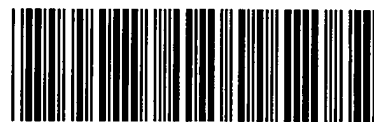


**McCarthy & Stone (Total Care Living) Limited**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**For the year to 31 August 2015**

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COMPANIES HOUSE

**Company registration number: 06069509**

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## DIRECTORS AND ADVISORS

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### Directors

C Fenton

N W Maddock

### 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

### Solicitor

Freshfields Bruckhaus Deringer LLP

65 Fleet Street

London

EC4Y 1HS

## DIRECTORS' REPORT

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The Directors present their report and financial statements for the year ended 31 August 2015. This Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 419(2) of the Companies Act 2006. Accordingly, the Company is not required to include a strategic report.

### Principal activity

The Company's business is property investment.

### Results

The loss on ordinary activities after taxation for the year amounted to £25,683 (2014: £39,971)

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 is McCarthy & Stone plc (formerly McCarthy and Stone Ltd), who were admitted for listing on the London Stock Exchange on 11th November 2015.

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
<i>Current Directors:</i>	
Clive Fenton	17 February 2014
Nick Maddock	31 August 2012

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 2015.

### 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' 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.

## DIRECTORS' REPORT (CONTINUED)

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### Employees

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

### Going concern

The Directors are in receipt of a letter of support from McCarthy & Stone PLC (formerly McCarthy & Stone Ltd), to the extent that it will not seek repayment of the outstanding inter-company balances within 12 months of signing the statutory financial statements of McCarthy & Stone (Total Care Living) Limited.

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.

### Statement of disclosure of information to the Independent Auditor

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that he ought to have taken in order 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.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

The Directors' Report was approved by the Board of Directors on 17<sup>th</sup> December 2015 and signed on its behalf by:



N W Maddock  
Director

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

## DIRECTORS' RESPONSIBILITIES STATEMENT

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### **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). 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; 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 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 MCCARTHY & STONE (TOTAL CARE LIVING) LIMITED**

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We have audited the financial statements of McCarthy & Stone (Total Care Living) Limited for the year ended 31 August 2015 which comprise the Profit and Loss Account, the Balance Sheet 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).

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 2015 and of its loss 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.

### **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.

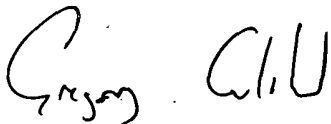
## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCCARTHY & STONE (TOTAL CARE LIVING) LIMITED (CONTINUED)

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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; or
- the Company 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; or
- the Directors were not entitled to take advantage of the small companies exemption from preparing a Strategic report or in preparing the Directors' report.



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

17<sup>th</sup> December 2015



## PROFIT AND LOSS ACCOUNT

For the year ended 31 August 2015

	Notes	2015 £	2014 £
<b>Turnover</b>		<b>1,834,110</b>	-
Cost of sales	2	(1,834,110)	-
<b>Gross Profit</b>		<b>-</b>	<b>-</b>
Administrative expenses		(1,000)	(1,000)
Other operating income	2	45,122	90,243
<b>Operating Profit</b>		<b>44,122</b>	<b>89,243</b>
Interest payable to fellow group undertakings		(77,063)	(140,594)
<b>Loss on Ordinary Activities before Taxation</b>		<b>(32,941)</b>	<b>(51,351)</b>
Taxation credit	3	7,257	11,380
<b>Loss for the Financial Period</b>	8	<b>(25,683)</b>	<b>(39,971)</b>

The Company has no material gains or losses other than those included in the Profit and Loss Account above, and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

There is no material difference between the result as disclosed in the Profit and Loss Account and the result on an unmodified historical cost basis.

All of the figures above relate to continuing operations.

The notes on pages 11 to 16 form part of these financial statements.

## BALANCE SHEET

As at 31 August 2015


	Notes	2015 £	2014 £
<b>Tangible Fixed Assets</b>			
Investment properties	4	-	442,850
		-	442,850
<b>Current Assets</b>			
Stocks	5	-	1,391,260
Debtors: amounts due within one year	6	263,762	-
		263,762	1,391,260
<b>Creditors: amounts due within one year</b>	7	-	(1,544,664)
<b>Net Assets</b>		<b>263,762</b>	<b>289,446</b>
<b>Capital and Reserves</b>			
Called up share capital	8	1	1
Profit and loss account	9	263,761	289,445
<b>Shareholders' Funds</b>		<b>263,762</b>	<b>289,446</b>

Company registration number: 06069509

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

Approved by the Board and authorised for issue on 17th December 2015

Signed on its behalf by:



N W Maddock  
Director

The notes on pages 11 to 16 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

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### 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.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

#### **Going concern**

McCarthy & Stone (Total Care Living) Limited was formed to hold a proportion of the Group's unsold stock. McCarthy & Stone (Total Care Living) Limited's finance is provided through inter-company balances. The Group is headed by McCarthy & Stone plc. The Group has confirmed that it will not seek repayment of inter-company balances within 12 months of signing the statutory financial statements of McCarthy & Stone (Total Care Living) Limited. The Directors are in receipt of a letter of support from McCarthy & Stone plc. The Directors are satisfied that the facilities and operations of the Group are sufficient to provide the assurances held within this letter. Thus, the financial statements have been prepared on the going concern basis.

