

Keyworker Properties Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 October 2021

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Company registration number: 04213618

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DIRECTORS AND ADVISERS

For the year ended 31 October 2021

Directors

J M Tonkiss

S A Paull

Registered Office

4th Floor

100 Holdenhurst Road

Bournemouth

Dorset

BH8 8AQ

Banker

HSBC Bank plc

70 Pall Mall

London

SW1Y 5EZ

DIRECTORS' REPORT

For the year ended 31 October 2021

The Directors of Keyworker Properties Limited (the Company) (registered number 04213618) present their Annual Report and audited financial statements for the year ended 31 October 2021 ('2021'). 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.

Ownership

The Company is a wholly owned subsidiary of McCarthy & Stone Retirement Lifestyles Limited. During the year, the McCarthy & Stone Group was acquired by Mastiff BidCo Limited, a wholly owned indirect subsidiary of Lone Star Real Estate Fund VI. The results of the Company will now consolidate at Mastiff BidCo Limited. Mastiff BidCo Limited and its subsidiaries are referred to as the Group.

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

Principal activity

The Company acts as an intermediate holding company and received £128,082 for the year ended 31 October 2021 (2020: £896,516) from its 50% interest in joint ventures. Three of the four ventures have now been sold and the entities will subsequently be stuck off following the sale of their income generating investments. As a result, the Company's investment on the balance sheet has been

Results

The profit after taxation for the year amounted to £90,235 (2020: £896,559) reflective of the additional dividends received in the prior year as the Company's investments sell down their assets.

Dividends

A dividend of £200,000 was proposed and paid during the year (2020: £1,000,000).

Directors and Directors' interests

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

Name	Date of appointment	Date of resignation
<i>Current Directors:</i>		
J M Tonkiss	31 August 2018	-
S A Paull	1 November 2020	-

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 October 2021.

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 that time.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 October 2021

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.

Political donations

There were no political donations during the current or previous year.

Post balance sheet events

As outlined in note 11, there were no events after the reporting period that required adjustment in the financial statements.

Employees

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

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 third-party trading, 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. See note 1 of the financial statements for more information.

Future developments

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

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemption in FRS 102 paragraph 1.12, as described within note 1.

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 October 2022.

Approved by the Board on 30 June 2022 and signed on its behalf by:

J M Tonkiss
Director

Keyworker Properties Limited
4th Floor
100 Holdenhurst Road
Bournemouth
Dorset BH8 8AQ

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 31 October 2021

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 period/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 the year ended 31 October 2021.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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; 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 adequate 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

PROFIT AND LOSS ACCOUNT

For the year ended 31 October 2021

	<i>Notes</i>	2021 £	2020 £
Administrative expenses		(7,000)	-
Other operating income	3	128,082	896,516
Operating profit	3	123,082	896,516
Interest (payable)/receivable		(22)	53
Profit before taxation		121,060	896,569
Tax on profit	4	(30,825)	(10)
Profit for the financial year		90,235	896,559

All of the figures above relate to continuing operations.

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

The notes on pages 9 to 14 form part of these financial statements.

BALANCE SHEET

As at 31 October 2021

	Notes	2021 £	2020 £
Non-current assets			
Investments	5	-	2,000
Current assets			
Cash at bank and in hand		100,159	100
Debtors: amounts due within one year	6	-	181,552
Total current assets		100,159	181,652
Creditors: amounts falling due within one year	7	(26,282)	(10)
Net current assets		73,877	181,642
Net assets		73,877	183,642
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account		73,875	183,640
Shareholders' funds		73,877	183,642

For the year ended 31 October 2021 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The notes on pages 9 to 14 form part of these financial statements.

The financial statements were authorised for issue by the Board of Directors on 30 June 2022 and were signed on its behalf by:

J M Tonkiss
Director

Company registration number: 04213618

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2021

	<i>Notes</i>	Share capital £	Profit and loss account £	Total £
Balance as at 1 November 2019	8	2	287,081	287,083
Dividends paid		-	(1,000,000)	(1,000,000)
Profit for the year		-	896,559	896,559
Total comprehensive income for the year		-	896,559	896,559
Balance as at 31 October 2020	8	2	183,640	183,642
Dividends paid		-	(200,000)	(200,000)
Profit for the year		-	90,235	90,235
Total comprehensive income for the year		-	90,235	90,235
Balance as at 31 October 2021	8	2	73,875	73,877

The notes on pages 9 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2021

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 and prior period.

Keyworker Properties Limited (the Company) is a private company limited by shares and registered in England and Wales 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 on a going concern basis under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and the Companies Act 2006.

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.

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemption by the Company's shareholders. The Company has taken advantage of the following exemptions on the basis that the consolidated financial statements of McCarthy & Stone Limited include equivalent disclosures:

- The requirement to prepare a statement of cash flows.
- Financial instrument disclosures, including:
 - Categories of financial instruments.
 - Items of income, expenses, gains or losses relating to financial instruments.
 - Exposure to and management of financial risks.
- A reconciliation of the number of shares outstanding at the beginning and end of the period.
- Remuneration of key management personnel.

The results of the Company will continue to be consolidated at McCarthy & Stone Limited for the full financial year and the post-acquisition results are also included at Mastiff BidCo Limited consolidation.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. When making this assessment, the Directors have considered the results and future forecasts of the Group given the high level of intercompany transactions with the Company.

