

McCarthy & Stone (Home Equity Interests) Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 October 2020



Company registration number: 05984851

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DIRECTORS AND ADVISERS

For the year ended 31 October 2020

Directors

R C Baker (resigned 31 July 2020)

J M Tonkiss

A D Batty (appointed 20 January 2020; resigned 28 May 2021)

P D Hole (resigned 6 December 2019)

M J Abell (appointed 1 August 2020)

Registered Office

4th Floor
100 Holdenhurst Road
Bournemouth
Dorset
BH8 8AQ

Independent Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF

Bankers

HSBC Bank plc
70 Pall Mall
London
SW1Y 5EZ

DIRECTORS' REPORT

For the year ended 31 October 2020

The Directors of McCarthy & Stone (Home Equity Interests) Limited (the Company) (registered number 05984851) present their Annual Report and audited financial statements for the year ended 31 October 2020. All comparatives are for the 14 month period ended 31 October 2019 (2019). This Directors' Report has been prepared in accordance with the provisions applicable to companies entitled under 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. The ultimate parent company McCarthy & Stone Limited (formerly McCarthy & Stone plc) produces consolidated financial statements. McCarthy & Stone 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's business is holding shared equity interests in retirement apartments.

Results

The profit after taxation for the year amounted to £266,946 (14 months to 31 October 2019: £378,172). No dividends have been proposed or paid either in the current or prior period.

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
R C Baker	6 January 2017	31 July 2020
M J Abell	1 August 2020	-
J M Tonkiss	31 August 2018	-
A D Batty	20 January 2020	28 May 2021
P D Hole	1 September 2016	6 December 2019

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 2020.

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 they have, or could have a direct or indirect interest that conflicts with the interests of the Company. The Company's Articles of Association contains provisions for dealing with conflicts or potential conflicts. The procedures for dealing with conflicts of interest have operated effectively during the period under review and the Directors have concluded that there were no conflicts of interest during the 14 month period.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 October 2020

Directors' 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.

Future developments

The Company will continue to hold shared equity interests in retirement apartments for the foreseeable future.

Employees

The Company had no employees during the current year or prior period.

Dividends

No dividends were proposed or paid during the year to 31 October 2020 (14 month period to 31 October 2019: £nil).

Political donations

There were no political donations during the current year or prior period.

Post balance sheet events

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

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.

Financial risk management

The Company's activities expose it primarily to macroeconomic risks such as deflation and the cyclical nature of UK property prices, as the amount repayable of the Company is dependent upon the market price of the property to which the asset is linked.

The maintenance of formal risk registers, the identification of key control frameworks, the monitoring of key indicators and the pursuit of a broad assurance programme provides all levels of management with a clear framework within which to operate.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 October 2020

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 has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

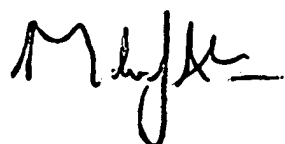
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

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 intend 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 McCarthy & Stone Retirement Lifestyles Limited, as the immediate parent of the entity. They should be served by no later than 31 October 2021.

Approved by the Board and signed on its behalf by:



M J Abell
Director

26 July 2021

McCarthy & Stone (Home Equity Interests) Limited
4th Floor
100 Holdenhurst Road
Bournemouth
Dorset
BH8 8AQ

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 31 October 2020

Directors' responsibilities statement 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 the 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; 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF McCARTHY & STONE (HOME EQUITY INTERESTS) LIMITED

For the year ended 31 October 2020

Opinion

We have audited the financial statements of McCarthy & Stone (Home Equity Interests) Limited for the year ended 31 October 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 October 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on pages 3 to 5, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF McCARTHY & STONE (HOME EQUITY INTERESTS) LIMITED (CONTINUED)

For the year ended 31 October 2020

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- • the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF McCARTHY & STONE (HOME EQUITY INTERESTS) LIMITED (CONTINUED)

For the year ended 31 October 2020

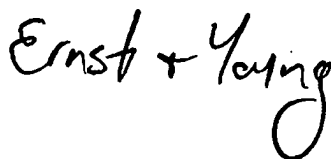
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.



Peter McIver (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
26 July 2021

PROFIT AND LOSS ACCOUNT

For the year ended 31 October 2020

	Notes	12 month year ended 31 October 2020 £	14 month period ended 31 October 2019 £
Administrative expenses		(1,200)	(1,200)
Other gains and losses	3	267,918	990,875
Operating profit	3	266,718	989,675
Interest payable and similar expenses	4	-	(583,991)
Profit before taxation		266,718	405,684
Tax credit/(charge) on profit	5	228	(27,512)
Profit for the financial year		266,946	378,172

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 Statement of Comprehensive Income is given.

The notes on pages 13 to 21 form part of these financial statements.

