

# **Keyworker Properties Limited**

## **ANNUAL REPORT & FINANCIAL STATEMENTS**

**For the year ended 31 August 2016**



**Company registration number: 04213618**

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## **DIRECTORS AND ADVISORS**

For the year ended 31 August 2016

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### **Directors**

G N Day  
C Fenton

### **Registered Office**

4<sup>th</sup> Floor  
100 Holdenhurst Road  
Bournemouth  
Dorset  
BH8 8AQ

### **Independent Auditor**

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Mountbatten House  
1 Grosvenor Square  
Southampton  
SO15 2BZ

### **Bankers**

HSBC Bank plc  
70 Pall Mall  
London  
SW1Y 5EZ

## DIRECTORS' REPORT

For the year ended 31 August 2016

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The Directors of Keyworker Properties Limited (the Company) (registered number 04213618) present their Annual Report and audited financial statements for the year ended 31 August 2016. This Directors' Report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies' exemption. Accordingly, the Company is not required to include a Strategic Report.

### Principal activity

The Company acts as an intermediate holding company. The Company did not trade during the current or preceding year.

### Results

The profit on ordinary activities after taxation for the year amounted to £36,958 (2015: £55,490).

No dividend has been proposed or paid in either the current year or prior year.

### Ownership

The Company is a wholly-owned subsidiary of McCarthy & Stone Retirement Lifestyles Limited. The ultimate parent company McCarthy & Stone plc (formerly McCarthy & Stone Limited) produces consolidated financial statements. McCarthy & Stone plc listed on the London Stock Exchange in November 2015. McCarthy & Stone plc and its subsidiaries are referred to as the Group.

There has been no change to the Company's issued share capital during the year.

### Directors and Directors' interests

The Directors of the Company during the year and up to the date of signing were:

Name	Date of appointment
<i>Current Directors:</i>	
Gary Day	1 June 2012
Clive Fenton	17 February 2014

No Director has any interest in the shares of the Company. There have been no changes in the Directors' interests in the share capital of the Company since 31 August 2016.

### Directors' insurance

The Group to which this Company belongs maintains Directors' and Officers' liability insurance for the Directors and Officers of all Group companies.

### Directors' conflicts of interest

Each of the Directors has a duty under the Companies Act 2006 to avoid a situation where he has, or could have a direct or indirect interest that conflicts with the interests of the Company. The Company's Articles of Association contain provisions for dealing with conflicts or potential conflicts. The procedures for dealing with conflicts of interest have operated effectively during the year under review and the Directors have concluded that there were no conflicts of interest during the year.

### Employees

During the current and preceding financial year the Company had no employees.

## **DIRECTORS' REPORT (CONTINUED)**

For the year ended 31 August 2016

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### **Post balance sheet events**

Post balance sheet events have been disclosed in note 11.

### **Future developments**

The Company will continue to act as an intermediate holding company for the foreseeable future.

### **Director indemnities**

As permitted by the Company's Articles of Association, qualifying third party indemnity provisions for the benefit of its Directors have been in place throughout the year under which the Company has agreed to indemnify the Directors, to the extent permitted by law and by the Articles, against all liability arising in respect of any act or omission in the course of performing their duties.

### **Going concern**

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Through a combination of transactions with other Group entities and intra-group financing where appropriate, the Directors believe that the Company has sufficient resources to continue as a going concern. They have accordingly continued to adopt the going concern basis in preparing the financial statements.

### **Approval of reduced disclosures**

The Company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder has been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by shareholder holding in aggregate 5 per cent or more of the total allocated shares in the Company. They should be served no later than 31 August 2017.

### **Statement of disclosure of information to the independent auditor**

In the case of each of the persons who are Directors of the Company at the date when this report is approved:

- So far as each of the Directors are aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware.
- Each of the Directors have taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

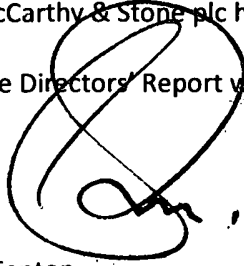
## **DIRECTORS' REPORT (CONTINUED)**

For the year ended 31 August 2016

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Deloitte LLP have been reappointed as the Group's auditors at the Annual General Meeting of McCarthy & Stone plc held in January 2017.