The Company has not prepared Group financial statements as the trading results of its subsidiaries are reported as consolidated within McCarthy & Stone plc.

#### **Investment properties**

Investment properties represent rental properties and are valued at a multiple of the rent receivable.

In accordance with Statement of Standard Accounting Practice 19, investment properties are normally revalued annually and the aggregate surplus or deficit is transferred to a revaluation reserve; no depreciation or amortisation is provided in respect of freehold investment properties and leasehold investment properties with over 20 years to run. Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the Directors believe that this policy of not providing depreciation is necessary in order for the financial statements to give a true and fair view, since the current value of investment properties, and changes in that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

#### **Stocks**

Stocks are stated at the lower of cost and estimated net realisable value. The cost of work in progress and finished stock comprises the cost of land purchases, which are accounted for from the date of contract exchange, when the Group obtains effective control of the site, building costs and attributable production overheads. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

## NOTES TO THE FINANCIAL STATEMENTS

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### 1. Accounting policies (continued)

#### Corporation tax

Corporation tax comprises current tax and deferred tax. Current tax is based on taxable profits for the year.

Deferred tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future; and
- Deferred tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

Deferred tax assets and liabilities are measured on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the Balance Sheet date.

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.

#### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

#### Other operating income

The Company attracts a risk of ownership premium payable by other McCarthy & Stone Group companies, in recognition of the scheme assets which the Company holds. This is reported as other income to reflect the nature of the inter Group transaction.

#### Cash flow statement

No cash flow statement has been prepared for the Company as it is itself a wholly owned UK incorporated subsidiary. A Group consolidated cash flow statement is included in the financial statements of the ultimate parent undertaking, McCarthy & Stone plc.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. Operating loss

#### a. Turnover

	2015	2014
	£	£
Turnover	1,834,110	-

#### b. Other operating income

	2015	2014
	£	£
Net rental income	13,025	26,050
Other income	32,097	64,193
	<b>45,122</b>	<b>90,243</b>

#### c. Employees

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

#### d. Auditor's remuneration

Auditor's remuneration of £2,002 (2014: £1,863) is borne by a fellow Group Company.

#### e. Directors' remuneration

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

### 3. Taxation on loss on ordinary activities

#### a. Analysis of tax credit for the period

	2015	2014
	£	£
Current tax: UK corporation tax on losses for the period	(6,851)	(11,380)
Adjustment in respect of previous periods	(406)	-
<b>Tax on loss on ordinary activities</b>	<b>(7,257)</b>	<b>(11,380)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 3. Taxation on loss on ordinary activities continued

#### b. Factors affecting tax credit for the current period

	2015 £	2014 £
Loss on ordinary activities before tax	(32,941)	(51,351)
Anticipated tax credit based on profit before tax at 20.58% (2014: 22.16%)	(6,779)	(11,380)
<i>Effects of:</i>		
Income not taxable	(72)	-
Adjustments in respect of prior years	(406)	-
<b>Current tax credit for the period</b>	<b>(7,257)</b>	<b>(11,380)</b>

In the Budget on 8 July 2015, the UK Government proposed to further reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. These rate changes were substantively enacted in the Finance Bill 2015 on 26 October 2015 and existing temporary differences may therefore unwind in periods subject to these rates.

### 4. Tangible fixed assets

	Freehold investment properties £
At 1 September 2014	442,850
Disposal	(442,850)
At 31 August 15 2015	-

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Stocks

	2015 £	2014 £
Land for development	-	1,083,000
Finished stock	-	308,260
	-	1,391,260
<i>Land for development is further analysed as follows:</i>		
Land with planning consent	-	1,083,000
	-	1,083,000

There is no material difference between the balance sheet value of stocks and their replacement cost.

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

	2015 £	2014 £
Amounts owed by subsidiary undertakings	263,762	-
	263,762	-

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

	2015 £	2014 £
Amount owed to group undertakings	-	1,544,664
	-	1,544,664

### 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	1,000	1,000	1	1

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Combined reconciliation of shareholders' funds and statement of movement on reserves

	Called up share capital £ 2015	Profit and loss account £ 2015	Total £ 2015	Total £ 2014
As at 1 September	1	289,445	289,446	329,417
Loss for the financial year	-	(25,683)	(25,683)	(39,971)
As at 31 August	1	263,761	263,762	289,446

### 10. Related parties

The Company has taken advantage of the exemption available under FRS 8 paragraph 3(c) from disclosing the transactions between members of the McCarthy & Stone plc Group of companies.

### 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:

4<sup>th</sup> 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

On the 11<sup>th</sup> November 2015 the ultimate parent company, McCarthy & Stone plc (formerly McCarthy & Stone Limited) was admitted to the London Stock Exchange.