



JVCo Limited

Financial Statements

for the year ended 31 March 2007

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<u>CONTENTS</u>	<u>PAGE</u>
Company Details	2
Report of the Directors	3
Report of the Independent Auditors	6
Profit and Loss Account	7
Balance Sheet	8
Notes to the Financial Statements	9

COMPANY DETAILS

Directors	D Cowans (Chairman) S Binks C Masundire (resigned 24 October 2006) M L Reeves (appointed 17 July 2006, resigned 19 July 2006)
Company Secretary	G A R Fordyce (Resigned 10 April 2006) M Reeves (Appointed 10 April 2006, resigned 17 November 2006) S Binks (appointed 17 November 2006)
Registered Office	4 The Pavilions Port Way Preston PR2 2YB
Bankers	Co-Operative Bank Plc 147 Church Street Preston PR1 3UD
Solicitors	The Company, as a member of Places for People Group, uses firms on the panel of solicitors, as set out below Devonshires, London Trowers & Hamlins, London
Registered Auditors	KPMG LLP St James' Square Manchester M2 6DS
Registration of Company	The Company is incorporated under the Companies Act 1985 (Registered Number 1310093)

Report of the Board of Directors

The Directors are pleased to present the report and financial statements for the year ended 31 March 2007

The Company is a subsidiary of Places for People Group Limited

Activities

The company did not trade during the financial year

Review of Business and future developments

The profit for the year to 31 March 2007 before tax was £nil (2006 profit of £226,905)

The joint venture of JVCo Limited is included in the consolidated accounts of Places for People Group Limited, the ultimate parent, as required by FRS 8

Dividends

The directors do not recommend the payment of a dividend

Directors

The directors of the Company are shown on page 2

Directors' Interests

The directors do not have an interest in the share capital of the company

Shareholders Interests

100 ordinary shares are held by Places for People Group Limited, and the remaining 505,467 non voting preference shares are held by Places for People Homes Limited

Report of the Board of Directors (Continued)

Internal Controls

The Places for People Group Board of Directors is responsible for maintaining and reviewing the Group's system of internal control. The Group Audit Committee is responsible to the Group Board for monitoring this system and reporting on its effectiveness. Any such system can provide reasonable but not absolute assurance against material misstatement or loss, and the development of the system is a continuing process.

In November 2001 the Housing Corporation issued circular R2-25/01 on internal controls assurance which codifies the applicability to Registered Social Landlords of the provisions of the Combined Code on Corporate Governance. The Board believes that the Places for People Group Limited has in place the frameworks required to comply with the requirements of the circular R2-25/01. The Group Board is of the view that the Group complies with the Combined Code of Corporate Governance including the recommendations of the Higgs and Smith Reports, which were incorporated within the revised Combined Code.

The overall internal control framework comprises -

- Frameworks and structures to ensure that the business remains viable and is managed effectively
- The identification of appropriate assurance mechanisms which can be used to ensure that the internal control framework is operating effectively

A key element of the required process is that the Group Chief Executive submits a report to the Group Board on the position in relation to assurance on internal control. A specific requirement is that -

"to help the board review the effectiveness of the association's system of internal control, its chief executive or executive team should present it with an annual report on the effectiveness of the system. This should refer to the forms of assurance that the board considers appropriate to obtaining overall assurance on the system. Where there is an audit committee in place the chief executive or executive team may present their report to it."

Internal Control – Assurance

Assurance has been drawn from five main sources. Some sources operate continuously over the year whilst others are year-end confirmation and certification processes.

The following deals with each major source of assurance. The Board, in forming a view, looks at the aggregate level of assurance derived from these sources, each having a differing degree of objectivity.

• The year end completion of the Risk Management Process and subsequent confirmation of controls by subsidiary boards

Subsidiary Risk Management Frameworks are signed off annually by the relevant Director. Each framework is then presented to the relevant board for approval and a statement covering the level of internal control is signed by each company Chair.

• Submission of letters of Representation from Directors and Senior Management

- The operation of and output from Group Business Assurance Services

The planning and delivery of the Business Assurance Service has been reported comprehensively to the Audit Committee over the year. A business with the size and complexity of the Places for People Group will inevitably experience some internal control issues. These are identified and addressed by management, particularly as the approach is complemented by the Risk Management Cycle.

• The view of the External Auditor, KPMG

This position in relation to controls which are within the scope of the auditor's terms of engagement is confirmed at the conclusion of each audit. Any issues arising from interim audit work are also reported to the Audit Committee.

• The Housing Corporation Assessment Report

The Housing Corporation assessment has set indicators of red, amber and green in relation to Viability, Governance, Management and Development. For the current Housing Corporation Assessment all indicators remain at green meaning that the Places for People Group meets the expectations set out in the Housing Corporation's Regulatory Code. In addition, substantial work has been undertaken to ensure that the Audit Committee's structure and activities comply with the recommendations of the Smith Report, now incorporated within the revised Combined Code. The Group Board of Directors has reviewed the effectiveness of the system of internal control for the year ended 31 March 2007, and up to the date of signing these financial statements. It has not identified any weaknesses which resulted in material losses or contingencies or other uncertainties which require disclosure in the financial statements.

Report of the Board of Directors (Continued)

Statement of Disclosure to the Auditors

At the time of approval of this report

- a) so far as the Directors are aware, there is no relevant audit information of which the Company's Auditor is unaware, and
- b) the Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information

Statement of Directors' Responsibilities

The directors are required by UK company law to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period

The directors confirm that suitable accounting policies have been used and applied consistently and reasonable and prudent judgements and estimates have been made in the preparation of the financial statements for the year ended 31 March 2007. The directors also confirm that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis after having received confirmation of ongoing financial support from the Boards of NBH and the Group

The directors are responsible for keeping proper accounting records, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

By order of the Board


S Binks
Company Secretary

Preston, 18th July 2007

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF JVCo LIMITED

We have audited the financial statements of JVCo for the year ended 31st March 2007 which comprise of the Profit and Loss Account, 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 the Director and the Auditors

As described in the statement of Directors' Responsibilities on page 5, 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 the 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 transactions with the Company 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 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 have 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 2007 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.

