

YourLife Management Services Limited

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 October 2020



Company registration number: 07153519

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DIRECTORS AND ADVISERS

For the year ended 31 October 2020

Directors

D R Searle

D G Hockaday (appointed 26 February 2019; resigned 29 January 2021)

J E Martin

F Carleton (appointed 19 July 2021)

Registered Office

4th Floor

100 Holdenhurst Road

Bournemouth

Dorset

BH8 8AQ

Independent Auditor

Ernst & Young LLP

1 More London Place

London

SE1 2AF

Banker

HSBC Bank plc

70 Pall Mall

London

SW1Y 5EZ

STRATEGIC REPORT

For the year ended 31 October 2020

Business Overview

YourLife Management Services Limited (the "Company") is engaged in the provision of management services to 'Retirement Living PLUS' retirement developments built by the McCarthy & Stone Group (the "Group") across the UK.

McCarthy & Stone is the UK's leading developer and manager of retirement communities, with a significant market share. The Group buys land and then builds, sells and manages a range of high-quality retirement developments. It has built and sold more than 58,000 properties across more than 1,300 retirement developments since 1977, and is renowned for its focus on the needs of those in later life.

McCarthy & Stone has two main product ranges – Retirement Living and Retirement Living PLUS – which provide mainly one and two bedroom apartments across the country with varying levels of support and care for older homeowners. Retirement Living developments provide independence in private apartments designed specifically for the over-60s, as well as facilities such as shared lounges and guest suites that support companionship. Retirement Living PLUS developments, which are designed specifically for the over-70s, offer all of this plus more on-site facilities such as restaurants, well-being suites and function rooms. Importantly, they also provide flexible care and support packages to assist those needing additional help.

Performance

During the year ended 31 October 2020 turnover was £28.4m (14 month period ended 31 October 2019: £27.7m) resulting in an operating profit of £1.8m (14 month period ended 31 October 2019: £0.2m loss) and a profit before taxation of £1.8m (14 month period ended 31 October 2019: £0.2m loss). No dividend has been declared or paid in respect of the year ended 31 October 2020.

The business performance has been strong due to the increasing number of Retirement Living PLUS developments under management which grew in the period from 110 to 116 and an increased need for care and domestic support across developments. Each development generates management fees on a per apartment basis and each development also delivers revenue in the form of care and domestic support services. During the year ended 31 October 2020, 221,321 hours of care and domestic were delivered across RL and RLP developments, an increase of 27,110 hours compared to the prior 14 month period ended 31 October 2019.

As revenue has increased, operating expenditure has also increased, driven by the increased delivery of care and support. Management fees paid to the parent companies have reduced as a result of the share capital acquisition made by McCarthy & Stone Management Services Ltd in July 2019. There continues to be a number of operational staff engaged in delivery of management services for the Company who are employed and remunerated by the parent company.

The Company's balance sheet and financial position showed £1.6m of net assets at 31 October 2020 (2019: £0.1m) which is further underpinned by available cash of £2.8m at 31 October 2020 (2019: £0.8m). There is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

YourLife Management Services Limited continues to be the sole provider of management services to 'Retirement Living PLUS' retirement developments built by the Group across the UK.

STRATEGIC REPORT (CONTINUED)

For the year ended 31 October 2020

Key performance indicators

Turnover increased year-on-year owing to increased number of developments managed by YourLife Management Services and as a result of increased additional care and domestic hours delivered during the year ended 31st October 2020.

Key Performance Indicators	2020	2019	2018
Developments under management	116	110	91
Staff employed by Company at 31 October	1,333	1,234	1,033
Turnover (£m)	28.4	27.7	17.9
Operating profit (£m)	1.8	(0.2)	0.6
Operating margin	6%	-1%	3%

Covid-19 impact and outlook

Covid-19 had a significant impact on the operations of the business from March 2020 onwards. Government guidance and restrictions required material changes to the operating model of the business during the year ended 31st October 2020 as restaurants, communal lounges and laundries were closed during national lockdown periods throughout the year. Meal deliveries and laundry services replaced apartment cleans and additional Personal Protective Equipment (PPE) was sourced for the protection of homeowners and staff members.

Additional resources were dedicated to an incident management team and all suspected and confirmed cases resulted in defined action plans being implemented to minimise any risk of onwards transmissions within the developments the company manages. A volunteering network was also established, with circa 500 volunteers offering physical and social support to our residents during periods of isolation.

