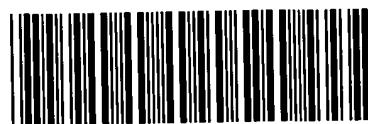


**McCarthy & Stone  
Total Care Management Limited**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**For the year ended 31 August 2016**

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COMPANIES HOUSE

**Company registration number: 06897301**

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## **DIRECTORS AND ADVISORS**

For the year ended 31 August 2016

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### **Directors**

C Fenton

N W Maddock (resigned 6 January 2017)

M J Jennings (resigned 31 August 2016)

G N Day

P D Hole (appointed 1 September 2016)

R C Baker (appointed 6 January 2017)

### **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

## DIRECTORS' REPORT

For the year ended 31 August 2016

The Directors of McCarthy & Stone Total Care Management Limited (the Company) (registered number 06897301) present their Annual Report and audited financial statements for the year ended 31 August 2016. 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 plc (formerly McCarthy & Stone Limited) produces consolidated financial statements. McCarthy & Stone plc 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, on behalf of another Group entity.

### Results

The profit on ordinary activities after taxation for the year amounted to £2,527 (2015: £3,253).

No dividends have been proposed or paid either in the current year or prior year.

### Future development

The results of the Company are dependent on the performance of the McCarthy & Stone Group, therefore the strategy of the Group is relevant to the success of the Company. McCarthy & Stone has built a strong pipeline of land over recent years, which represented 10,186 plots (2015: 10,087) as at 31 August 2016, and provided a platform for sustained growth. During FY16, the Group has been able to capitalise on this growth opportunity and the Directors are expecting further significant growth in volumes, revenue and profit during FY17.

### Directors and Directors' interests

The Directors of the Company during the year and up to the date of signing except where stated below 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
Mike Jennings	21 November 2013	31 August 2016
Gary Day	21 November 2013	
Patrick Hole	1 September 2016	
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' REPORT (CONTINUED)

For the year ended 31 August 2016

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### Post balance sheet events

Post balance sheet events have been disclosed in note 11.

### 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.

### Employees

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

### Financial risk management objectives and policies

The Group's activities expose it to a number of financial risks including interest rate risk, credit risk, liquidity risk and price risk. These risks are immaterial to this entity.

### 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.

### 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 he ought to have taken as a Director 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.

## DIRECTORS' REPORT (CONTINUED)

For the year ended 31 August 2016

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### Statement of disclosure of information to the independent auditor (continued)

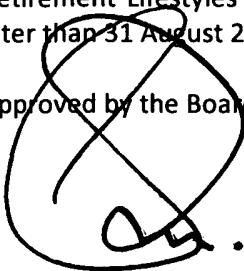
Deloitte LLP have been reappointed as the Group's auditors at the Annual General Meeting of McCarthy & Stone plc held in January 2017.

### 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 by:

A handwritten signature in black ink, appearing to be 'C Fenton', is written over a large, circular, scribbled-out area.

C Fenton  
Director

8 May 2017

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

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

For the year ended 31 August 2016

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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), 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MCCARTHY & STONE TOTAL CARE MANAGEMENT LIMITED**

For the year ended 31 August 2016

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We have audited the financial statements of McCarthy & Stone Total Care Management Limited for the year ended 31 August 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland."

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 2016 and of its profit for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- 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 MANAGEMENT LIMITED (CONTINUED)**

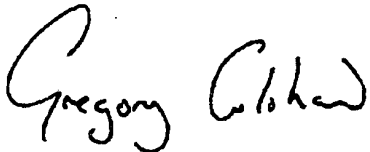
For the year ended 31 August 2016

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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.
- The Company financial statements are not in agreement with the accounting records and returns.
- Certain disclosures of Directors' remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.
- The directors were not entitled to take advantage of the small companies exemption in preparing the Directors' Report or from the requirement to prepare a Strategic Report.



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

12 May 2017

## PROFIT & LOSS ACCOUNT

For the year ended 31 August 2016

	Notes	2016 £	Restated 2015 £
Administrative expenses		(1,273)	(1,249)
Other operating income	3	3,828	1,535
Operating profit	3	2,555	286
Net interest receivable	4	-	4,122
Profit on ordinary activities before taxation		2,555	4,408
Taxation charge	5	(28)	(1,155)
Profit for the financial year		2,527	3,253

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 £
<b>Current assets</b>			
Debtors: amounts due within one year	6	100,426	97,846
Cash		5	58
		<b>100,431</b>	<b>97,904</b>
<b>Creditors: amounts falling due within one year</b>	7	<b>(1)</b>	<b>(1)</b>
<b>Net assets</b>		<b>100,430</b>	<b>97,903</b>
<b>Capital and reserves</b>			
Called up share capital	8	4	4
Share premium account		64,997	64,997
Profit and loss account		35,429	32,902
<b>Shareholders' funds</b>		<b>100,430</b>	<b>97,903</b>

