

**McCarthy & Stone  
Total Care Management Limited**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**For the year ended 31 August 2017**



**Company registration number: 06897301**

## CONTENTS

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Directors and Advisors .....	2
Directors' Report .....	3
Directors' Responsibilities Statement .....	6
Independent Auditor's Report to the Members of McCarthy & Stone Total Care Management Limited .....	7
Profit & Loss Account .....	10
Balance Sheet .....	11
Statement of Changes in Equity .....	12
Notes to the Financial Statements .....	13

## **DIRECTORS AND ADVISORS**

For the year ended 31 August 2017

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### **Directors**

C Fenton

N W Maddock (resigned 6 January 2017)

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

Statutory Auditor

2 New Street Square

London

EC4A 3BZ

### **Bankers**

HSBC Bank plc

70 Pall Mall

London

SW1Y 5EZ

## **DIRECTORS' REPORT**

For the year ended 31 August 2017

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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 2017. 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 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, on behalf of another Group entity. 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.

### **Results**

The profit after taxation for the year amounted to £885 (2016: £2,527). No dividends have been proposed or paid either in the current year or prior year.

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At the year end a significant sum of cash was held on the balance sheet upon the sale of its freehold reversionary interests. Due to a timing difference compared to previous years, this cash was not transferred out of the Company until the start of the next financial year as reflected by the corresponding intercompany creditor at the year end.

### **Future development**

The results of the Company are dependent on the performance of the 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 9,967 plots (2016: 10,186) as at 31 August 2017. During FY17, the Group has shown a strong performance against the increased uncertainty in the market following the General Election in June 2017, and the Group made good progress in rebuilding its forward order book and progressing its workflow. This sets the Group up well to be able to deliver future growth.

## DIRECTORS' REPORT (CONTINUED)

For the year ended 31 August 2017

### 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
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 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.

### 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.

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

For the year ended 31 August 2017

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### **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.

Deloitte were reappointed as auditor at the Annual General Meeting on 24 January 2018.

### **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 2018.

Approved by the Board and signed on its behalf by:



R Baker  
Director

9 February 2018

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 2017

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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 2017

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### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of McCarthy & Stone Total Care Management Limited (the 'Company') which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the related notes 1 to 11.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.



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

For the year ended 31 August 2017

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

*In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.*

We have nothing to report in respect of these matters.

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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

For the year ended 31 August 2017

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### **Use of our report**

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.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

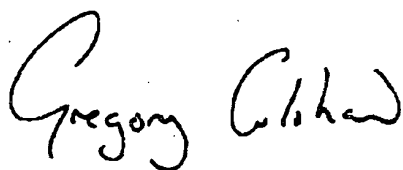
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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 take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.



Gregory Culshaw ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom

9 February 2018

## PROFIT & LOSS ACCOUNT

For the year ended 31 August 2017

	Notes	2017 £	2016 £
Administrative expenses		(1,262)	(1,273)
Other operating income	3	2,362	3,828
<b>Operating profit</b>	<b>3</b>	<b>1,100</b>	<b>2,555</b>
<b>Profit before taxation</b>		<b>1,100</b>	<b>2,555</b>
Taxation charge	4	(215)	(28)
<b>Profit for the financial year</b>		<b>885</b>	<b>2,527</b>

All of the figures above relate to continuing operations.

There were no gains or losses other than those stated in the Profit and Loss Account above. Accordingly no Statement of Comprehensive Income is given.

The notes on pages 13 to 16 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	5	9,243	100,426
Cash		11,348,517	5
		11,357,760	100,431
Creditors: amounts falling due within one year	6	(11,256,445)	(1)
<b>Net assets</b>		<b>101,315</b>	<b>100,430</b>
<b>Capital and reserves</b>			
Called up share capital	7	4	4
Share premium account		64,997	64,997
Profit and loss account		36,314	35,429
<b>Shareholders' funds</b>		<b>101,315</b>	<b>100,430</b>

The notes on pages 13 to 16 form part of these financial statements.

The financial statements were authorised for issue by the board of directors on 9 February 2018 and were signed on its behalf by:



R Baker  
Director

Company registration number: 06897301

## STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2017

	Share capital £	Share premium £	Profit and loss account £	Total £
<b>Balance as at 1 September 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>
Profit for the year	-	-	885	885
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>885</b>	<b>885</b>
<b>Balance as at 31 August 2017</b>	<b>4</b>	<b>64,997</b>	<b>36,314</b>	<b>101,315</b>

The notes on pages 13 to 16 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 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 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 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 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.

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#### 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

Turnover is attributable to one continuing activity within the UK where the Company acts in the capacity of an agent in the sale of FRIs to third parties at a nil mark up. The gross value of agency sales made in the year is £27,376,289 (2016: £36,451,523).

#### 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.

### 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

### 3. Operating profit

#### a. Other operating income

	2017	2016
	£	£
Net rental income	2,362	3,828

#### b. Employees

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

#### c. 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 was not recharged in the prior year. The total Group audit fee was £0.2m (2016: £0.2m).

#### d. 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 (2016: £nil).

### 4. Taxation on profit

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

	2017	2016
	£	£
Current tax:		
UK corporation tax on profit for the year	215	511
Adjustments in respect to previous years		(483)
<b>Tax on profit</b>	<b>215</b>	<b>28</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

### 4. Taxation on profit (continued)

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

	2017 £	2016 £
Profit before tax	1,100	2,555
Anticipated tax based on profit before tax at 19.58% (2016: 20.00%)	215	511
<i>Effects of:</i>		
Adjustments to tax charge in respect of previous years		(483)
<b>Tax charge for the year</b>	<b>215</b>	<b>28</b>

The effective tax rate for the year was 19.58% following a reduction in the tax rate from 20% to 19% on 1 April 2017.

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

	2017 £	2016 £
Amount owed by Group undertakings	9,243	100,426
	<b>9,243</b>	<b>100,426</b>

Balances owed by Group undertakings are repayable on demand.

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

	2017 £	2016 £
Amount owed to Group undertakings	11,256,445	1
	<b>11,256,445</b>	<b>1</b>

Balances owed to Group undertakings are repayable on demand.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2017

### 7. 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 2016	100	100	4	4
As at 31 August 2017	100	100	4	4

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.

### 8. Related parties

The Company has taken advantage of the exemption available under FRS 102, section 33.1A, not to disclose transactions with wholly-owned members of the Group headed by McCarthy & Stone plc.

### 9. 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.

### 10. Contingent liabilities

The Company is a guarantor of the revolving credit facility, including ancillary facilities, which is held by McCarthy & Stone Retirement Lifestyles Limited. At 31 August 2017, the amount outstanding under those facilities was £10.0m (2016: £66.3m).

### 11. Post balance sheet events

There were no events after the reporting period that required adjustment or disclosure in the financial statements.