

Keyworker Properties Limited

Report and Accounts

31 August 2004



Registration number 4213618

Keyworker Properties Limited
Directors and Officers

DIRECTORS

McCarthy & Stone (Group Services) Limited
McCarthy & Stone Corporate Services Limited

SECRETARY

McCarthy & Stone (Group Services) Limited

REGISTERED OFFICE

Homelife House
26 - 32 Oxford Road
Bournemouth
Dorset BH8 8EZ

AUDITORS

Ernst & Young LLP
Wessex House
19 Threefield Lane
Southampton
SO14 3QB

BANKERS

Royal Bank of Scotland plc

SOLICITORS

Travers Smith Braithwaite

Keyworker Properties Limited

Directors' Report

The directors present their report and accounts for the period ended 31 August 2004.

Business Review

The company's business is property investment. During the year the company purchased 50% interest in the issued ordinary share capital of Affordable Housing UK (Christchurch).

Results and Dividends

The company has not traded during either the year ended 31 August 2004 or the previous year. Therefore, a Profit and Loss Account has not been presented. The directors do not recommend the payment of a dividend.

Directors And Their Interests

A list of the present directors is shown on page 1.

All the directors held office throughout the period covered by the accounts.

No director has any interest in the share capital of the company.

Auditors

A resolution to appoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on



Trevor Green

For and on behalf of McCarthy & Stone (Group Services) Limited
Secretary

Keyworker Properties Limited

Statement of Directors' Responsibilities

Company law requires the directors to prepare accounts 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 for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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 accounts 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.

Keyworker Properties Limited

Independent Auditors' Report

To The Members of Keyworker Properties Limited

We have audited the company's financial statements for the year ended 31 August 2004 which comprise the Balance Sheet and the related notes 1 to 7. These financial statements have been prepared on the basis of 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 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 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 the company's directors are responsible for the preparation of the financial statements in accordance with United Kingdom law and 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.

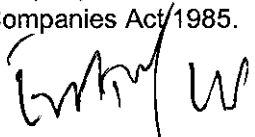
Basis of Opinion

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 August 2004 and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor

Southampton

16 MAY 2005

Keyworker Properties Limited
Balance Sheet
as at 31 August 2004

	Notes	2004 £	2003 £
Fixed assets			
Investments	2	1,500	1,000
Current assets			
Debtors	3	2	2
Creditors: amounts falling due within one year	4	(1,500)	(1,000)
Net current assets		<u>(1,498)</u>	<u>(998)</u>
Net assets		<u>2</u>	<u>2</u>
Capital and reserves			
Called up share capital	5	2	2
Shareholders' funds		<u>2</u>	<u>2</u>



Matthew Thorne
For and on behalf of McCarthy & Stone Corporate Services Limited
Director

Approved by the board on

Keyworker Properties Limited
Notes to the Accounts
at 31 August 2004

1 Accounting policies

The following accounting policies have been used in dealing with items which are considered material in relation to the company accounts.

Basis of accounting

The company is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Investments

Investments are recorded at cost. Provisions are made against carrying value when the directors consider that there has been a permanent diminution in value.

Cashflow Statement

No cashflow statement has been prepared for the company as it is itself a wholly owned subsidiary. A group consolidated cashflow statement is included in the accounts of the ultimate parent undertaking, McCarthy & Stone plc.

2 Investments

	Investments in joint ventures £
Cost	
At 1 September 2003	1,000
Additions	500
At 31 August 2004	<u>1,500</u>

The investment in joint ventures represents the following:

50% interest in the issued ordinary share capital of Affordable Housing UK Ltd, a company registered in England and Wales. At 31 August 2004, Affordable Housing UK Ltd had total issued ordinary share capital of £1,000, retained earnings of £6,132 (2003 £4,228) and made a profit of £1,904 (2003 £371) in the year ended 31 August 2004.

50% interest in the issued ordinary share capital of Affordable Housing UK (Worthing) Ltd, a company registered in England and Wales. At 31 August 2004, Affordable Housing UK (Worthing) Ltd had total issued ordinary share capital of £1,000, retained earnings of £11,649 (2003 £3,618) and made a profit of £8,031 (2003 £10,141) in the year ended 31 August 2004.

50% interest in the issued ordinary share capital of Affordable Housing UK (Christchurch) Ltd, a company registered in England and Wales. The company started trading on 17 April 2003. At 31 August 2004, Affordable Housing UK (Christchurch) Ltd had total issued ordinary share capital of £1,000, retained losses of £2,621 and made a loss of £2,621 in the period from 17 April 2003 to 31 August 2004.

Keyworker Properties Limited
Notes to the Accounts
at 31 August 2004

3 Debtors	2004	2003
	£	£
Amounts owed by parent undertaking	<u>2</u>	<u>2</u>

4 Creditors: amounts falling due within one year	2004	2003
	£	£
Amounts owed to parent undertaking	1,500	1,000

5 Share capital	2004	2003
	£	£
Authorised:		
Ordinary shares of £1 each	<u>1000</u>	<u>1000</u>

	2004	2003	2004	2003
	No	No	£	£
Allotted, called up and fully paid:				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

6 Ultimate Parent Undertaking

The company is wholly owned subsidiary undertaking of McCarthy & Stone plc, which is registered in England and Wales. The consolidated accounts of McCarthy & Stone plc, the ultimate parent company and controlling party, are those of both the smallest and largest group of which the company is a member and for which group accounts are prepared. Copies of the group accounts can be obtained from the Company Secretary, Homelife House, 26-32 Oxford Road, Bournemouth.

7 Related Parties

The company has taken advantage, as a 100% subsidiary undertaking, of the exemption available under FRS 8 from disclosing transactions with members of the McCarthy & Stone plc Group.