The Retirement Living PLUS model has proven well suited to supporting the customer base and it is not anticipated that Covid-19 will materially damage the medium to long term outlook for the Company.

McCarthy & Stone Group - Principal Risks and Uncertainties

As part of the Group's Risk Management Framework, Principal Risks and Uncertainties have been identified that could prevent the Group from achieving its strategic objectives and how these risks could be effectively mitigated to an acceptable level, its risk appetite. These risks are reviewed, updated and approved on a regular basis by the Group's Executive and Risk & Audit Committees.

All the Group's principal risks and uncertainties have been reviewed in light of the impact of Covid-19 and are being re-evaluated in light of the Lone Star acquisition of the Group and are detailed overleaf:

Pandemics:

An epidemic or pandemic of an infectious disease (either a second wave of Covid-19 or the emergence of a new disease) may lead to the imposition of Government controls, including social distancing, on the movement of people with the associated cessation of large parts of the economy for a significant period of time. The cessation of business will lead to reduced business activity and revenues until normal sales and construction activity can be safely recommenced.

STRATEGIC REPORT (CONTINUED)

For the year ended 31 October 2020

Principal Risks and Uncertainties – Continued

Economic:

Investment in land, levels of committed expenditure and production programmes are all carefully targeted, monitored and continually assessed against market conditions. The business is equipped and has demonstrated in light of the current pandemic that it maintains flexibility to react swiftly, when necessary to changes in market conditions.

Government legislation:

Ministry of Housing Communities & Local Governments (MHCLG) published has reversed its previously announced exemption for the retirement housing industry from the zero rating of ground rents. The Group has carried out an impact assessment of lower and no ground rents and reviewed its land appraisal process accordingly.

Delivery of strategic objectives:

Clear and concise objectives have been developed to deliver the targets as defined in the Group strategy. The Transformation Committee which is chaired by the CEO closely monitor progress against the objectives, holding Executive Management to account and takes remedial action in order to ensure delivery against agreed timelines and objectives.

Land and planning:

Divisional land buying teams are in place providing local knowledge and expertise. These teams are targeted on land exchange and completion as part of their reward structure. Land is acquired with a high degree of conditionality, so as to not commit to purchase without having appropriate planning agreements in place. Divisional planning teams have the support and oversight of the Group Investment Committee.

Workflow:

The Group is re-aligning workflow towards a steady state production through the following actions:

- Targeting a stable monthly flow of land exchanges
- Ensuring stable monthly flow of build starts and first occupations
- Reducing the number of sites in development
- Introducing an incentive scheme designed to deliver a smoothened workflow

Workflow is closely monitored by divisional management, the Executive Committee and the Board.

Build programmes and cost:

Build progress and costs are reviewed regularly by dedicated divisional commercial teams, as well as being reported to divisional management at formal Division Board meetings and the Executive Committee. The Group Investment Committee has oversight over all construction budgets and independent assurance is provided by the internal audit team who perform commercial internal audits of developments under construction to assess whether risks are being effectively managed. Framework agreements have been established with key subcontractors and suppliers to provide greater certainty of price and supply.

STRATEGIC REPORT (CONTINUED)

For the year ended 31 October 2020

Principal Risks and Uncertainties – Continued

Sales performance:

Detailed, regular and efficient reporting enables the Group to monitor sales volumes, revenue and pricing at a development, site and unit level. Performance against expectation is reviewed by the Divisional Sales Directors at monthly Divisional Revenue Board meetings and at the Executive Committee meetings to ensure performance is being effectively managed and action taken in order to address any potential performance issue. A strict approval process exists for pricing adjustments and the awarding of discounts and incentives in excess of certain thresholds.

Employees:

The Group has put in place attractive reward mechanisms and provides extensive opportunities for professional development and training, both of which are regularly reviewed against peer housebuilders and other employers in local markets. Resource requirements are assessed against annual budgets and recruitment processes are designed to ensure talent attraction and retention to deliver the Group's strategic objectives. Investment in learning and development across the Group will also help to reduce the risk associated with employee retention.

Liquidity and funding:

Capital, funding and liquidity are all subject to extensive stress testing with the results informing the levels of capital and liquidity that are required to be held in the event of adverse conditions.

Health and safety:

The Group strives for excellence in health and safety and considers it to be a top priority. This is supported by a rigorous, independent site inspection process which routinely assesses and reports on standards. Regular reporting on key metrics and emerging issues are reviewed with and submitted to the Executive Committee. Care Quality Commission (CQC) inspections are performed across all Retirement Living PLUS developments and actions are tracked to address any potential weaknesses in process.

