

Affordable Housing UK (Kernow) Limited

Unaudited Abbreviated Accounts
for the Year Ended 31 December 2006

Easterbrook Eaton Limited
Chartered Accountants
Cosmopolitan House
Old Fore Street
Sidmouth
Devon
EX10 8LS



Affordable Housing UK (Kernow) Limited
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The following reproduces the text of the accountants' report in respect of the company's annual financial statements, from which the abbreviated accounts (set out on pages 2 to 4) have been prepared

**Chartered Accountants' Report to the Director on the Unaudited Financial Statements
of
Affordable Housing UK (Kernow) Limited**

In accordance with the engagement letter, and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet, and the related notes from the accounting records and information and explanations you have given to us

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this 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 Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet as at 31 December 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

Easterbrook Eaton Limited

Easterbrook Eaton Limited
Chartered Accountants

4 June 2007

Cosmopolitan House
Old Fore Street
Sidmouth
Devon
EX10 8LS



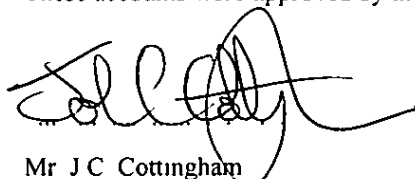
Affordable Housing UK (Kernow) Limited
Abbreviated Balance Sheet as at 31 December 2006

		31 December 2006		31 December 2005	
	Note	£	£	£	£
Fixed Assets					
Tangible Assets	2		<u>1</u>		<u>1</u>
Current Assets					
Stock		20,208		4,923	
Debtors		13,927		-	
Cash at Bank		<u>3,592</u>		<u>1,013</u>	
		37,727		5,936	
Creditors: Amounts Falling Due Within One Year					
Net Current Assets/(Liabilities)		<u>(16,474)</u>		<u>(6,745)</u>	
Net Assets/(Liabilities)			<u>21,253</u>		<u>(809)</u>
			<u>21,254</u>		<u>(808)</u>
Capital and Reserves					
Profit and Loss Reserve			<u>21,254</u>		<u>(808)</u>
			<u>21,254</u>		<u>(808)</u>

For the financial year ended 31 December 2006, the company was entitled to exemption from audit under section 249A(1) of the Companies Act 1985, and no notice has been deposited under section 249B(2) requesting an audit. The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the Companies Act 1985, so far as applicable to the company.

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These accounts were approved by the Director on 4 June 2007


Mr J C Cottingham
Director

Affordable Housing UK (Kernow) Limited

Notes to the Abbreviated Accounts for the Year Ended 31 December 2006

1 Accounting Policies

Basis of Preparation

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 January 2005)

Cash Flow Statement

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement

Going Concern

These financial statements have been prepared on a going concern basis

Turnover

Turnover represents the invoiced value of sales of new affordable residential property, net of value added tax

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows

Freehold Property	Nil
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Stock and Work in Progress

Stock and work in progress are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs

2 Fixed Assets

	Tangible Assets
	£
Cost	
As at 1 January 2006 and 31 December 2006	<u>1</u>
Net Book Value	
As at 31 December 2006	<u>1</u>
As at 31 December 2005	<u>1</u>

Affordable Housing UK (Kernow) Limited

Notes to the Abbreviated Accounts for the Year Ended 31 December 2006

continued

3 Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding none towards the assets of the company in the event of liquidation.