The notes on pages 12 to 16 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: 06897301

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2016

	Share capital £	Share premium £	Profit and loss account £	Total £
<b>Balance as at 1 September 2014</b>	<b>4</b>	<b>64,997</b>	<b>29,649</b>	<b>94,650</b>
Profit for the year	-	-	3,253	3,253
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>3,253</b>	<b>3,253</b>
<b>Balance as at 31 August 2015</b>	<b>4</b>	<b>64,997</b>	<b>32,902</b>	<b>97,903</b>
Profit for the year	-	-	2,527	2,527
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>2,527</b>	<b>2,527</b>
<b>Balance as at 31 August 2016</b>	<b>4</b>	<b>64,997</b>	<b>35,429</b>	<b>100,430</b>

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

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### 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 year.

McCarthy & Stone Total Care Management Limited (the Company) is a company incorporated in the United Kingdom 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. For more information see note 12.

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 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 5.

#### **Turnover**

The Company acts in the capacity of an agent in the sale of Freehold Reversionary Interests (FRIs) to third parties at a nil mark up. The gross value of agency sales made in the year is £36,451,523 (2015: £13,781,166).

#### **Other operating income**

Other operating income includes net rental income in relation to the FRI held by the entity prior to sale.

#### **Corporation tax**

Corporation tax comprises of current tax which 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 2016

### 2. Critical accounting judgements and estimation uncertainty

There are not considered to be any critical accounting judgements or estimated uncertainty within McCarthy & Stone Total Care Management Limited.

### 3. 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

	2016 £	2015 £
Net rental income	3,828	1,535

#### c. Employees

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

#### d. Auditor's remuneration

Remuneration of the auditor is settled by McCarthy & Stone (Developments) Limited on behalf of all companies within the McCarthy & Stone plc Group, and not recharged in the current or prior year. The total Group audit fee was £0.2m (2015: £0.2m). The amount in respect of McCarthy & Stone Total Care Management Limited was £5,548 (2015: £3,297). There have been no other fees payable to the Company's auditors relating to the Company.

#### e. Directors' remuneration

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

### 4. Net interest receivable

	2016 £	2015 £
Interest payable to Group undertakings	-	(2,415)
Interest receivable from Group undertakings	-	6,537
<b>Net interest receivable</b>	<b>-</b>	<b>4,122</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

### 5. Taxation on profit on ordinary activities

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

	2016 £	2015 £
Current tax:		
UK corporation tax on profit for the year	511	1,357
Adjustments in respect of previous years	(483)	(202)
<b>Tax on profit on ordinary activities</b>	<b>28</b>	<b>1,155</b>

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

	2016 £	2015 £
Profit on ordinary activities before tax	2,555	4,408
Anticipated tax based on profit before tax at 20.00% (2015: 20.58%)	511	1,404
<i>Effects of:</i>		
Income not taxable	-	(47)
Adjustments to tax charge in respect of previous years	(483)	(202)
<b>Tax charge for the year</b>	<b>28</b>	<b>1,155</b>

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.

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

	2016 £	2015 £
Amounts owed by Group undertakings	100,426	97,846
	<b>100,426</b>	<b>97,846</b>

Balances owed by Group undertakings are repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

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

	2016 £	2015 £
Amount owed to Group undertakings	1	1
	<b>1</b>	<b>1</b>

Balances owed to Group undertakings are repayable on demand.

### 8. 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				
As at 31 August 2015	100	100	4	4
<b>As at 31 August 2016</b>	<b>100</b>	<b>100</b>	<b>4</b>	<b>4</b>

Each ordinary share carries equal voting, dividends and capital repayment rights. The Company's other reserves are as follows:

- The share premium reserve contains the premium arising on issue of equity shares, net of any issue expenses.
- The profit and loss account represents cumulative profits or losses net of other adjustments.

### 9. Related parties

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

### 10. Ultimate parent undertaking and controlling party

The immediate parent undertaking is McCarthy & Stone Retirement Lifestyles 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.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

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### 11. Post balance sheet events

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

### 12. 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 United Kingdom Generally Accepted Accounting Practice ("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, a number of accounting policies have changed to comply with that standard:

Amounts owed to group undertakings: Under UK GAAP these balances were held at the net proceeds value received. 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.

### 13. Restatement of prior year

The prior year figures for the year ended 31 August 2015 have been restated. The Company has assessed its principal activity in connection with the sale of Freehold Reversionary Interests and deem the risks and rewards of the related sales to lie with another company within the Group. Accordingly Revenue and Cost of Sales have been derecognised to reflect the nil net benefit to this Company. The change in presentation has a nil impact on Gross Profit.