

**McCarthy & Stone
Total Care Management Limited**

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year to 31 August 2012

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COMPANIES HOUSE

Company registration number: 06897301

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DIRECTORS AND ADVISORS

Directors

H P S Phillips	(resigned 31 August 2012)
T L Green	(resigned 31 August 2012)
J Davies	(appointed 31 August 2012)
N W Maddock	(appointed 31 August 2012)
M J Elliott	(appointed 02 November 2012)

Registered Office

Homelife House
26-32 Oxford Road
Bournemouth
Dorset
BH8 8EZ

Independent Auditors

Deloitte LLP
Crawley

Bankers

The Bank of Scotland
The Mound
Edinburgh
EH1 1YZ

Solicitors

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London
EC4Y 1HS

DIRECTORS' REPORT

The Directors present their report and financial statements for the year ended 31 August 2012. The Directors are in receipt of a letter of support from McCarthy & Stone Limited, to the extent that it will not seek repayment of the outstanding intercompany balances within 12 months of signing the statutory accounts of McCarthy & Stone Total Care Management Limited. As such, having considered the current uncertain economic environment the accounts have been prepared on a going concern basis. 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.

Principal Activity

The Company's business is property investment.

Results and Dividends

The loss on ordinary activities after taxation for the year amounted to £14,498 (2011: £nil). No dividend has been proposed or paid in either the current or preceding year.

Directors

A list of the present Directors of the Company is reported on page 3.

The directors H P S Phillips and T L Green resigned on 31 August 2012, with the directors J Davies and N W Maddock being appointed on 31 August 2012 and M J Elliott being appointed on 2 November 2012.

The group to which this Company belongs carries appropriate insurance cover in respect of possible legal action being taken by third parties against its Directors.

There was no Directors' remuneration during the period.

Employees

The Company had no employees during the period.

DIRECTORS' REPORT

Independent Auditors

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 is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditors are unaware, and
- each of the Directors has taken all the steps that he/ she ought to have taken as a Director to make himself/ herself aware of any relevant audit information and to establish that the Company's auditors are 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 auditors and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting

Approved by the Board of Directors and signed on behalf of the Board by



N W Maddock
Director

McCarthy & Stone Total Care Management Limited
Homelife House
26-32 Oxford Road
Bournemouth
BH8 8EZ
United Kingdom

12 December 2012

DIRECTORS' RESPONSIBILITIES STATEMENT

Statement of Directors' responsibilities 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 period. 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,
- 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 AUDITORS' REPORT TO THE MEMBERS OF MCCARTHY & STONE TOTAL CARE MANAGEMENT LIMITED

We have audited the financial statements of McCarthy & Stone Total Care Management Limited for the year ended 31 August 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. These financial statements have been prepared under the accounting policies set out therein. 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). As the company was exempt from audit under section 477/480 of the Companies Act 2006 in the prior year we have not audited the corresponding amounts for that year.

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 auditors' 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 Auditors

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 (APB'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. 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 2012 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCCARTHY & STONE TOTAL CARE MANAGEMENT LIMITED (CONTINUED)

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

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, 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, or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' report



Neil Harris (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Crawley, United Kingdom
12 December 2012

PROFIT AND LOSS ACCOUNT

For the year ended 31 August 2012

	Notes	2012 £	2011 £
Turnover	2	19,788,595	-
Cost of sales		(19,788,595)	-
Gross Profit		-	-
Administrative expenses		(1,000)	-
Other operating income	2	17,304	-
Operating Profit	2	16,304	-
Net interest payable	3	(35,380)	-
Loss on Ordinary Activities before Taxation		(19,076)	-
Taxation credit	4	4,578	-
Loss for the Financial Period	10	(14,498)	-

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 15 form part of these financial statements

BALANCE SHEET

As at 31 August 2012

	Notes	2012 £	2011 £
Current Assets			
Stocks	5	1,577,855	-
Debtors amounts due within one year	6	1	1
amounts due after one year	7	4,578	-
Cash		10,503,369	-
		12,085,803	1
Creditors amounts falling due within one year	8	(12,100,300)	-
Net (Liabilities)/Assets		(14,497)	1
Capital and Reserves			
Called up share capital	9	1	1
Profit and loss account	10	(14,498)	-
Shareholders' (Deficit)/Funds		(14,497)	1

Company registration number 06897301

Approved by the Board and authorised for issue on 12 December 2012

Signed on its behalf by

N W Maddock
Director

The notes on pages 11 to 15 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

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 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 Management Limited was formed to invest in property. McCarthy & Stone Total Care Management Limited's finance is provided through intercompany balances. The Group is headed by McCarthy & Stone Limited which is funded by banking facilities. The Group has confirmed that it will not seek repayment of intercompany balances within 12 months of signing the statutory accounts of McCarthy & Stone Total Care Management Limited. The Directors are in receipt of a letter of support from McCarthy & Stone Limited. The Directors are satisfied despite the current uncertain economic climate that the facilities and operations of the Group are sufficient to provide the assurances held within this letter. Thus, the accounts have been prepared on the going concern basis.