Carry value of inventory and investment property:

Whenever possible, contracts to purchase land are via option agreement or are conditional on the Group obtaining detailed planning consent and/or a commercial viability clause. The Group performs impairment reviews in line with International Financial Reporting Standards ('IFRS') requirements, on a half yearly basis to ensure the value of inventory and investment property is correctly reported. Regular independent valuations of investment property are also performed to ensure carrying values are accurate.

Operational and technology:

There is additional focus on business continuity and potential fraud monitoring within our technology function. A significant amount of work has been undertaken to enable and improve home working conditions and network capacity. Incident and issue management and escalation governance structures and processes are in place with oversight from the Executive and Risk & Audit Committees. Potential customers are now able to visit our developments on a pre-booked and pre-qualified basis - with strict guidelines in place to maximise safety, customers are also now able to purchase apartments over the telephone with the use of virtual tools and detailed plans.

STRATEGIC REPORT (CONTINUED)

For the year ended 31 October 2020

Principal Risks and Uncertainties – Continued

Operational and technology (continued):

The Group maintains central IT systems and has a robust cyber security programme in place. Dedicated resources and regular reviews seek to reduce the risk of successful cyber-attacks and a disaster recovery programme is in place and regularly tested. Compliance with the GDPR legislation forms a core part of our policies and procedures.

Reputation and customer satisfaction:

The Group enforces strict procedures over the handover of developments for occupation and the handover of specific apartments to individual customers. Ongoing management, care and wellbeing services are provided within a robust framework of controls which are closely monitored. The CQC inspects our Retirement Living PLUS developments and provides constructive feedback which is also used to ensure that we are meeting applicable care standards. The business has a dedicated customer services team and tracks customer satisfaction through NHBC, HBF and internal surveys. An in-house estate agency supports the resales process for customers in our managed developments on the general housing market, with the aim of speeding up the sales process and maximising value on resale.

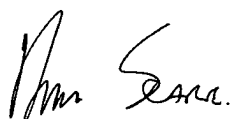
Sustainability and climate change:

The Group has appointed a Group Non-Executive Director as Chair of the Sustainability Committee and restructured the agenda and members to ensure appropriate focus and attention is given to the sustainability strategy and initiatives across the Group.

Revised sustainability objectives and targets have been developed in line with the United Nations Sustainability goals and these will be set over the short, medium and long term.

The Group Sustainability Committee identifies strategic climate change risks and opportunities facing the business through regular review of issues and trends, working in active collaboration with external experts.

This Strategic Report was approved by the Board signed on its behalf by:



D R Searle
Director

26 July 2021

YourLife Management Services Limited
4th Floor
100 Holdenhurst Road
Bournemouth
Dorset
BH8 8AQ

DIRECTORS' REPORT

For the year ended 31 October 2020

The Directors of YourLife Management Services Limited present their annual report and audited financial statements for the year ended 31 October 2020.

Principal activity

The Company provides property management and support services to the residents of Retirement Living PLUS developments built and developed by McCarthy & Stone Retirement Lifestyles Limited.

Results and dividends

The results for the year ended 31 October 2020 show a profit after taxation which amounted to £1.5m (14 month period ended 31 October 2019: £0.2m loss).

No dividend has been declared or paid in respect of the year ended 31 October 2020.

Ownership

The Company is a 100% subsidiary of McCarthy & Stone Management Services Limited, having previously been owned in the prior year in a 50/50 in partnership with Somerset Care Limited up until 29 July 2019. The ultimate parent company is McCarthy & Stone Limited (formerly McCarthy & Stone plc) which produces consolidated financial statements.

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 the date of signing were:

Name	Date of appointment	Date of resignation
D R Searle	2 September 2019	-
D G Hockaday	26 February 2019	29 January 2021
J E Martin	26 February 2019	-
F Carleton	19 July 2021	-

No Director has any interests in the shares of the Company. There have been no changes in the Directors' interests in the share capital of the Company since 31 October 2020.

Directors' insurance

The Company has appropriate insurance cover in respect of possible legal action being taken by third parties against its Directors and Officers.

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' REPORT (CONTINUED)

For the year ended 31 October 2020

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

At 31 October 2020 the total number of persons employed by the Company was 1,333 (31 October 2019: 1,234). The average number of persons employed during the year ended 31 October 2020 was 1,289 (14 month period ended 31 October 2019: 1,190).

