

**NEW CHARTER PROPERTY SERVICES
LIMITED**

(Company Number 4351144)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st MARCH 2006

NEW CHARTER PROPERTY SERVICES LIMITED

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NEW CHARTER PROPERTY SERVICES LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31st MARCH 2006

The Directors present herewith the Financial Statements of the Company for the year ended 31st March 2006.

PRINCIPAL ACTIVITIES

The principal activity is to act as a general commercial company and specifically, in terms of the Group, to provide a management facility in relation to the Group's property assets. New Charter Property Services Limited is a Company limited by guarantee. The Company does not employ staff directly.

FUTURE DEVELOPMENT

As an integral element of the New Charter Group the Company provides a management facility in respect of the Group's property assets.

REVIEW OF THE YEAR

The Company is responsible for the efficient management of the Group's non-residential assets, principally its headquarters building and town centre shops. The cost of this activity is fully met by other Companies within the Group. The move into the headquarters building was successfully completed by the end of April 2004.

DIRECTORS

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

	<u>Appointed</u>	<u>Resigned</u>
Gerald Cooney – Chair	25 th June 2002	
James Burns – Vice-Chair	25 th June 2002	
Danny McLoughlin	10 th January 2002	
Julie Hardman	25 th June 2002	
Ian Munro	25 th June 2002	
Andrew Broadhurst	10 th December 2002	

AUDITORS

At the Board meeting of New Charter Housing Trust Ltd on 25th April 2000 the Directors appointed KPMG to act as Auditors for the Group and for each of the Companies therein. In May 2002 KPMG converted to a limited liability partnership, KPMG LLP, with the successor organisation taking the business as Auditors for the Group.

The Auditors, KPMG LLP, are willing to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company Law requires the Directors to prepare statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period. In preparing those financial statements the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgements and estimate's 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 which disclose with reasonable accuracy at any time the financial position of the Company and to 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 of fraud and other irregularities.

The report of the Board of Management was approved on 28th September 2006 and signed on its behalf by:

Mr. DO McLoughlin
Group Company Secretary
New Charter Housing Trust Limited
Cavendish 249
Cavendish Street
Ashton-under-Lyne
OL6 7AT



St James' Square
Manchester
M2 6DS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NEW CHARTER PROPERTY SERVICES LIMITED

We have audited the financial statements of New Charter Property Services Limited for the year ended 31st March 2006 which comprise of the Profit and Loss Account, the Balance Sheet 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 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

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 in our opinion the information given in the Directors' Report is consistent with the financial statements. We also 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 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 31st March 2006 and of its performance 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.

KPMG LLP

Chartered Accountants

Registered Auditor

NEW CHARTER PROPERTY SERVICES LTD
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDING 31 MARCH 2006

		2006	2005
		£'000	£'000
Turnover	2	233	250
Operating costs	2	(233)	(250)
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		-	-
Interest receivable and other income		-	-
Interest payable and similar charges		-	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
TAXATION			
Taxation on ordinary activities		-	-
REVENUE RESERVE CARRIED FORWARD		-	-

All of the above results derive from continuing operations.

The notes on pages 9 to 12 form an integral part of the financial statements.

NEW CHARTER PROPERTY SERVICES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2006

		2006		2005
		£'000	£'000	£'000
CURRENT ASSETS				
Debtors	4	196	-	
CREDITORS				
Amounts falling due within one year	5	<u>(196)</u>	<u>-</u>	
NET CURRENT ASSETS		-	-	
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>-</u>	<u>-</u>	
CREDITORS				
Amounts falling due after more than one year		-	-	
NET ASSETS		<u>-</u>	<u>-</u>	
CAPITAL AND RESERVES				
Revenue reserve		-	-	
		<u>-</u>	<u>-</u>	

The financial statements on pages 7 to 12 were approved on behalf of the Board on the 31st August 2006 and were signed by:

G Cooney

(Chair)

D O McLoughlin

(Group Company Secretary)

The notes on pages 9 to 12 form an integral part of the financial statements.

NEW CHARTER PROPERTY SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

1 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.

Recent Accounting Standards

The financial statements for the group for the year ended 31 March 2005 have been restated in order to provide comparative figures arising from the adoption of FRS17 'Retirement Benefits' in preparing the financial statements for the year ended 31 March 2006. More information is provided in Group note 23.

The Association operates a pension scheme providing benefits based on final pensionable pay. The asset of the scheme are held separately from those of the company. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currently to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

Financial Reporting Standard 18 (FRS18) Accounting Policies has been adopted.

After careful review the directors are satisfied that the current Accounting Policies are the most appropriate and therefore no changes in Accounting Policies are required.

Turnover

Turnover represents the recharge of salaries and other overheads incurred in the performance of a facilities and asset management service across the Group's non housing stock.

Pension Costs

The company operates a defined benefit pension scheme based on final pensionable salary. Details of the scheme are set out in note 23 of the Group Accounts. Contributions from the Group and participating employees are paid into an independently administered fund. These payments are made in accordance with triennial calculations by professionally qualified independent actuaries. In the intervening years, the actuary reviews the continuing appropriateness of the rates of contributions.

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.

Cash Flow Statement

Under FRS1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the cash flow of the company in its own published consolidated accounts.

NEW CHARTER PROPERTY SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

2 PARTICULARS OF TURNOVER, OPERATING COSTS AND OPERATING SURPLUS

	Turnover	2006 Operating costs	Operating surplus	Turnover	2005 Operating costs	Operating surplus
	£'000	£'000	£'000	£'000	£'000	£'000
TURNOVER						
Intercompany recharges	196			218		
Other income	37			32		
	<u>233</u>			<u>250</u>		
OPERATING COSTS						
Management overheads						
Employee costs		233			245	
Employee related expenses		-			1	
Supplies & services		-			4	
Overheads		<u>233</u>			<u>250</u>	
Operating surplus			<u>-</u>			<u>-</u>

NEW CHARTER PROPERTY SERVICES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

3 EMPLOYEE INFORMATION

	2006	2005
The average number of persons employed during the year		
Corporate & administrative services	<u>10</u>	<u>11</u>
	<u>10</u>	<u>11</u>
Full time	9	10
Part time	<u>1</u>	<u>1</u>
	<u>10</u>	<u>11</u>

	2006	2005
	£'000	£'000
Staff costs for the above persons were:		
Wages and salaries	191	205
Social security costs	14	14
Other pension costs	<u>27</u>	<u>22</u>
	<u>232</u>	<u>241</u>

NEW CHARTER PROPERTY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

	2006	2005
	£'000	£'000
4 DEBTORS		
Amount due from subsidiary undertakings	196	-
	<u>196</u>	<u>-</u>

	2006	2005
	£'000	£'000
5 CREDITORS - Amounts falling due within one year		
Amount due to fellow subsidiary undertakings	196	-
	<u>196</u>	<u>-</u>

The average number of days between date of invoice and payment was 30 (2005 : 30)

6 ULTIMATE PARENT UNDERTAKING

The company is a subsidiary undertaking of New Charter Housing Trust Ltd, which was incorporated in the United Kingdom at the 31st March 2001. The Company's principal address is:

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