

Registered number 03699956

**KEYGATE PROPERTY INVESTMENTS
LIMITED**

ABBREVIATED ACCOUNTS

**FOR THE YEAR ENDED
31 MARCH 2011**



KEYGATE PROPERTY INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO KEYGATE PROPERTY INVESTMENTS LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of Keygate Property Investments Limited for the year ended 31 March 2011 prepared under section 396 of the Companies Act 2006

This report is made solely to the company in accordance with section 449 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special 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, for our work, for this report, or for the opinions we have formed.

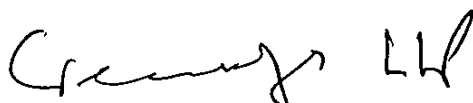
RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared.

OPINION ON FINANCIAL STATEMENTS

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with the regulations made under that section.



James Pearce FCA (Senior statutory auditor)

for and on behalf of

Creaseys LLP

Chartered Accountants
Statutory Auditors

12 Lonsdale Gardens
Tunbridge Wells
Kent

TN1 1PA

Date 4/10/11

KEYGATE PROPERTY INVESTMENTS LIMITED

REGISTERED NUMBER: 03699956

**ABBREVIATED BALANCE SHEET
AS AT 31 MARCH 2011**

	Note	£	2011 £	£	2010 £
CURRENT ASSETS					
Stocks		1,344,432		2,159,918	
Debtors		1,074,017		773,238	
Cash at bank		63,315		-	
		<u>2,481,764</u>		<u>2,933,156</u>	
CREDITORS amounts falling due within one year	2	<u>(1,080,518)</u>		<u>(94,805)</u>	
NET CURRENT ASSETS			1,401,246		2,838,351
TOTAL ASSETS LESS CURRENT LIABILITIES			1,401,246		2,838,351
CREDITORS amounts falling due after more than one year			-		(1,520,334)
NET ASSETS			<u>1,401,246</u>		<u>1,318,017</u>
CAPITAL AND RESERVES					
Called up share capital	3		817,877		817,877
Share premium account			757,137		757,137
Profit and loss account			<u>(173,768)</u>		<u>(256,997)</u>
SHAREHOLDERS' FUNDS			<u>1,401,246</u>		<u>1,318,017</u>

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 28 September 2011


.....
Sir W H Proby, Bt
Director


.....
A S Minns
Director

The notes on pages 3 to 4 form part of these financial statements

KEYGATE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2011

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The current economic environment remains challenging. Whilst the housing market in which the group operates continues to recover from its recent downturn, the directors still consider that the outlook continues to present challenges in terms of project funding and operating finance generally. In the current trading year the group has coped with these constraints and produced a modest profit on a turnover similar to that of the previous year. The directors have retained a tight control over costs, while bank debt has reduced substantially over the year, partially replaced by specific loans from shareholders and other joint venture partners. Whilst the directors continue to take measures to manage and reduce overheads, preserve cash and secure additional finance, present circumstances do create uncertainties over future trading results and cash flows.

The group's forecasts and projections show that the group should be able to operate within the level of its current facilities. The directors maintain a constant dialogue with the group's bankers about the group's future borrowing requirements and no matters have been drawn to their attention to suggest that the renewal of the existing facilities may not be forthcoming on acceptable terms. During this and the previous year the directors have been successful in securing additional funding from existing equity members and have consequently diversified and strengthened the group's funding arrangements.

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of preparing the annual report and financial statements.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises units sold where legal completion has taken place. The turnover and result before taxation are attributable to one principal activity of the company.

1.4 Work in progress

Work in progress is valued at the lower of cost and net realisable value and consists of land, materials, labour, professional fees, bank interest and fees directly relating to the development property. It is the company's policy to capitalise interest arising on loans directly relating to the acquisition and development of the property unless the expected ultimate cost exceeds its recoverable amount. Where this applies a provision is made for losses.

KEYGATE PROPERTY INVESTMENTS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2011

1. ACCOUNTING POLICIES (continued)

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.6 Construction warranty schemes

The company is registered with the National House Builders Council ('NHBC') under their Buildmark warranty scheme. Under this scheme the company has an obligation to rectify building defects in new residential properties sold for a period of two years from the date of practical completion. The company has assessed its liability under the scheme on the basis of historical experience.

2. CREDITORS

Amounts falling due within one year

The bank loans are secured by fixed charges over the development properties included in work in progress

3. SHARE CAPITAL

	2011 £	2010 £
Allotted, called up and fully paid		
3,271,509 (2010 - 3,271,508) ordinary shares of £0.25 each	<u>817,877</u>	<u>817,877</u>

4. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The parent company and controlling entity is DBS Building Group Limited, a company which operates in the United Kingdom and which is registered in England and Wales. Copies of the parent company's accounts are available from Companies House, Crown Way, Mandy, Cardiff, Wales, CF4 3UZ.

The company is controlled by DBS Building Group Limited