at the end of the 2006/07 financial year.

Social Housing Grant

Where developments have been financed wholly or partly by Social Housing Grant, the cost of those developments has been reduced by the amount of the grant received as shown in note 9.

Related Parties

The Board of Management includes tenant representatives. The tenancies for these members are on normal terms and they are unable to use their position to their advantage.

Revenue Reserve

This reserve provides for future working capital and protects the Association against any unexpected expenditure. In the view of the Board Management the level of this accumulated reserve is reasonable in relation to the activity of the Association.

Group Structure

In October 1989, in accordance with Housing Corporation guidelines, "Johnnie" Johnson Housing Trust Ltd set up a group structure with this Association as a subsidiary.

Value Added Tax

The Association is a member of a group registration with "Johnnie" Johnson Housing Trust Ltd for VAT purposes. A part of the Association's income is derived from exempt supplies and this gives rise to a partial exemption calculation.

Notes to the Financial Statements

2. Turnover, Cost of Sales, Operating Costs and Operating Surplus

Continuing Activities

	2007		
	Turnover	Operating Costs	Operating surplus / (deficit)
	£ '000	£ '000	£ '000
Social housing lettings	146	(154)	(8)
Other social housing activities	<u> </u>	<u> </u>	<u> </u>
Other	2	(2)	-
Gift-aid payment	-	(7)	(7)
	<u> </u>	<u> </u>	<u> </u>
	<u>148</u>	<u>(163)</u>	<u>(15)</u>

	2006		
	Turnover	Operating Costs	Operating surplus / (deficit)
	£ '000	£ '000	£ '000
Social housing lettings	122	(132)	(30)
Other social housing activities	<u> </u>	<u> </u>	<u> </u>
Other	2	(3)	19
	<u> </u>	<u> </u>	<u> </u>
	<u>124</u>	<u>(135)</u>	<u>(11)</u>

The 2006 breakdown of other turnover has been restated by £20,000.

This represents management income charges which are now considered to be part of the social housing lettings income. The effect of this is to reduce "Other " income and increase the "Social housing lettings" income, both by £20,000.

Notes to the Financial Statements

2. Turnover, Cost of Sales, Operating Costs and Operating Surplus on Lettings

Particulars of income and expenditure from social housing lettings – Shared Ownership

	2007	2006
	Low cost home ownership £'000	Low cost home ownership £'000
Rent receivable net of identifiable service charges	21	20
Service income	102	82
	<hr/>	<hr/>
Net rental income	123	102
Other Housing Corporation revenue grants	-	-
Other revenue grants	-	-
	<hr/>	<hr/>
Turnover from social housing lettings	123	102
	<hr/>	<hr/>
Management	51	50
Services	78	69
Routine maintenance	4	4
Planned maintenance	17	6
Depreciation of housing properties	4	3
	<hr/>	<hr/>
Operating costs on social housing lettings	154	132
	<hr/>	<hr/>
Operating deficit on social housing lettings	(31)	(30)
	<hr/> <hr/>	<hr/> <hr/>
Void losses	-	-
	<hr/> <hr/>	<hr/> <hr/>

3. Accommodation Managed by Agents

The Association owns property managed by other bodies as follows:

	2007 No.	2006 No.
Social housing		
Low cost home ownership	90	90
	<hr/> <hr/>	<hr/> <hr/>

4. Operating Surplus

This is arrived at after charging/(crediting):

	2007 £ '000	2006 £ '000
Depreciation of housing properties	4	3
Auditors' remuneration (including VAT)		
- for audit services	2	2
- for non-audit services:	-	-
Gift Aid payment	7	3
	<u> </u>	<u> </u>

5. Interest Receivable and Other Income

	2007 £ '000	2006 £ '000
Interest receivable and similar income	11	8
	<u> </u>	<u> </u>
	11	8
	<u> </u>	<u> </u>

6. Employees

Average monthly number of employees expressed in full time equivalents:

	2007 No.	2006 No.
Housing, support and care	1	1
	<u> </u>	<u> </u>
	1	1
	<u> </u>	<u> </u>

Employee costs:

	2007 £ '000	2006 £ '000
Wages and salaries	16	16
Social security costs	1	1
Other Pension Costs	2	
Staff Accommodation	2	2
	<u> </u>	<u> </u>
	21	19
	<u> </u>	<u> </u>

The Association's employees are members of the Social Housing Pension Scheme (SHPS). The employees of other group members are members of the SHPS. Further information on the scheme is given in the accounts of the parent company "Johnnie" Johnson Housing Trust Limited,

Notes to the Financial Statements

7. Board Members and Executive Directors

The board members and 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.