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 income statement.

Cash and cash equivalents

Cash and short-term deposits in the Balance Sheet comprise cash at banks and in hand.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

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 cashflow statement is included in the accounts of McCarthy & Stone Limited, available from its registered office, Homelife House, 26-32 Oxford Road, Bournemouth, Dorset, BH8 8EZ.

Revenue recognition

Revenue is recognised to the extent that it is probable that 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. The following criteria must also be met before revenue is recognised:

Freehold Reversionary Interests (FRIs)

FRIs in respect of developed sites are periodically sold to third parties. Revenue arising from these sales is recognised only to the extent that the underlying leasehold interests in the retirement apartments have been sold.

Prior year result

The comparatives for the year ended 31 August 2011 are unaudited as the company was exempt from audit under section 477/480 of the Companies Act 2006 in the prior year.

2. Operating profit

a. Turnover

Turnover is attributable to one continuing activity within the UK, being the sale of Freehold Reversionary Interests.

b. Other operating income

	2012 £	2011 £
Net rental income	17,304	-
	17,304	-

c. Employees

During the current and preceding financial year the Company had no employees.

d. Auditors' remuneration

Auditors' remuneration of £2,800 (2011: £nil) is borne by a fellow Group company.

e. Directors' remuneration

There was no Directors' remuneration during the current year or prior period. The Directors are paid by the other Group companies and the allocation to this company is £nil (2011: £nil).

NOTES TO THE FINANCIAL STATEMENTS

3. Net interest payable

	2012 £	2011 £
Interest payable to Group undertakings	(37,755)	-
Interest received from within the Group	40	-
Other interest receivable	2,335	-
Net interest payable	(35,380)	-

4. Taxation on loss on ordinary activities

a. Analysis of tax credit for the period

	2012 £	2011 £
Current tax UK corporation tax on loss for the period	-	-
Deferred taxation arising from timing differences	(4,578)	-
Tax on loss on ordinary activities	(4,578)	-

b. Factors affecting tax credit for the current period

	2012 £	2011 £
Loss on ordinary activities before tax	(19,076)	-
Anticipated tax based on loss before tax at 25 16% (27 16%)	(4,578)	-
<i>Effects of</i>		
Deferral of tax losses	-	-
Adjustments to tax charge in respect of previous periods	-	-
Current tax credit for the period	(4,578)	-

c. Deferred taxation movements

	2012 £'000	2011 £'000
Deferred taxation		
At 1 September	-	-
Charge for the period	4,578	-
At 31 August	4,578	-

NOTES TO THE FINANCIAL STATEMENTS

The UK corporation tax rate decreased from 26% to 24% from 1 April 2012. Further reductions to the main rate are proposed to reduce the rate by 1% per annum to 22% by 1 April 2014 and are expected to be enacted separately each year. For the year ended 31 August 2012, as the reduction in the statutory rate to 24% has been enacted, deferred tax has been recognised on the balance sheet at 24%.

5. Stocks

	2012 £	2011 £
Freehold reversionary interests	1,577,855	-
	1,577,855	-

6. Debtors: amounts falling due within one year

	2012 £	2011 £
Amounts owed by Group undertakings	1	1
	1	1

7. Debtors: amounts falling due after one year

	Notes	2012 £	2011 £
Deferred tax receivable	4	4,578	-
		4,578	-

8. Creditors: amounts falling due within one year

	2012 £	2011 £
Amount owed to Group undertakings	12,100,300	-
	12,100,300	-

NOTES TO THE FINANCIAL STATEMENTS

9. Share capital

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

10. Combined reconciliation of shareholders' funds/(deficit) and statement of movement on reserves

	Called up share capital £ 2012	Profit and loss account £ 2012	Total £ 2012	Total £ 2011
As at 1 September	1	-	1	1
Loss for the financial year	-	(14,498)	(14,498)	-
As at 31 August	1	(14,498)	(14,497)	1

11. Related parties

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

12. Ultimate parent undertaking and controlling party

Mandarin 1 Limited, which is registered in England and Wales, is considered to be the Company's ultimate parent undertaking and controlling party. The accounts of Mandarin 1 Limited can be obtained from its registered office

Homelife House
26-32 Oxford Road
Bournemouth
Dorset
BH8 8EZ

The smallest Group in which this Company's accounts are consolidated is McCarthy & Stone Ltd, and the largest Group in which this Company's accounts are consolidated is Mandarin 1 Ltd