

McCarthy & Stone (Total Care Living) Limited

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 August 2016



Company registration number: 06069509

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DIRECTORS AND ADVISORS

For the year ended 31 August 2016

Directors

C Fenton

N W Maddock (resigned 6 January 2017)

R C Baker (appointed 6 January 2017)

Registered Office

4th Floor

100 Holdenhurst Road

Bournemouth

Dorset

BH8 8AQ

Bankers

HSBC Bank plc

70 Pall Mall

London

SW1Y 5EZ

DIRECTORS' REPORT

For the year ended 31 August 2016

The Directors of McCarthy & Stone (Total Care Living) Limited (the Company) (registered number 06069509) present their Annual Report and 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's business is property investment.

Results

The profit on ordinary activities after taxation for the year amounted to £10,746 (2015: loss of £25,683). Profit in the year is due to inter-company interest receivable from balances owed by Group companies. In the prior year balances were owed to Group entities and therefore interest was paid by the entity. Due to the sale of assets held by the entity in the prior year there is no longer other operating income. 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 and Stone Limited) produces consolidated financial statements. McCarthy & Stone plc listed on 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 date of signing were:

| Name | Date of appointment | Date of resignation |
|---------------------------|---------------------|---------------------|
| <i>Current Directors:</i> | | |
| Clive Fenton | 17 February 2014 | - |
| Nick Maddock | 31 August 2012 | 6 January 2017 |
| Rowan Baker | 6 January 2017 | - |

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 contains 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.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 August 2016

Future Developments

The Company will continue to act as a property investment company for the foreseeable future.

Post balance sheet events

Post balance sheet events have been disclosed in note 12.

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.

Employees

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

Going concern

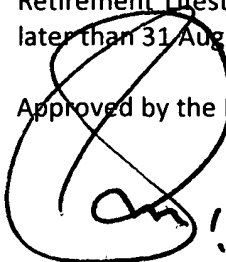
The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Through a combination of third party trading, transactions with other Group entities and intra-group financing where appropriate, the Directors believe 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.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage 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 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 August 2017.

Approved by the Board and signed on its behalf on by:



C Fenton
Director

8 May 2017

McCarthy & Stone (Total Care Living) Limited
4th Floor
100 Holdenhurst Road
Bournemouth
Dorset
BH8 8AQ

DIRECTORS' RESPONSIBILITY STATEMENT

For the year ended 31 August 2016

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.
- 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.

PROFIT AND LOSS ACCOUNT

For the year ended 31 August 2016

| | Notes | 2016 £ | 2015 £ |
|---|-------|-----------|-------------|
| Turnover | | - | 1,834,110 |
| Cost of sales | | - | (1,834,110) |
| Gross profit | | - | - |
| Administrative expenses | 3 | (1,000) | (1,000) |
| Other operating income | 3 | - | 45,122 |
| Operating (loss)/profit | 3 | (1,000) | 44,122 |
| Interest receivable | 4 | 14,387 | - |
| Interest payable | 5 | - | (77,063) |
| Profit/(loss) on ordinary activities before taxation | | 13,387 | (32,941) |
| Taxation (charge)/credit | 6 | (2,641) | 7,257 |
| Profit/(loss) for the financial year | | 10,746 | (25,683) |

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 £ |
|---|-------|----------------|----------------|
| Current assets | | | |
| Debtors: amounts due within one year | 7 | 475,849 | 263,763 |
| | | 475,849 | 263,763 |
| Creditors: amounts due within one year | 8 | (201,340) | - |
| Net assets | | 274,509 | 263,763 |
| Capital and reserves | | | |
| Called up share capital | 9 | 1 | 1 |
| Profit and loss account | 9 | 274,508 | 263,762 |
| Shareholders' funds | | 274,509 | 263,763 |

For the year ending 31 August 2016 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

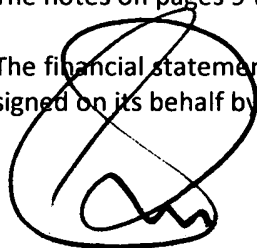
Directors' responsibilities:

- 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.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 9 to 13 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:



C Fenton
Director

Company registration number: 06069509

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2016

| | <i>Notes</i> | <i>Share capital</i> | <i>Profit and loss account</i> | <i>Total</i> |
|--|--------------|--------------------------|------------------------------------|-----------------|
| Balance as at 1 September 2014 | 9 | 1 | 289,445 | 289,446 |
| Loss for the year | | - | (25,683) | (25,683) |
| Total comprehensive income for the year | | - | (25,683) | (25,683) |
| Balance as at 31 August 2015 | 9 | 1 | 263,762 | 263,763 |
| Profit for the year | | - | 10,746 | 10,746 |
| Total comprehensive income for the year | | - | 10,746 | 10,746 |
| Balance as at 31 August 2016 | 9 | 1 | 274,508 | 274,509 |

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

1. Accounting policies

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

McCarthy & Stone (Total Care Living) Limited is a company incorporated in the United Kingdom under the Companies Act. 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 13.