8. 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	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
Deferred tax		
Net origination and reversal of timing differences	-	-
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>
	2007 £ '000	2006 £ '000
Current tax reconciliation		
Deficit on ordinary activities before tax	(4)	(3)
	<hr/>	<hr/>
Theoretical tax at UK corporation tax rate 30% (2006: 30%)	(1)	(1)
Gift Aid payments	(2)	(2)
Other non-deductible expenditure	3	3
	<hr/>	<hr/>
Current tax charge	-	-
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements

9. Tangible Fixed Assets - Properties

ASSOCIATION – Housing properties

	Completed shared ownership housing properties £'000
Cost or valuation	
At 1 April 2006 and 31 March 2007	667
Depreciation and impairment	
At 1 April 2006	(3)
Depreciation charged in year	(4)
At 31 March 2007	(7)
Depreciated cost	
At 31 March 2007	660
At 31 March 2006	664
Social Housing Grant	
At 1 April 2006	(330)
At 31 March 2007	(330)
Net book value	
At 31 March 2007	330
At 31 March 2006	334

Completed housing properties are stated at Existing Use Value for Social Housing (EUV-SH), including notional directly attributable acquisition costs, as at 31 March 2005. The Group's housing properties have been valued by professional external valuers, Countrywide, Chartered Surveyors. The full valuation of the properties was undertaken in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors as follows:

	£ '000
Completed properties at valuation	337
Housing properties under construction at cost net of SHG and other grants	-
Consolidated at valuation date	337

In valuing housing properties, discounted cash flow methodology was adopted with key assumptions:

Discount rate	5.5%
Annual inflation rate	2.5%
Level of annual rent increase	2.5%

The carrying value of the housing properties that would have been included in the financial statements had the assets been carried at historical cost less SHG and depreciation is as follows:

	2007 £ '000	2006 £ '000
Historical cost	468	468
Social housing grant	(330)	(330)
Other capital grants	-	-
Depreciation and impairment	(7)	(2)
	131	136

Social housing grant

	2007 £ '000	2006 £ '000
Total accumulated SHG receivable at 31 March:		
Capital grant	330	330
Revenue grant	-	-
	330	330

Notes to the Financial Statements

9. Tangible Fixed Assets – Properties (continued)

Housing properties book value, net of depreciation and grants comprises:

	2007	2006
	£ '000	£ '000
Freehold land and buildings	330	334
Long leasehold land and buildings	-	-
Short leasehold land and buildings	-	-
	<u>330</u>	<u>334</u>
	<u><u>330</u></u>	<u><u>334</u></u>

Expenditure on works to existing properties

	2007	2006
	£ '000	£ '000
Amounts capitalised	-	-
Amounts charged to income and expenditure account	21	10
	<u>21</u>	<u>10</u>
	<u><u>21</u></u>	<u><u>10</u></u>

10. Creditors: Amounts Falling Due Within One Year

	2007	2006
	£ '000	£ '000
Funds held on behalf of Residents	156	125
Amounts owed to group undertakings	496	346
Recycled capital grant fund (note 11)	-	15
Other creditors	7	6
Accruals and deferred income	6	5
	<u>665</u>	<u>497</u>
	<u><u>665</u></u>	<u><u>497</u></u>

11. Recycled Capital Grant Fund

	2007	2006
	£ '000	£ '000
At 1 April	15	15
Interest accrued	4	
Transfers to other group members	(19)	
	<u>-</u>	<u>15</u>
Repayment of grant to Housing Corporation	-	-
Balance at 31 March	<u>-</u>	<u>15</u>
	<u><u>-</u></u>	<u><u>15</u></u>
Amount due for repayment to Housing Corporation	<u>-</u>	<u>-</u>
	<u><u>-</u></u>	<u><u>-</u></u>

Notes to the Financial Statements

12. Non-Equity Share Capital

	2007	2006
	£	£
Shares of £1 each issued and fully paid		
At 1 April	87	110
Shares issued during the year	2	3
Shares surrendered during the year	(1)	(26)
At 31 March	<u>88</u>	<u>87</u>

The shares provide members with the right to vote at general meetings, but do not provide any rights to dividends or distributions on a winding up.

13. Reserves

	Revaluation Reserve – Housing Properties £ '000	Revenue Reserve £ '000	Total Reserves £ '000
At 1 April 2006	231	227	458
(Deficit) for the year	-	(4)	(4)
Transfer in respect of depreciation on revalued properties	(3)	3	-
At 31 March 2007	<u>228</u>	<u>226</u>	<u>454</u>

14. Contingent Liabilities

The association had no known contingent liabilities at 31 March 2007 (2006: nil).

15. Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities

	2007	2006
	£ '000	£ '000
Operating (deficit)	(15)	(11)
Depreciation of tangible fixed assets	4	3
	<u>(11)</u>	<u>(8)</u>
Working capital movements		
Properties for outright sale		
Debtors	-	-
Creditors	168	117
Net cash inflow from operating activities	<u>157</u>	<u>109</u>

Notes to the Financial Statements

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

	2007 £ '000	2006 £ '000
Increase / (decrease) in cash	168	117
Cash flow from (decrease) in liquid resources	-	-
Cash inflow from increase in debt and lease finance	-	-
Increase in net debt from cash flows	<u>168</u>	<u>117</u>
Change in market value of investments	-	-
Total changes in net debt for the period	<u>168</u>	<u>117</u>
Net debt at 1 April	621	504
Net debt at 31 March	<u><u>789</u></u>	<u><u>621</u></u>

17. 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	621	168	-	789
Changes in cash	<u>621</u>	<u>168</u>	<u>-</u>	<u>789</u>
Current asset investment	-	-	-	-
Loans	-	-	-	-
Finance leases	-	-	-	-
Changes in debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net debt	<u><u>621</u></u>	<u><u>168</u></u>	<u><u>-</u></u>	<u><u>789</u></u>

18. 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.