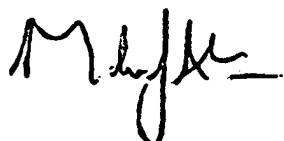
BALANCE SHEET

As at 31 October 2020

	Notes	2020 £	2019 £
Non-current assets			
Other debtors: amounts due after one year	6	4,429,267	4,575,288
Current assets			
Other debtors: amounts due within one year	6	4,836,968	4,937,324
		9,266,235	9,512,612
Other creditors: amounts falling due within one year	7	-	(513,323)
Net assets		9,266,235	8,999,289
Capital and reserves			
Called up share capital	8	8,200,001	8,200,001
Profit and loss account		1,066,234	799,288
Shareholders' funds		9,266,235	8,999,289

The notes on pages 13 to 21 form part of these financial statements.

The financial statements were authorised for issue by the Board of Directors on 26 July 2021 and were signed on its behalf:



M J Abell
Director

Company registration number: 05984851

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2020

	<i>Notes</i>	Share capital £	Profit and loss account £	Total £
Balance as at 1 September 2019	8	8,200,001	421,116	8,621,117
Profit for the 14 month period		-	378,172	378,172
Total comprehensive profit for the period		-	378,172	378,172
Balance as at 31 October 2019	8	8,200,001	799,288	8,999,289
Profit for the year		-	266,946	266,946
Total comprehensive profit for the year		-	266,946	266,946
Balance as at 31 October 2020	8	8,200,001	1,066,234	9,266,235

The notes on pages 13 to 21 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

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 period.

McCarthy & Stone (Home Equity Interests) 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.

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 parent, McCarthy & Stone Limited, which may be obtained on Companies House. 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 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

1. Accounting policies (continued)

Other operating income

The Company previously attracted a risk of ownership premium payable by other McCarthy & Stone Group companies, in recognition of the scheme assets which the Company holds. This was reported as other operating income to reflect the nature of the intra-group transaction however has since lapsed.

Profit or loss on realisation of the shared equity assets is also recognised within other operating income.

Corporation tax

Corporation tax comprises current tax. Current tax is based on taxable profits for the year ended 31 October 2020. Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, tax is recognised in the profit and loss account.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets and shared equity receivables are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

1. Accounting policies (continued)

Financial assets (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Shared equity receivables

Shared equity interests arise from sales incentive schemes under which the Company acquires a contractual entitlement to receive a proportion of the proceeds of sale of an apartment. These interests are normally protected by a legal charge over the relevant apartment and/or a restriction on title.

The value of the shared equity receivables changes in response to an underlying variable and therefore is accounted for as a derivative. The shared equity receivables are initially recognised at fair value plus transaction costs that are directly attributable to the receivable. The fair value of future anticipated cash receipts takes into account the Directors' view of future house price movements and the expected timing of receipts.

The Directors revisit the future anticipated cash receipts from the assets at each reporting date as these assets are also subsequently recognised at fair value. The difference between the anticipated future receipt and the initial fair value is credited/charged to interest payable and similar expenses or other gains and losses.

Related party transactions

The company discloses transactions with related parties which are not wholly-owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

2. Critical accounting judgements and estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

No critical judgments have been made in the process of applying the Company's accounting policies that have a material effect on the amounts recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

2. Critical accounting judgements and estimation uncertainty (continued)

Critical assumptions and major sources of estimation uncertainty

The Company does not have any key assumptions concerning the future, or other key sources of estimation uncertainty in the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Other assumptions and sources of estimation uncertainty

The following assumption and sources of estimation uncertainty carry risk of resulting in a material adjustment to the carrying amounts of assets and liabilities over the longer-term.

Fair value of shared equity receivables

Shared equity receivables are recognised at the fair value of future anticipated cash receipts that takes into account the Directors' view of an appropriate discount rate, a new build premium, future house price movements and the expected timing of receipts. Shared equity receivables are reviewed at each reporting date using a variety of estimates that anticipate future cash flows from the assets. The revaluation is mainly driven by changes in discount rates and the timing of receipts. Should both of these assumptions be impacted by a reasonably possible change of a 1% increase or decrease, the effect has been illustrated below:

	Increase assumptions by 1% £m	Decrease assumptions by 1% £m
Discount rate	(0.2)	0.2
Timing of receipts	(0.2)	0.2

As at 31 October 2020, the shared equity receivables were valued at £4,429,267 (2019: £4,575,288).

3. Operating profit

a. Employees

The Company had no employees during the current or preceding year.

b. Auditor's remuneration

Remuneration of the auditor is settled by McCarthy & Stone (Developments) Limited on behalf of all companies within the McCarthy & Stone Limited Group, and was not recharged in the prior year. The total Group audit fee for auditing of the financial statements for the year ended 31 October 2020 was £0.5m (14 months ended 31 October 2019: £0.4m).

c. Directors' remuneration

The Directors received no remuneration from the Company in the current year ended 31 October 2020 or prior period. The Directors are paid by other Group companies and the allocation to this Company for the year ended 31 October 2020 is £nil (14 month period ended 31 October 2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

3. Operating profit (continued)

d. Other gains and losses

	12 month year ended 31 October 2020 £	14 month period ended 31 October 2019 £
Risk of ownership premium	-	729,989
Profit from realisation of shared equity receivables	86,859	81,786
Gain in fair value on long-term receivable	181,059	179,100
Other gains and losses	267,918	990,875

Other operating income is linked to two income streams. The Company previously attracted a risk of ownership premium payable by other Group companies, in recognition of the scheme assets which the company holds, however this arrangement has ceased during the year following a review of the interest charges.

