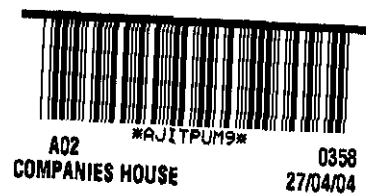


Registration number 452

UK Housing Society plc
Directors' report and financial statements
for the period ended 30 April 2003



UK Housing Society plc

Company information

Directors	C C Tett	Chairman
	V R Tett	App 16/12/2002
	G S Barclay	Res 16/12/2002
	T P Mundy	Res 16/12/2002
	C N Woodhouse	Res 16/12/2002
	J R Grace	Res 16/12/02
Secretary	Mrs J V Tett	
Company number	452	
Registered office	91 Jermyn Street London SW1Y 6JT	
Auditors	C J Backhouse & Co 73 Dorchester Ave Harrow Middx HA2 7AX	
Business address	91 Jermyn Street London SW1Y 6JT	

UK Housing Society plc

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UK Housing Society plc

Directors' report for the period ended 30 April 2003

The directors present their report and the financial statements for the period ended 30 April 2003.

Principal activity

The principal activity of the company continues to be property investment.

Directors and their interests

The directors who served during the period and their interests in the company are as stated below:

		Ordinary shares		Deferred Shares	
		30/04/03	01/04/02	30/04/03	01/04/02
		or date of appointment		or date of appointment	
C C Tett	Chairman	-	-	-	-
V R Tett	App 16/12/2002	-	-	-	-
G S Barclay	Res 16/12/2002	-	-	-	-
T P Mundy	Res 16/12/2002	-	-	-	-
C N Woodhouse	Res 16/12/2002	-	-	-	-
J R Grace	Res 16/12/02	-	-	-	-
		-	-	-	-

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 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.

Auditors


In accordance with Section 385 of the Companies Act 1985, a resolution proposing that C J Backhouse & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on and signed on its behalf by

Mr C C Tett

Director



UK Housing Society plc

Independent auditors' report to the shareholders of UK Housing Society plc

We have audited the financial statements of UK Housing Society plc for the period ended 30 April 2003 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 audit opinion

We conducted our audit in accordance with United Kingdom 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 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.

UK Housing Society plc

Independent auditors' report to the shareholders of UK Housing Society plc continued

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2003 and of its profit and cash flows for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



C J Backhouse & Co
Chartered Accountants and
Registered Auditors

10/4/04

73 Dorchester Ave
Harrow
Middx

HA2 7AX

UK Housing Society plc

Profit and loss account
for the period ended 30 April 2003

		Continuing operations	
		Period ended 30/04/03	Period ended 31/03/02
	Notes	£	£
Turnover	2	40,000	45
Administrative expenses		(46)	(16)
Investment income	3	148	-
Profit on ordinary activities before taxation		40,102	29
Tax on profit on ordinary activities	4	(7,600)	(3)
Profit on ordinary activities after taxation		32,502	26
Retained profit for the period		32,502	26
Accumulated loss brought forward		(177,500)	(177,526)
Accumulated loss carried forward		(144,998)	(177,500)

There are no recognised gains or losses other than the profit or loss for the above two financial periods.

The notes on pages 7 to 10 form an integral part of these financial statements.

UK Housing Society plc

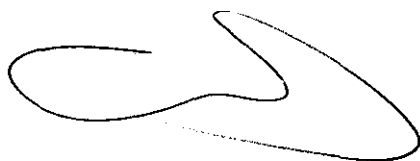
Balance sheet
as at 30 April 2003

		30/04/03		31/03/02	
	Notes	£	£	£	£
Fixed assets					
Investments	5		4,969		4,969
Current assets					
Debtors	6	60,051		19,895	
Cash at bank and in hand		47		104	
		<u>60,098</u>		<u>19,999</u>	
Creditors: amounts falling due within one year	7	<u>(7,600)</u>		<u>(3)</u>	
Net current assets			52,498		19,996
Net assets			<u>57,467</u>		<u>24,965</u>
Capital and reserves					
Called up share capital	8		202,465		202,465
Profit and loss account			(144,998)		(177,500)
Shareholders' funds	9		<u>57,467</u>		<u>24,965</u>
Equity interests			(142,993)		(175,495)
Non-equity interests			<u>200,460</u>		<u>200,460</u>

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on and signed on its behalf by

C C Tett
Director



The notes on pages 7 to 10 form an integral part of these financial statements.