The Directors' Report was approved by the Board of Directors and signed on its behalf by:



C Fenton  
Director

8 May 2017

Keyworker Properties Limited  
4<sup>th</sup> Floor  
100 Holdenhurst Road  
Bournemouth  
Dorset  
BH8 8AQ

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

For the year ended 31 August 2016

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### **Statement of Directors' responsibilities in respect of the financial statements**

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss of the Company for that year.

In preparing these 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- 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 that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEYWORKER PROPERTIES LIMITED**

For the year ended 31 August 2016

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We have audited the financial statements of Keyworker Properties Limited for the year ended 31 August 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. 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 auditor**

As explained more fully in the Directors Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 31 August 2016 and of its profit for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- Have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEYWORKER PROPERTIES LIMITED (CONTINUED)**

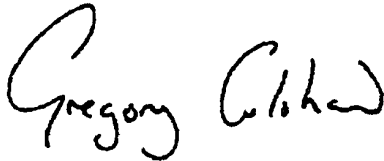
For the year ended 31 August 2016

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us.
- The Company financial statements are not in agreement with the accounting records and returns.
- Certain disclosures of Directors' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.
- The directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



Gregory Culshaw ACA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
Southampton, United Kingdom

12 May 2017

## PROFIT AND LOSS ACCOUNT

For the year ended 31 August 2016

	Notes	2016 £	2015 £
Administrative expenses		(52)	(12)
Other operating income	3	37,000	55,500
<b>Profit on ordinary activities before taxation</b>	<b>3</b>	<b>36,948</b>	<b>55,488</b>
Taxation credit	4	10	2
<b>Profit for the financial year</b>		<b>36,958</b>	<b>55,490</b>

All of the figures above relate to continuing operations.

There were no gains or losses other than those stated in the Profit or Loss Account above. Accordingly no Statement of Comprehensive Income is given.

## BALANCE SHEET

As at 31 August 2016

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Investments	5	2,000	2,000
<b>Current assets</b>			
Cash		437	488
Debtors: amounts due within one year	6	137,000	100,000
<b>Total current assets</b>		<b>137,437</b>	<b>100,488</b>
<b>Creditors: amounts falling due within one year</b>	7	<b>(1,487)</b>	<b>(1,496)</b>
<b>Net current assets</b>		<b>135,950</b>	<b>98,992</b>
<b>Total assets less current liabilities; being net assets</b>		<b>137,950</b>	<b>100,992</b>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Profit and loss account		137,948	100,990
<b>Shareholders' funds</b>		<b>137,950</b>	<b>100,992</b>

The notes on pages 12 to 16 form part of these financial statements.

The financial statements were authorised for issue by the Board of Directors on 8 May 2017 and were signed on its behalf by:

Signed on its behalf by:



C Fenton  
Director

Company registration number: 04213618

## STATEMENT OF CHANGES IN EQUITY

As at 31 August 2016

	Notes	Share capital £	Profit and loss account £	Total £
Balance as at 1 September 2014	8	2	45,500	45,502
Profit for the year		-	55,490	55,490
Total comprehensive income for the year		-	55,490	55,490
Balance as at 31 August 2015	8	2	100,990	100,992
Profit for the year		-	36,958	36,958
Total comprehensive income for the year		-	36,958	36,958
Balance as at 31 August 2016	8	2	137,948	137,950

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

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### 1. Accounting policies

The following accounting policies have been used in dealing with items that are considered material in relation to the Company financial statements. They have been applied consistently throughout the current year and prior year.

Keyworker Properties Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 2.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. For more information see note 12.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its ultimate parent, McCarthy & Stone plc, which may be obtained at [www.mccarthyandstonegroup.co.uk](http://www.mccarthyandstonegroup.co.uk). Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### **Going concern**

The financial statements have been prepared on a going concern basis. For further details please refer to the Directors' Report on pages 3 to 5.