KPMG LLP
Chartered Accountants
Registered Auditors
St James Square
Manchester
M2 6DS

27th July 2007

PROFIT AND LOSS ACCOUNT

For the year ending 31 March 2007

	Notes	2007	2006
		£	£
Turnover			
Discontinued Operations	2	-	1,949
Operating costs	2	<u>-</u>	<u>239,434</u>
Operating Profit		-	241,383
Interest receivable and similar income	3	-	5,119
Interest Payable	4	-	(19,597)
Profit before taxation		<u>-</u>	<u>226,905</u>
Tax on Profit on Ordinary Activities		-	-
Profit for the year	10	<u><u>-</u></u>	<u><u>226,905</u></u>

There is no difference between the profit on ordinary activities after taxation and the profit for the year stated above and their historical cost equivalents

There are no other recognised gains and losses other than those reported above, therefore a separate statement of recognised Gains and Losses has not been prepared

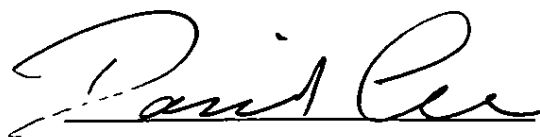
All activities are discontinued The company did not trade during 2007

BALANCE SHEET
As At 31 March 2007

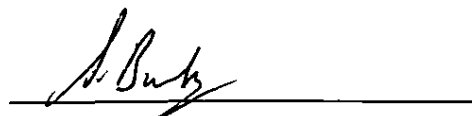
	Notes	2007 £	2006 £
Fixed Assets			
Investments	7	5	5
Current Assets			
Cash at bank and in hand		575	-
Creditors - Amounts falling due within one year	8	(580)	(5)
Net current liabilities		(5)	(5)
Total Assets less current liabilities		-	-
Capital and reserves			
Called up share capital	9	505,567	505,567
Profit and loss account	10	(505,567)	(505,567)
Equity Shareholders Funds		-	-

The financial statements on pages 9 to 13 were approved by the directors on 18th July 2007 and were signed on its behalf by

Director



Director



NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2007

1. ACCOUNTING POLICIES

a) Principal accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. The joint venture set up by JVCo Limited is now included in the consolidated accounts of Places for People Group Limited, the ultimate parent. A summary of the more significant policies, which have been applied consistently, is set out below.

b) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

c) Investments

The investment in Westminster City Homes Ltd is shown at cost.

d) Turnover

Turnover in 2006 includes write offs only.

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2007

2. TURNOVER, COST OF SALES, OPERATING COSTS AND OPERATING SURPLUS

There was no activity in 2007

	Turnover	Cost of Sales	Operating costs	Operating profit / (loss)
	Discontinued £	Discontinued £	Discontinued £	Discontinued £
Write backs & Impairment	<u>1,949</u>	<u>-</u>	<u>239,434</u>	<u>241,383</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ending 31 March 2007

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2007 £	2006 £
Interest receivable on loans to Joint Ventures	-	5,119

4. INTEREST PAYABLE

	2007 £	2006 £
On other loans		
Wholly repayable within 5 years	-	19,597

5. DIRECTORS' EMOLUMENTS

The Directors of the company did not receive any emoluments during the year

6. EMPLOYEES

The company had no employees during the financial year. Administrative services were provided by The Places for People Group Limited

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2007

7. LONG TERM INVESTMENTS

	2007 £	2006 £
Joint Ventures		
Westminster City Homes Ltd	<u>5</u>	<u>5</u>
 Cost		
At 1 April	5	656,005
Disposals / Amounts written off in year	-	(656,000)
Cost at 31 March	<u>5</u>	<u>5</u>
 Impairment		
At 1 April	-	(475,000)
Impairment released / (provided)	-	475,000
at 31 March	<u>-</u>	<u>-</u>
 Net Book Value at 31 March	<u>5</u>	<u>5</u>

8. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Amounts owed to group undertakings	<u>580</u>	<u>5</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ending 31 March 2007

9. SHARE CAPITAL

Issued, allotted and fully paid

100 Ordinary shares of £1 each
 505,467 Preference shares of £1 each

2007 £	2006 £
100	100
505,467	505,467
<u>505,567</u>	<u>505,567</u>

10. PROFIT AND LOSS RESERVE

At 1 April
 Profit for the year
 At 31 March

2007 £	2006 £
(505,567)	(732,472)
-	226,905
<u>(505,567)</u>	<u>(505,567)</u>

11. CONTINGENT LIABILITIES

The Company is party to certain legal actions arising in the ordinary course of business. While the outcome of these cases is uncertain, the directors believe, on the basis of advice received, that no material loss to the Company will occur (2006 Nil)

12. CASHFLOW STATEMENTS

A cashflow statement has not been prepared as JVCo Limited is a subsidiary of Places for People Group Limited, which has prepared a consolidated cashflow statement, complying with Revised Financial Reporting Standard 1

13. RELATED PARTY TRANSACTIONS

The Company is a subsidiary of Places for People Group Limited. Since the parent company publishes consolidated group accounts, the Company has taken advantage of the exemption not to report transactions with other group members as permitted in FRS8. Charges made within the Group relate to recoverable business charges that occur in the normal course of business.