UK Housing Society plc

Cash flow statement
for the period ended 30 April 2003

	Notes	Period ended 30/04/03 £	Period ended 31/03/02 £
Reconciliation of operating profit to net cash outflow from operating activities			
Operating profit		39,954	29
(Increase) in debtors		(40,156)	-
Net cash outflow from operating activities		<u>(202)</u>	<u>29</u>
Cash flow statement			
Net cash outflow from operating activities		(202)	29
Returns on investments and servicing of finance	13	148	-
Taxation	13	(3)	-
Decrease in cash in the period		<u>(57)</u>	<u>29</u>
Reconciliation of net cash flow to movement in net funds (Note 14)			
Decrease in cash in the period		(57)	29
Net funds at 1 April 2002		104	75
Net at 30 April 2003		<u>47</u>	<u>104</u>

UK Housing Society plc

Notes to the financial statements
for the period ended 30 April 2003

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4. Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2. Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

UK Housing Society plc

**Notes to the financial statements
for the period ended 30 April 2003**

..... continued

	Period ended 30/04/03 £	Period ended 31/03/02 £
3. Income from investments		
Income from investments	148	-

4. Tax on profit on ordinary activities

	Period ended 30/04/03 £	Period ended 31/03/02 £
Analysis of charge in period		
Current tax		
UK corporation tax at 19.00% (2002 - 19.00%)	7,600	3

Factors affecting tax charge for period

The tax charge has been affected by the number of Associated Companies.

	Other unlisted investments £	Total £
5. Fixed asset investments		
Cost		
At 1 April 2002		
At 30 April 2003	4,969	4,969
Net book values		
At 30 April 2003	4,969	4,969
At 31 March 2002	4,969	4,969

	30/04/03 £	31/03/02 £
6. Debtors		
Amounts owed by group undertakings	60,051	19,895

UK Housing Society plc

Notes to the financial statements
for the period ended 30 April 2003

..... continued

7. Creditors: amounts falling due within one year	30/04/03	31/03/02
	£	£
Corporation tax	7,600	3
	<u>7,600</u>	<u>3</u>
8. Share capital	30/04/03	31/03/02
	£	£
Authorised		
250,000 Ordinary shares of £0.01 each	2,500	2,500
247,500 Deferred Shares of £1 each	247,500	-
	<u>250,000</u>	<u>2,500</u>
Equity interest	2,500	2,500
Non-equity interest	<u>247,500</u>	<u>-</u>
Allotted, called up and fully paid		
200,500 Ordinary shares of £0.01 each	2,005	2,005
200,460 Deferred Shares of £1 each	200,460	200,460
	<u>202,465</u>	<u>202,465</u>
Equity interest	2,005	2,005
Non-equity interest	<u>200,460</u>	<u>200,460</u>
9. Reconciliation of movements in shareholders' funds	30/04/03	31/03/02
	£	£
Profit for the period	32,502	26
Opening shareholders' funds	24,965	24,939
Closing shareholders' funds	<u>57,467</u>	<u>24,965</u>
Equity	-175393	-175495
Non Equity	200460	200460
	<u>25067</u>	<u>24965</u>

UK Housing Society plc

**Notes to the financial statements
for the period ended 30 April 2003**

..... continued

10. Related party transactions

Included in debtors is £20051 due from UK Land (now Neonhall Ltd) a group company of which Mr C C Tett is a director. £40000 was receivable from J V developments Ltd a group company as profit share.

11. Ultimate parent undertaking

The Ultimate holding company is Neonhall Ltd (now UK Land Ltd).

12. Controlling interest

Mr C C Tett is the ultimate controlling entity

13. Gross cash flows

	30/04/03	31/03/02
	£	£
Returns on investments and servicing of finance		
Dividends received	148	-
	<u>148</u>	<u>-</u>

14. Analysis of changes in net funds

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	104	(57)	47
Net funds	<u>104</u>	<u>(57)</u>	<u>47</u>