#### **Investments**

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

The Company has a number of contractual arrangements with other parties which represent joint ventures. These take the form of agreement to share control over these entities. Joint ventures are accounted for using the equity method of accounting.

### 2. Critical accounting judgements and estimation uncertainty

There is not considered to be any critical accounting judgements or estimated uncertainty within Keyworker Properties Limited.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 August 2016

**3. Operating profit****a. Employees**

During the current and preceding year the Company had no employees.

**b. Auditor's remuneration**

Remuneration of the auditor is settled by McCarthy & Stone (Developments) Limited on behalf of all companies within the McCarthy & Stone plc Group, and not recharged in current or prior year. The total Group audit fee was £0.2m (2015: £0.2m). The amount in respect of Keyworker Properties Limited was £3,369 (2015: £2,002) is borne by a fellow Group company.

**c. Directors' remuneration**

There was no Directors' remuneration during the current or prior year. The Directors are paid by the other Group companies and the allocation to this company is £nil (2015: £nil).

**d. Other operating income**

	2016 £	2015 £
Dividends Received	37,000	55,500

**4. Taxation on profit on ordinary activities****a. Analysis of tax credit for the year**

	2016 £	2015 £
<i>Current tax:</i>		
UK corporation tax credit on profit for the year	(10)	(2)
Adjustment in respect of previous years	-	-
<b>Tax credit on profit on ordinary activities</b>	<b>(10)</b>	<b>(2)</b>

**b. Factors affecting tax credit for the current year**

	2016 £	2015 £
Profit on ordinary activities before tax	36,948	55,488
Anticipated tax charge based on profit before tax at 20.00% (2015: 20.58%)	7,390	11,420
<i>Effects of:</i>		
Income not taxable	(7,400)	(11,422)
<b>Total tax credit for the year</b>	<b>(10)</b>	<b>(2)</b>

The effective tax rate for the year was 20% following a reduction to the rate on 1 April 2015. Further reductions to 19% from 1 April 2017 and 17% from 1 April 2020 have been substantively enacted.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 August 2016

**5. Investments**

<b>Investments in Joint Ventures</b>		<b>£</b>
<i>Cost and net book value:</i>		
At 1 September 2015		2,000
<b>At 31 August 2016</b>		<b>2,000</b>

Investments in joint ventures represent the following:

50% interest in the issued ordinary share capital of Kindle Housing Limited, a company registered in England and Wales. The principal activity of Kindle Housing Limited is property management. The registered office is Easterbrook Eaton Limited Chartered Accountants, Cosmopolitan House, Old Fore Street, Sidmouth, Devon, EX10 8LS. At 31 August 2016, Kindle Housing Ltd had total issued ordinary share capital of £1,000 (2015: £1,000), retained earnings of £37,707 (2015: £13,155), made a profit of £24,551 in the year ended 31 August 2016 (2015: £538) and paid a dividend of £nil (2015: £19,500).

50% interest in the issued ordinary share capital of Kindle Housing (Worthing) Ltd, a company registered in England and Wales. The principal activity of Kindle Housing Limited is property management. The registered office is Easterbrook Eaton Limited Chartered Accountants, Cosmopolitan House, Old Fore Street, Sidmouth, Devon, EX10 8LS. At 31 August 2016, Kindle Housing (Worthing) Ltd had total issued ordinary share capital of £1,000 (2015: £1,000), retained earnings of £232,418 (2015: £221,370) and made a profit of £37,048 in the year ended 31 August 2016 (2015: £32,486) and paid a dividend of £26,000 (2015: £20,000).