The second stream relates to profits arising from the realisation of shared equity receivables.

4. Interest payable and similar expenses

	12 month year ended 31 October 2020 £	14 month period ended 31 October 2019 £
Interest payable to fellow Group undertakings	-	583,991
Loss in fair value on long-term receivable	-	-
Interest payable and similar expenses	-	583,991

Interest was payable on an initial loan balance, equivalent to the outstanding shared equity receivables provided by the parent company, at a rate of 8% per annum. During the year, this interest charge has been ceased following a review of the charges and no further interest is to be paid on this balance. Other balances owed to Group undertakings are interest free.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

5. Corporation Tax

a. Analysis of tax (credit)/charge on profit for the period

	12 month year ended 31 October 2020 £	14 month period ended 31 October 2019 £
<i>Current tax:</i>		
UK corporation tax on profit for the period	(228)	27,512
Tax (credit)/charge on profit	(228)	27,512

b. Factors affecting tax charge for the period

	12 month year ended 31 October 2020 £	14 month period ended 31 October 2019 £
Profit before tax	266,718	405,884
Anticipated tax charge based on profit before tax at 19.00% (2019: 19.00%)	50,676	77,080
<i>Effects of:</i>		
Income not taxable	(50,904)	(49,568)
Tax (credit)/charge for the year	(228)	27,512

The rate of corporation tax was 19.0% throughout the year (2019: 19.0%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

6. Other debtors

	2020 £	2019 £
Shared equity receivables	4,429,267	4,575,288
Amounts due after one year	4,429,267	4,575,288
Amounts owed by Group undertakings	4,836,968	4,937,324
Amounts due within one year	4,836,968	4,937,324

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. Other creditors: amounts falling due within one year

	2020 £	2019 £
Amounts owed to Group undertakings	-	513,323

Balances owed by Group undertakings are interest free, unsecured and repayable on demand. All amounts owed to Group undertakings have been repaid in the year. There are no guarantees on balances and no provisions against outstanding balances have been made.

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 2019 & 2020	8,301,000	8,301,000	8,200,001	8,200,001

Each ordinary share carries equal voting, dividend and capital repayment rights. The profit and loss account represents cumulative profits or losses net of other adjustments. There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

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 McCarthy & Stone Limited.

10. Ultimate parent undertaking and controlling party

The immediate parent undertaking is McCarthy & Stone Retirement Lifestyles Limited.

McCarthy & Stone Limited, 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 Limited can be obtained from their 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 Limited.

11. Post balance sheet events

On 23 October 2020, the Board of McCarthy & Stone plc announced that it had reached agreement with Mastiff Bidco Limited (Bidco), a wholly-owned indirect subsidiary of Lone Star Real Estate Fund VI, on the terms of a recommended cash offer by Bidco for the entire share issued and to be issued capital of the Company (the Transaction). The Transaction was to be implemented by means of a Court-sanctioned scheme of arrangement (the Scheme) under Part 26 of the Companies Act. The Scheme was duly approved by the Company's shareholders at meetings held on 7 December 2020. Court sanction of the Scheme was received on 28 January 2021 and the Scheme became effective on 1 February 2021.

Under the terms of the acquisition, each McCarthy & Stone shareholder received 120p per share held, resulting in a transaction value of approximately £646.6m.

On completion of the Transaction, the Group has a new ultimate controlling party being Lone Star Real Estate Fund VI, LP. The Company's immediate parent company is Mastiff Bidco Limited, a company registered in Jersey. A number of the Group's contractual arrangements include change of control clauses which apply as a result of the Transaction, none of which had a material impact on the financial position as at 31 October 2020. Following the Court sanction on 28 January 2021, all existing options under the Group's LTIP have been cancelled and all SAYE and SIP shareholders have been settled.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

11. Post balance sheet events (continued)

In addition, the Group's revolving credit facility of £200m has been cancelled and existing debt and accrued interest under this facility have been repaid in line with change of control provisions. On acquisition a new 5-year senior loan facility for £275m was put in place at a nominal interest rate of 7% per annum, with the Group's immediate parent company (Mastiff Bidco Limited) as borrower.

In March 2021, the Group has also secured an additional £48.5m revolving credit facility with four lender banks at a margin of LIBOR plus 3%. The facilities are secured, including by way of floating charge, over the assets of certain Group subsidiaries.