The Directors have assessed the Group's business activities and the factors likely to affect future performance in light of current and anticipated economic conditions. In making their assessment the Directors have reviewed the Group's latest budget, forecasts, available loan and revolving credit facility and considered reasonably possible downside sensitivities in performance and mitigating actions.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2021

1. Accounting policies (continued)

Going concern (continued)

As a result of the above considerations, the Directors consider that the Group and Company have adequate resources in place for at least 12 months from the date of the approval of these financial statements and have therefore adopted the going concern basis of accounting in preparing the financial statements.

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 as an agreement is made to share control of certain entities. These 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.

Corporation tax

Corporation tax comprises current tax. Current tax is based on taxable profits for the year. Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, income tax is recognised in the Profit and Loss Account.

Financial assets

Financial assets are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment.

Financial liabilities and equity

Basic financial liabilities, including other payables and loans from fellow Group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Dividend income

Dividend income is recognised when the right to receive payment is established.

2. Critical accounting judgements and estimation uncertainty

There are no specific critical judgements or key assumptions that the Company makes about the future, or other major sources of estimation uncertainty at the end of the reporting period, that are deemed to have a significant risk of resulting in a material adjustment within the next financial year to the carrying amounts of assets at the year end.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2021

3. Operating profit

a. Employees

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

b. Auditor's remuneration

Due to exemption from audit by parent guarantee, no audit fees have been incurred during the period. Remuneration of the Group auditor is settled by McCarthy & Stone (Developments) Limited on behalf of all companies within the McCarthy & Stone Group, and not recharged in period. The total Group audit fee for the year ended 31 October 2021 was £0.5m (2020: £0.4m).

c. Directors' remuneration

The Directors received no remuneration from the Company in the current or prior year. The Directors are paid by the other Group companies and the allocation to this company is £nil for the year ended 31 October 2021 (2020: £nil).

d. Other operating income

	2021 £	2020 £
Dividends received	128,082	727,583
Other income	-	168,933
	128,082	896,516

Dividends received during the year related to the sale of assets within the company's investments.

Other income in the prior year relates to the settlement of an overprovision within one of the investments.

e. Dividends

	2021 £	2020 £
Dividends paid	200,000	1,000,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2021

4. Tax on profit**a. Analysis of tax charge for the year**

	2021 £	2020 £
<i>Current tax:</i>		
UK corporation tax charge on profit for the year	(1,334)	10
Adjustment in respect of previous years	32,159	-
Total tax charge	30,825	10

b. Factors affecting tax charge for the period

	2021 £	2020 £
Profit before tax	121,060	896,569
Anticipated tax charge based on profit before tax at 19% (2020: 19%)	23,001	170,348
<i>Effects of:</i>		
Income not taxable (dividends and other income)	(24,335)	(170,338)
Adjustment in respect of previous years	32,159	-
Total tax charge for the year	30,825	10

The rate of corporation tax was 19.0% throughout the year (2020: 19.0%).

5. Investments

Investments in Joint Ventures	£
<i>Cost and net book value:</i>	
At 1 November 2020	2,000
Impairment	(2,000)
At 31 October 2021	-

Following the below company dissolvments and expectation to close the remaining entities post year end, the Company have fully impaired their investments:

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 2021, Kindle Housing Ltd had total issued ordinary share capital of £1,000 (2020: £1,000), retained earnings of £7,152 (2019: £5,897), made a profit of £1,255 for the year ended 31 August 2021 (2020: £5,037) and paid a dividend of £nil (2020: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2021

5. Investments (continued)

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. During the prior year, the company sold its core investment property and during the current year the company was dissolved on 5 October 2021.

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. During the prior year the company sold its core investment property and during the current year the company was dissolved on 10 August 2021.

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 December 2021, following a short financial year, Kindle Housing (Exeter) Ltd had total issued ordinary share capital of £1,000 (31 August 2021: £1,000), retained earnings of £(1,000) (31 August 2021: £73,633). This is reflective that the company is due to be dissolved following the sale of its core investment property in the current year.

6. Debtors: amounts due within one year

	2021	2020
	£	£
Amounts owed by Group undertakings	-	181,552
	-	181,552

Balances owed by Group undertakings are interest free, unsecured and repayable on demand. There are no guarantees on balances and no provisions against outstanding balances have been made.

7. Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts owed to Group undertakings	26,282	10
	26,282	10

Balances owed to Group undertakings are interest free, unsecured and repayable on demand. There are no guarantees on balances and no provisions against outstanding balances have been made.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2021

8. Share capital

	Authorised No.	Authorised £	Allotted, called up & fully paid No.	Allotted, called up & fully paid £
Equity share capital				
Ordinary shares of £1 each				
As at 31 October 2020 and 2021	1,000	1,000	2	2

Each ordinary share carries equal voting, dividend and capital repayment rights. There is one single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

9. Related parties

The Company has taken advantage of the exemption available under FRS 102, section 33.1A, not to disclose transactions with wholly owned members of the Group headed by Mastiff BidCo Limited.

Dividends have been received from the Company's joint ventures, totalling £128,082 (2020: £896,516). Amounts owed to/from joint ventures as at 31 October 2021 is £nil (at 31 October 2020: £nil).

10. Ultimate parent undertaking and controlling party

The immediate parent undertaking is McCarthy & Stone Retirement Lifestyles Limited. Mastiff BidCo Limited, which is registered in Jersey, is considered to be the Company's immediate controlling party.

The financial statements of Mastiff BidCo Limited can be obtained from its registered office:

44 Esplanade
St Helier
Jersey
JE4 9WG

The ultimate controlling party is Lone Star Real Estate Fund VI, LP.

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

11. Post balance sheet events

There are no post balance sheet events related to the Company.