50% interest in the issued ordinary share capital of Kindle Housing (Christchurch) Ltd, a company registered in England and Wales. The principal activity of Kindle Housing Limited is property management. The registered office is Easterbrook Eaton Limited Chartered Accountants, Cosmopolitan House, Old Fore Street, Sidmouth, Devon, EX10 8LS. At 31 August 2016, Kindle Housing (Christchurch) Ltd had total issued ordinary share capital of £1,000 (2015: £1,000), retained earnings of £199,584 (2015: £191,121) and made a profit of £33,463 in the year ended 31 August 2016 (2015: £35,202) and paid a dividend of £25,000 (2015: £20,000).

50% interest in the issued ordinary share capital of Kindle Housing (Exeter) Ltd, a company registered in England and Wales. The principal activity of Kindle Housing Limited is property management. The registered office is Easterbrook Eaton Limited Chartered Accountants, Cosmopolitan House, Old Fore Street, Sidmouth, Devon, EX10 8LS. At 31 August 2016, Kindle Housing (Exeter) Ltd had total issued ordinary share capital of £1,000 (2015: £1,000), retained earnings of £60,684 (2015: £57,042) and made a profit of £26,642 in the year ended 31 August 2016 (2015: £24,755) and paid a dividend of £23,000 (2015: £nil).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the year ended 31 August 2016

**6. Debtors: amounts due within one year**

	2016 £	2015 £
Amounts owed by Group undertakings	137,000	100,000
	<b>137,000</b>	<b>100,000</b>

Balances owed by Group undertakings are repayable on demand.

**7. Creditors: amounts falling due within one year**

	2016 £	2015 £
Amount owed to Group undertakings	1,487	1,496
	<b>1,487</b>	<b>1,496</b>

Balances owed to Group undertakings are repayable on demand.

**8. Share capital**

	Authorised No.	Authorised £	Allotted, called up & fully paid No.	Allotted, called up & fully paid £
<b>Equity share capital</b>				
Ordinary shares of £1 each				
<b>As at 31 August 2015 &amp; 31 August 2016</b>	<b>1,000</b>	<b>1,000</b>	<b>2</b>	<b>2</b>

Each ordinary share carries equal voting, dividend and capital repayment rights.

The profit and loss account represents cumulative profit or losses net of any adjustments.

**9. Related parties**

Where related party transactions within the current or preceding year have been entered into between members of the same Group, and the entities are wholly owned by a member of the Group no disclosure is required.

Dividends have been received from the Company's joint ventures, totalling £37,000 (2015: £55,500). Amounts owed to/ from joint ventures as at the 31 August 2016 is £nil (2015: £nil).



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

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### 10. Ultimate parent undertaking and controlling party

McCarthy & Stone plc, which is registered in England and Wales, is considered to be the Company's ultimate parent undertaking and controlling party.

The financial statements of McCarthy & Stone plc can be obtained from the registered office:

4th Floor  
100 Holdenhurst Road  
Bournemouth  
Dorset  
BH8 8AQ

The smallest and largest Group in which this Company's financial statements are consolidated is McCarthy & Stone plc.

### 11. Post balance sheet events

There are no events after the balance sheet date which are required to be disclosed.

### 12. Explanation of transition to FRS 102

For all periods up to and including the year ended 31 August 2015, the Company prepared its financial statements in accordance with UK GAAP. As stated in note 1, these financial statements for the year ended 31 August 2016 are the first the Company is required to prepare in accordance with FRS 102.

Accordingly, the Company has prepared financial statements which comply with FRS 102 applicable for periods beginning on or after 1 September 2014. The significant accounting policies meeting those requirements are described in note 1 and have been consistently applied throughout the period.

As a consequence of adopting FRS 102, the following accounting policy has changed to comply with that standard:

- Amounts owed to/by Group undertakings: Under UK GAAP these balances were held at the value of received net proceeds. Under FRS 102 amounts owed to Group undertakings will initially be recognised at the transaction value and subsequently at amortised cost. Due to the balances not having a set repayment date, and therefore being current balances, the amortised costs are deemed to equal the value recorded at the transaction date, and therefore there will be no adjustment required to comply with FRS 102.

In preparing the Company's opening FRS 102 balance sheet, no adjustments have been required to amounts previously reported in its financial statements under UK GAAP.