

# **McCarthy & Stone Rental Interests No. 1 Limited**

## **ANNUAL REPORT & FINANCIAL STATEMENTS**

**For the year ended 31 August 2017**



**Company registration number: 06897272**

**McCarthy & Stone Rental Interests No. 1 Limited**

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## **DIRECTORS AND ADVISORS**

For the year ended 31 August 2017

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### **Directors**

C Fenton

N W Maddock (resigned 6 January 2017)

R C Baker (appointed 6 January 2017)

### **Registered Office**

4<sup>th</sup> 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 2017

The Directors of McCarthy & Stone Rental Interests No. 1 Limited (the Company) (registered number 06897272) present their Annual Report and financial statements for the year ended 31 August 2017. 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 (Developments) Limited. The ultimate parent company McCarthy & Stone plc produces consolidated financial statements and listed on the 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.

### Principal activity

The Company's business is property investment.

### Results

The profit after taxation for the year amounted to £16,396 (2016: £23,220). No dividends have been proposed or paid either in the current year or prior year.

### 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>		
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 2017.

### 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

## **DIRECTORS' REPORT (CONTINUED)**

For the year ended 31 August 2017

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### **Directors' indemnities (continued)**

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 prior year.

### **Post balance sheet events**

Post balance sheet events have been disclosed in note 12.

### **Future developments**

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

### **Going concern**

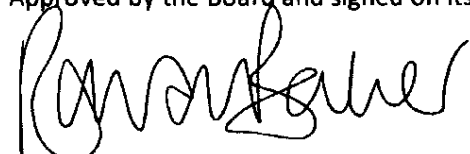
The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Through a combination of third party trading, transactions with other Group entities and intra-group financing where appropriate, the Directors believe 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 (Developments) Limited, as the immediate parent of the entity. They should be served by no later than 31 August 2018.

Approved by the Board and signed on its behalf by:



R Baker  
Director

14 February 2018

McCarthy & Stone Rental Interests No. 1 Limited  
4<sup>th</sup> Floor  
100 Holdenhurst Road  
Bournemouth  
Dorset  
BH8 8AQ

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

For the year ended 31 August 2017

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### **Statement of 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 2017

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	<i>Notes</i>	2017 £	2016 £
Administrative expenses		(1,000)	(1,000)
<b>Operating profit/(loss)</b>	3	<b>(1,000)</b>	<b>(1,000)</b>
Interest receivable	4	25,199	36,862
Interest payable	5	(3,811)	(6,837)
<b>Profit before taxation</b>		<b>20,388</b>	<b>29,025</b>
Taxation charge	6	(3,992)	(5,805)
<b>Profit for the financial year</b>		<b>16,396</b>	<b>23,220</b>

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.

The notes on pages 9 to 13 form part of these financial statements.

## BALANCE SHEET

As at 31 August 2017

	Notes	2017 £	2016 £
<b>Current assets</b>			
Debtors: amounts due within one year	7	975,494	1,198,296
		975,494	1,198,296
Creditors: amounts falling due within one year	8	(4,992)	(244,190)
<b>Net assets</b>		<b>970,502</b>	<b>954,106</b>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account		970,501	954,105
<b>Shareholders' funds</b>		<b>970,502</b>	<b>954,106</b>

For the year ending 31 August 2017 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 14 February 2018 and signed on its behalf by:



R Baker  
Director

Company registration number: 06897272



## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2017

	Notes	Share capital £	Profit and loss account £	Total £
<b>Balance as at 1 September 2015</b>	9	<b>1</b>	<b>930,885</b>	<b>930,886</b>
Profit for the year		-	23,220	23,220
<b>Total comprehensive income for the year</b>		-	<b>23,220</b>	<b>23,220</b>
<b>Balance as at 31 August 2016</b>	9	<b>1</b>	<b>954,105</b>	<b>954,106</b>
Profit for the year		-	16,396	16,396
<b>Total comprehensive income for the year</b>		-	<b>16,396</b>	<b>16,396</b>
<b>Balance as at 31 August 2017</b>	9	<b>1</b>	<b>970,501</b>	<b>970,502</b>

The notes on pages 9 to 13 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2017

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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.

McCarthy & Stone Rental Interests No. 1 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 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.

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](http://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 to 4.

#### **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, tax is recognised in the Profit and Loss account.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

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**2. Critical accounting judgements and estimation uncertainty**

There are no specific critical judgements or key assumptions 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 to the carrying amounts of assets and liabilities at the year end and within the next financial year.

**3. Operating profit/(loss)**

**a. Employees**

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

**b. Auditor's remuneration**

Due to exemption from audit by parent guarantee, no audit fees have been incurred during the year (2016: £nil). 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 the prior year. The total Group audit fee was £0.2m (2016: £0.2m). There have been no other fees payable to the Company's auditors relating to the Company.

**c. 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.

**4. Interest receivable**

	2017	2016
	£	£
Interest receivable from fellow Group undertakings	25,199	36,862

**5. Interest payable**

	2017	2016
	£	£
Interest payable to fellow Group undertakings	3,811	6,837

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

### 6. Taxation on profit

#### a. Analysis of tax charge for the year

	2017	2016
	£	£
<i>Current tax:</i>		
UK corporation tax on profits for the year	3,992	5,805
<b>Tax on profit</b>	<b>3,992</b>	<b>5,805</b>

#### b. Factors affecting tax charge for the current year

	2017	2016
	£	£
Profit before tax	20,388	29,025
Anticipated tax charge based on profit before tax at 19.58% (2016: 20.00%)	3,992	5,805
<b>Tax charge for the year</b>	<b>3,992</b>	<b>5,805</b>

The effective tax rate for the year was 19.58% following a reduction to the rate to 19% on 1 April 2017.

### 7. Debtors: amounts falling due within after one year

	2017	2016
	£	£
Amounts owed by Group undertakings	975,494	1,198,296

Amounts receivable to McCarthy & Stone Retirement Lifestyles Limited are receivable on demand and carry interest of 2.2% at the year end date (2016: 2.2%).

Balances owed by Group undertakings are repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

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

	2017	2016
	£	£
Amounts owed to Group undertakings	4,992	244,190

Amounts payable to McCarthy & Stone (Developments) Limited are receivable on demand and carry interest of 2.2% at the year end date (2016: 2.2%).

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 £
<b>Equity share capital</b>				
Ordinary shares of £1 each				
<b>As at 31 August 2016 &amp; 31 August 2017</b>	<b>100</b>	<b>100</b>	<b>1</b>	<b>1</b>

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 2017

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**11. Ultimate parent undertaking and controlling party**

The immediate parent undertaking is McCarthy & Stone (Developments) Limited.

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**

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