Disability Policy

The Company gives full consideration to applications for employment from persons with disabilities where the requirements of the job can be adequately fulfilled by a person with a disability. Should any employee become disabled, it is the Company's policy, wherever possible, to continue the employment of that person and to provide equal opportunities for the career development of employees with disabilities.

Diversity Policy

The Company is committed to promoting policies to ensure that those who are employed by the Company are treated equally, regardless of status, sex, age, colour, race or ethnic origin.

Training and Development

The Company's ability to achieve its commercial objectives and to meet the needs of its customers in a profitable, competitive and safe manner depends on the contribution of employees throughout the Company. Employees are encouraged to develop their contribution to the business wherever they work and the Company has an ongoing commitment to their training and development.

Performance against objectives is reviewed bi-annually and the process includes a personal development plan. Programmes focused on quality and customer service provide an opportunity for all employees to be involved in making improvements.

Employee Communications

The Company communicates with its employees about its objectives, progress and activities through a variety of channels including regular quarterly updates and the intranet. There is an established set of corporate values and Company conducts regular employee surveys. Group-wide roadshows were conducted during the year to update all employees on the business and to allow employees the opportunity to provide feedback to management.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 October 2020

Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. When making this assessment, the Directors have considered the results and future forecasts of the Group given the high level of intercompany transactions with the Company.

The Directors have assessed the Group's business activities and the factors likely to affect future performance in light of current and anticipated economic conditions. In making their assessment the Directors have reviewed the Group's latest budget, forecasts, available loan and revolving credit facility and considered reasonably possible downside sensitivities in performance and mitigating actions.

As a result of the above considerations, the Directors consider that the Group and Company have adequate resources in place for at least 12 months from the date of the approval of these financial statements and have therefore adopted the going concern basis of accounting in preparing the financial statements.

Post balance sheet events

Post balance sheet events are disclosed within note 15.

Statement of disclosure of information to the Independent Auditor

In the case of each of the persons who is a Director of the Company at the date when this report is approved:

- as 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; 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 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.

Approval of reduced disclosures

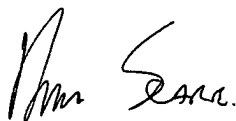
The Company, as a qualifying entity, has taken advantage, in respect of its separate financial statements, of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends 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 shareholders holding in aggregate 5 per cent or more of the total allocated shares in the Company. They should be served no later than 31 October 2021.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 October 2020

The Directors' Report was approved by the Board of Directors on 26 July 2021 and signed on its behalf by:



D R Searle
Director

YourLife Management Services Limited
4th Floor
100 Holdenhurst Road
Bournemouth
Dorset
BH8 8AQ

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 31 October 2020

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 its 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 accounting 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; 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 to 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.

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOURLIFE MANAGEMENT SERVICES LIMITED

For the year ended 31 October 2020

Opinion

We have audited the financial statements of YourLife Management Services Limited for the year ended 31 October 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 October 2020 and of its profit 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.

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 below. 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

Other information

The other information comprises the information included in the annual report set out on pages 3 to 11, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOURLIFE MANAGEMENT SERVICES LIMITED (CONTINUED)

For the year ended 31 October 2020

Other information (continued)

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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 12, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOURLIFE MANAGEMENT SERVICES LIMITED (CONTINUED)

For the year ended 31 October 2020

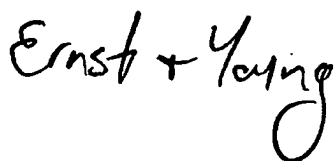
Auditor's responsibilities for the audit of the financial statements

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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Peter McIver (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
26 July 2021

PROFIT AND LOSS ACCOUNT

For the year ended 31 October 2020

		<i>12 month period ended 31 October 2020</i>	<i>14 month period ended 31 October 2019</i>
	<i>Notes</i>	<i>£'000</i>	<i>£'000</i>
Turnover	1	28,437.4	27,657.7
Cost of sales		(23,287.9)	(24,082.1)
Gross profit		5,149.5	3,575.6
Administrative expenses		(3,325.7)	(3,749.9)
Operating profit/(loss)	3	1,823.8	(174.3)
Interest payable and similar charges		(5.0)	(2.7)
Profit/(loss) on ordinary activities before taxation		1,818.8	(177.0)
Taxation on profit/(loss)	6	(321.7)	(0.1)
Profit/(loss) for the financial year		1,497.1	(177.1)

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 19 to 27 form part of these financial statements.