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. 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 and 4.

Corporation tax

Corporation tax comprises current tax and deferred 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, tax is recognised in the Profit and Loss Account.

2. Critical accounting judgements and estimation uncertainty

There is not considered to be any critical accounting judgements or estimation uncertainty within McCarthy & Stone (Total Care Living) Limited due to the nature of the balances.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

3. Operating (loss)/profit

a. Turnover

| | 2016 | 2015 |
|----------|-------------|------|
| | £ | £ |
| Turnover | - 1,834,110 | |

b. Other operating income

| | 2016 | 2015 |
|-------------------|------|--------|
| | £ | £ |
| Net rental income | - | 13,025 |
| Other income | - | 32,097 |
| | - | 45,122 |

c. Employees

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

d. Auditor's remuneration

Due to exemption from audit by parent guarantee, no audit fees have been incurred during the year (2015: £2,002). Remuneration of the auditor is settled by McCarthy & Stone (Developments) Limited on behalf of all companies within the McCarthy & Stone plc Group, and was not recharged in prior year. The total Group audit fee was £0.2m (2015: £0.2m).

e. Directors' remuneration

There was no Directors' remuneration during the year, or proceeding year. The Directors are paid by other Group companies and the allocation to this Company is £nil.

4. Interest receivable

| | 2016 | 2015 |
|--|--------|------|
| | £ | £ |
| Interest receivable from fellow Group undertakings | 14,387 | - |
| Net interest receivable | 14,387 | - |

Interest is receivable on balances with McCarthy & Stone Retirement Lifestyles Limited at a rate of 2.2%, reduced from 3.5% during the year (2015: 8.0%).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

5. Interest payable

| | 2016 £ | 2015 £ |
|---|-----------|---------------|
| Interest payable to fellow Group undertakings | - | 77,063 |
| Net interest payable | - | 77,063 |

No interest was payable within the current year. In the prior year interest was payable on balances with McCarthy & Stone Retirement Lifestyles Limited and McCarthy & Stone (Developments) Limited at a rate of 8%.

6. Taxation on profit/(loss) on ordinary activities

a. Analysis of tax charge/(credit) for the year

| | 2016 £ | 2015 £ |
|--|--------------|----------------|
| Current tax: UK corporation tax on profit/(loss) for the year | 2,677 | (6,851) |
| Adjustment in respect of previous years | (36) | (406) |
| Tax charge/(credit) on profit/(loss) on ordinary activities | 2,641 | (7,257) |

b. Factors affecting tax charge/(credit) for the current year

| | 2016 £ | 2015 £ |
|--|--------------|----------------|
| Profit/(loss) on ordinary activities before tax | 13,387 | (32,941) |
| Anticipated tax charge/(credit) based on profit/(loss) before tax at 20.00% (2015: 22.58%) | 2,677 | (6,779) |
| <i>Effects of:</i> | | |
| Income not taxable | - | (72) |
| Adjustments in respect of prior years | (36) | (406) |
| Total tax charge/(credit) for the year | 2,641 | (7,257) |

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

7. Debtors: amounts due within one year

| | 2016 £ | 2015 £ |
|------------------------------------|----------------|----------------|
| Amounts owed by Group undertakings | 475,849 | 263,763 |
| | 475,849 | 263,763 |

Balances owed by Group undertakings are repayable on demand.

8. Creditors: amounts falling due within one year

| | 2016 £ | 2015 £ |
|-----------------------------------|----------------|-----------|
| Amount owed to Group undertakings | 201,340 | - |
| | 201,340 | - |

Balances owed to Group undertakings are repayable on demand.

9. Share capital and reserves

| | Authorised No. | Authorised £ | Allotted, called up & fully paid No. | Allotted, called up & fully paid £ |
|-----------------------------|-------------------|-----------------|---|---|
| Equity share capital | | | | |
| Ordinary shares of £1 each | 1,000 | 1,000 | 1 | 1 |

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

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

10. Related parties

All related party transactions within the current and preceding year have been entered into between wholly owned members of the Group.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

11. 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 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 plc.

12. Post balance sheet events

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

13. 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.