

PAGE ROAD DEVELOPMENTS LIMITED

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS**

31 MARCH 2005

Registered Number 04383701



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Executives and advisors

Directors

Greg Birdseye (Chair) (appointed 24/11/04)
Rod Cahill
David Simmonds
Hugh Clark (appointed 05/05/04)
Ralph Raby (appointed 05/05/04)

Secretary and Registered Office

Sue Bate
Page Road Developments Ltd
Ealing Gateway
26-30 Uxbridge Road
London
W52AU

Management team

Rod Cahill: Group Chief Executive, Catalyst Housing Group Ltd.
Charlotte Graves: Managing Director, Ealing Family Housing Association Ltd.

Auditors

KPMG LLP
1 Forest Gate
Brighton Road
Crawley
RH11 9PT

Solicitors

Prince Evans
77 Uxbridge Road
Ealing
London
W5 5ST

Bankers

National Westminster Bank plc
1 The Mall
Ealing
London
W5 2PL

Directors' report

The Directors present their annual report and the financial statements for the year ended 31 March 2005.

Principal activity

The principal activity of the company is acting as a property manager and developer.

Operating and Financial Review

The company acquired in the year certain land and buildings on the Page Road Estate in the London Borough of Hounslow for the purpose of redevelopment. Subsequently the company has appointed Ealing Family Housing Association Limited to carry out the project works for the redevelopment, and the works has now commenced on building new homes for rent and sale.

Outlook for 2005/06

The first phase of the redevelopment to provide 55 replacement rental, shared ownership and leaseholder properties commenced in 2004/2005 and is due to be completed by February 2006 at a cost of £6m. This will lead into further phases to provide further replacement affordable housing and a limited number of properties for sale.

Directors

The Directors are listed on page 2. None of the directors had any interest in the share capital of the company.

Political and charitable contributions

The company made no political contributions or charitable donations during the period.

Going concern

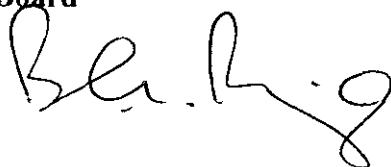
The Directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Auditors

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG LLP will therefore continue in office.

On Behalf of the Board

Greg Birdseye
Chair



Date

13/7/05

Statement of responsibilities of the Directors

Company law requires the directors to 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Report of the independent auditors, KPMG LLP, to the members of Page Road Developments Ltd.

We have audited the financial statements on pages 6 to 8.

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

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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.

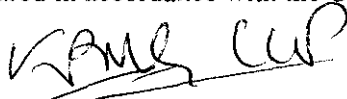
Basis of audit opinion

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 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 of the state of the company's affairs as at 31 March 2005 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG LLP
Chartered Accountants
Registered Auditor

Date

28 July 2005

Profit and loss account
Year ended 31 March 2005

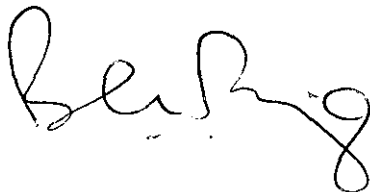
During the year the company commenced building new homes, but will only incur income and expenditure when they are complete. Consequently, during the period the company made neither a profit nor a loss, and there were no recognised gains or losses.

Balance sheet
At 31 March 2005

	<i>Note</i>	2005	2004
		£	£
Work in progress		2,500,521	-
Debtors		1	1
Creditors	2	(2,500,521)	-
Net Assets		1	1
Called up share capital	3	1	1
Equity Shareholders' funds		1	1

These financial statements were approved at a meeting of the Board on 13/2/05 and were signed on its behalf by:

Greg Birdseye
Chair



Date

13/2/05

Notes to the financial statements

1. Accounting policies

Basis of accounting

The accounts of the company are prepared under the historical cost convention and in accordance with applicable accounting standards.

Interest payable

Interest is capitalised on borrowings specifically to finance the development program to the extent that it accrues in respect of the period of development.

Work in progress

Work in progress consists of costs incurred in developing phases one to four of the Page Road project. Work in Progress is not depreciated.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Cashflow

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as the directors believe the company is a 'small entity' as defined under section 247 of the Companies Act 1985.

2. Creditors

	2005	2004
	£	£
Amounts due to group undertakings:		
Falling due within one year	2,339,934	-
Falling due after more than one year	160,587	-
	2,500,521	-

Notes to the financial statements *(continued)*

3. Share capital

	2005 £	2004 £
Authorised 1000 ordinary shares of £1 each	1,000	1,000
Allotted, called up 1 ordinary share of £1 each	1	1

The share capital of the company consists of shares with a nominal value of £1.00 each. No dividends are paid to shareholders.

4. Parent undertaking

The company's immediate parent undertaking is Ealing Family Housing Association Limited, a registered charitable housing association.

The company's ultimate parent undertaking is Catalyst Housing Group Limited, a registered social landlord. The consolidated accounts of the group are available from their registered office, Ealing Gateway, 26-30 Uxbridge Road, Ealing, London, W52 AU.

5 Transactions with the group undertaking

Under FRS 8 the company is exempt from the requirement to disclose related party transactions with the Catalyst Housing Group and its associated undertakings on the grounds that 90% or more of its voting rights are controlled within the Group.