All of the figures above relate to continuing operations.

BALANCE SHEET

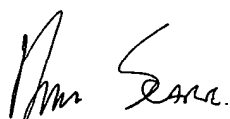
As at 31 October 2020

	<i>Notes</i>	2020 £'000	2019 £'000
Fixed Assets			
		-	-
Current assets			
Debtors: amounts due within one year	7	898.3	668.4
Cash at bank and in hand		2,757.4	842.3
		3,655.7	1,510.7
Creditors: amounts due within one year	8	(2,074.8)	(1,426.8)
Net current assets		1,580.9	83.9
Total assets less current liabilities		1,580.9	83.9
Net assets		1,580.9	83.9
Capital and reserves			
Called up share capital	10	10.0	10.0
Retained earnings		1,571.0	73.9
Shareholders' funds		1,581.0	83.9

Company registration number: 07153519

Approved by the Board and authorised for issue on 26 July 2021.

Signed on its behalf by:


D R Searle
Director

The notes on pages 19 to 28 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 October 2020

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 September 2018	10.0	851.0	861.0
Loss for the year	-	(177.1)	(177.1)
Total comprehensive income for the year	-	(177.1)	(177.1)
Dividends paid during the year	-	(600.0)	(600.0)
Balance as at 31 October 2019	10.0	73.9	83.9
(Loss)/profit for the year	-	1,497.1	1,497.1
Total comprehensive income for the year	-	1,497.1	1,497.1
Dividends paid during the year	-	-	-
Balance as at 31 October 2020	10.0	1,571.0	1,571.0

The notes on pages 19 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 October 2020

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 periods.

YourLife Management Services 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. The principal activities of the Company and the nature of the Company's operations are set out in the Strategic Report on pages 3 to 7.

Basis of accounting

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with FRS 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' and the Companies Act 2006.

The Company's financial statements are presented in pound sterling and rounded to thousands unless specifically stated. The Company's functional and presentation currency is the pound sterling.

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 Limited (formerly McCarthy & Stone plc), which may be obtained on Companies House. 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.

The Company has not prepared Group financial statements as the trading results of McCarthy & Stone Management Services Limited and those of its subsidiaries are reported as consolidated within McCarthy & Stone Limited, its ultimate parent company. The prior period is the 14 months to 31 October 2019 ('2019') and is therefore not directly comparable.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. When making this assessment, the Directors have considered the results and future forecasts of the Group given the high level of intercompany transactions with the Company.

The Directors have assessed the Group's business activities and the factors likely to affect future performance in light of current and anticipated economic conditions. In making their assessment the Directors have reviewed the Group's latest budget, forecasts, available loan and revolving credit facility and considered reasonably possible downside sensitivities in performance and mitigating actions.

As a result of the above considerations, the Directors consider that the Group and Company have adequate resources in place for at least 12 months from the date of the approval of these financial statements and have therefore adopted the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

1. Accounting policies (continued)

Cash and cash equivalents

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

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.

Pensions and other post-retirement benefits

The Company provides a defined contribution pension scheme arrangement. Contributions to the scheme are recognised in the Profit and Loss Account in the period in which they become payable. The amount charged to the Profit and Loss Account represents contributions payable to the individual policies held by employees with independent insurance companies.

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.

Turnover is attributable to a number of activities within the UK. These are the estate management and support services on behalf of McCarthy & Stone Retirement Lifestyles Limited, and the provision of care and domestic assistance to the residents of the developments they manage. All amounts arise in respect of operations undertaken during the year.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)For the year ended 31 October 2020

2. Critical accounting judgements and key sources of estimation uncertainty**Critical accounting judgements**

In applying the Group's accounting policies, one critical judgement has been made in relation to the revenue recognition of certain recharges of employee costs to developments, and whether the Company acts as a principal or agent in such transactions. A judgement has been made that the Company acts as principal in this transaction and therefore revenue and cost of sales reflects this gross recognition.

No other critical judgements are deemed to have been made that have a material effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

There are no 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 within the next financial year to the carrying amounts of assets at the year-end.

