

Company number : 452

UK HOUSING SOCIETY PLC

DIRECTORS' REPORT AND ACCOUNTS

for the year ended 31 March 1999



UK HOUSING SOCIETY PLC

REPORT OF THE DIRECTORS

The directors submit their report together with the audited accounts of the company for the year ended 31 March 1999.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be that of investing in property.

Loss for the year after taxation.

£
64

The directors do not recommend the payment of a dividend.

REVIEW OF THE BUSINESS

The company's results are shown on page 3 and the directors are satisfied with the development of the business.

DIRECTORS

C C Tett, FCA (Chairman)
G S Barclay
T P Mundy

C N Woodhouse
J R Grace

None of the directors had any interest in the share capital of the company. The directors are also directors of the ultimate parent company and as such their interests in its shares are disclosed in the financial statements of that company. J R Grace retires by rotation and, being eligible, offers himself for re-election. J R Grace has no service contract with the company.

None of the directors has any material interest in any contracts of significance to which the company was a party during the financial year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires that the directors 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 directors are required to:

- (a) Select suitable accounting policies and apply them consistently.
- (b) Make judgements and estimates that are reasonable and prudent.
- (c) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- (d) 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 and detection of fraud and other irregularities.

YEAR 2000 COMPLIANCE

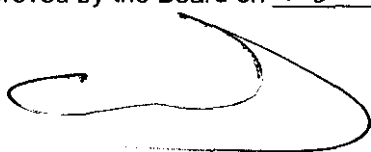
UK Land plc, the ultimate parent company, updated its computer systems during 1998, in order to be Year 2000 compliant for both its software packages and hardware. The computer support and supply company have confirmed that the systems are compliant.

AUDITORS

A resolution to re-appoint Binder Hamlyn as auditors will be submitted to the Annual General Meeting.

This report was approved by the Board on 28th June 1999

C C Tett



AUDITORS' REPORT TO THE SHAREHOLDERS OF UK HOUSING SOCIETY PLC

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention as modified by the revaluation of investment properties and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the Company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.


BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards 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 circumstances of the company, 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 of the state of the affairs of the company as at 31 March 1999 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Binder Hamlyn
Chartered Accountants & Registered Auditors
20 Old Bailey
London EC4M 7BH

28 June 1999

UK HOUSING SOCIETY PLC
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1999

| | Notes | 1999 | 1998 |
|--|-------|------|-------|
| | | £ | £ |
| Turnover | | — | — |
| Less : cost of sales | | — | — |
| | | — | — |
| Administrative expenses | | (64) | (99) |
| OPERATING (LOSS) | | (64) | (99) |
| Profit on disposals | | — | 1,125 |
| Interest payable | 2 | — | — |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | 2 | (64) | 1,026 |
| Taxation payable | | — | — |
| (LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | (64) | 1,026 |

There are no recognised gains and losses or movements in shareholders' funds in 1999 and 1998 other than the profit for the year.

All results are derived from continuing activities.

The accompanying notes are an integral part of this profit and loss account.

UK HOUSING SOCIETY PLC
BALANCE SHEET at 31 March 1999

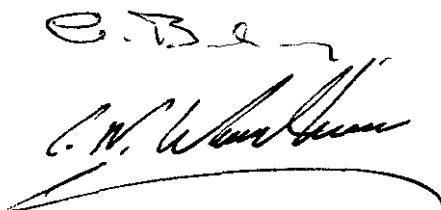
| | Notes | 1999 | 1998 |
|---|-------|-----------|-----------|
| | | £ | £ |
| CURRENT ASSETS | | | |
| Investments | 3 | 6,409 | — |
| Debtors | 4 | — | 3,781 |
| Cash | | — | 366 |
| Total assets | | 6,409 | 4,147 |
| CREDITORS: amounts falling due after more than one year | 5 | (2,326) | — |
| | | 4,083 | 4,147 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 6 | 202,465 | 202,465 |
| Profit and loss account | | (198,382) | (198,318) |
| Shareholders' funds | 7 | 4,083 | 4,147 |
| SHAREHOLDERS' FUNDS | | | |
| Equity | | (196,377) | (196,313) |
| Non-equity | | 200,460 | 200,460 |
| | | 4,083 | 4,147 |

The accompanying notes are an integral part of this balance sheet.

The financial statements on pages 3 to 6 were approved by the Board on 28th June 1999

G S Barclay
Director

C N Woodhouse
Director



UK HOUSING SOCIETY PLC
NOTES TO THE ACCOUNTS
for the year ended 31 March 1999

1. ACCOUNTING POLICIES

a) Basis of accounting - The financial statements have been prepared under the historical cost convention, assuming the continuing financial support of the ultimate parent company and in accordance with applicable accounting standards.

b) Taxation

Deferred tax is provided using the liability method on all timing differences only to the extent that they are expected to be reversed in the future, without being replaced.

c) Investments

Investments are shown at cost, less provisions for permanent diminution in value.

2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Staff costs :

There were no staff, other than the directors, employed by the company during the year (1998: none). No director received any remuneration during the year (1998: nil).

Auditors' remuneration :

Auditors' remuneration for the year was £nil (1998: nil).

Interest payable :

Interest payable to parent company £nil (1998: nil).

3. INVESTEMENTS

Shares

4. DEBTORS : amounts falling due after more than one year
Amounts owed by parent undertaking

5. CREDITORS : amounts falling due after more than one year
Amounts owed to parent undertaking

| | 1999 | 1998 |
|--|-------|-------|
| | £ | £ |
| Shares | 6,409 | — |
| DEBTORS : amounts falling due after more than one year | | |
| Amounts owed by parent undertaking | — | 3,781 |
| CREDITORS : amounts falling due after more than one year | | |
| Amounts owed to parent undertaking | 2,326 | — |

UK HOUSING SOCIETY PLC
NOTES TO THE ACCOUNTS
for the year ended 31 March 1999

| | 1999 | 1998 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| 6. CALLED UP SHARE CAPITAL | | |
| Authorised | | |
| 250,000 ordinary shares of 1p each | 2,500 | 2,500 |
| 247,500 deferred shares of 100p each | 247,500 | 247,500 |
| | <u>250,000</u> | <u>250,000</u> |
| Allotted, issued and fully paid | | |
| 200,460 ordinary shares of 1p each | 2,005 | 2,005 |
| 200,460 deferred shares of 100p each | 200,460 | 200,460 |
| | <u>202,465</u> | <u>202,465</u> |

Non-equity shareholders funds relate entirely to the deferred shares of 100 pence each.

The rights of the deferred shares are determined by the Company and currently have no voting rights, no right to dividends and no rights to participate in a winding up.

**7. RECONCILIATION IN MOVEMENT
ON SHAREHOLDER'S FUNDS**

| | | |
|---|--------------|--------------|
| (Loss)/Profit for the year after taxation | (64) | 1,026 |
| Opening Shareholders' funds | 4,147 | 3,121 |
| Closing Shareholders' funds | <u>4,083</u> | <u>4,147</u> |

8. ULTIMATE PARENT COMPANY

The Company's ultimate parent company is UK Land plc which is registered in England and Wales.

UK Land plc is the parent company of the only group of which UK Housing Society plc is a member and for which group accounts are drawn up. Copies of those group accounts have been delivered to, and are available from, The Registrar of Companies, Companies Registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.

9. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 8 for 90% subsidiaries not to disclose transactions with it's parent Company.