3. Operating profit**a. Operating profit is stated after charging:**

	12 month period ended 31 October 2020 £'000	14 month period ended 31 October 2019 £'000
Amortisation of software	-	2.7
Operating lease rentals - plant and machinery	103.6	136.7

b. Auditor's remuneration

Remuneration of the auditor is settled by McCarthy & Stone (Developments) Limited on behalf of all companies within the McCarthy & Stone Limited Group, and was not recharged in the prior year. The total Group audit fee for auditing of the financial statements for the year ended 31 October 2020 was £0.4m (14 months ended 31 October 2019: £0.4m).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

4. Employees

The number of persons employed as at 31 October 2020 was 1,333 (31 October 2019: 1,234). The average number of persons employed by the Company during the year ended 31 October 2020 (14 month period ended 31 October 2019) was:

	12 month period ended 31 October 2020 Number	14 month period ended 31 October 2019 Number
Estate managers, duty and support staff	1,254	1,157
Office and management	35	33
	1,289	1,190

The aggregated payroll costs are as follows:

	12 month period ended 31 October 2020 £'000	14 month period ended 31 October 2019 £'000
Wages and Salaries	22,361.6	22,056.3
Social security costs	1,730.8	1,687.1
Other pension costs	609.4	528.5
	24,701.8	24,271.9

Estate managers, duty and support staff are employed by the Company to oversee each development managed by the Company. The employment costs of these staff are included in the above table but are recharged at cost to the relevant developments. These amounted to wages and salary costs of £17.6m in the year ended 31 October 2020 (14 month period ended 31 October 2019: £17.9m), social security costs of £1.4m in the year ended 31 October 2020 (14 month period ended 31 October 2019: £1.3m) and pension costs of £0.5m in the year ended 31 October 2020 (14 month period ended 31 October 2019: £0.4m).

5. Directors' emoluments

	2020 £'000	2019 £'000
Emoluments (excluding pension contributions)	116.8	114.3
Company contributions to Group personal pension schemes	14.0	8.8
	130.8	123.1

Directors' emoluments were paid by McCarthy & Stone Management Services Limited and recharged to this Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

6. Taxation on profit**a. Analysis of tax charge for the period**

	12 month period ended 31 October 2020 £'000	14 month period ended 31 October 2019 £'000
<i>Current tax:</i>		
UK corporation tax on the profit for the period	347.0	-
Adjustment in respect of previous periods	(25.3)	0.1
Tax charge on profit on ordinary activities	321.7	0.1

b. Factors affecting tax charge for the current period

	12 month period ended 31 October 2020 £'000	14 month period ended 31 October 2019 £'000
Profit/(loss) on ordinary activities before tax	1,818.8	(177.0)
Anticipated tax charge/(credit) based on profit/(loss) before tax at 19.00% (2019: 19.00%)	345.6	(33.6)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1.4	0.1
Change in deferred tax rate	-	0.1
Losses carried forward	(25.3)	33.4
Total tax charge for the period	321.7	-

c. Deferred taxation movements

	12 month period ended 31 October 2020 £'000	14 month period ended 31 October 2019 £'000
At 1 November	0.1	-
Charge for the period	-	0.1
At 31 October	0.1	0.1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

6. Taxation on profit (continued)**d. Deferred taxation reflected in the accounts**

	12 month period ended 31 October 2020 £'000	14 month period ended 31 October 2019 £'000
Capital allowances in advance of amortisation	-	0.1
Losses	-	-
Deferred taxation asset	-	0.1

The rate of corporation tax was 19.0% throughout the year (2019: 19.0%).

7. Debtors: amounts due within one year

	31 October 2020 £'000	31 October 2019 £'000
Amounts owed by McCarthy Stone Group companies	0.9	0.2
Prepayments and other debtors	897.4	668.2
	898.3	668.4

Balances owed by Group undertakings are interest free, unsecured and repayable on demand. There are no guarantees on balances and no provisions against outstanding balances have been made.

8. Creditors: amounts due within one year

	31 October 2020 £'000	31 October 2019 £'000
Trade creditors	66.9	(11.9)
Other creditors	1,171.3	507.0
Other taxation and social security	368.8	703.0
Amounts owed to McCarthy Stone Group companies	146.6	228.7
	1,728.6	1,426.8

Balances owed to Group undertakings are interest free, unsecured and repayable on demand. There are no guarantees on balances.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

9. Operating lease commitments

At the year-end the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Vehicles 31 October 2020 £'000	Vehicles 31 October 2019 £'000
Within one year	2.6	63.7
In two to five years inclusive	-	2.6
	2.6	66.3

10. Share capital and reserves

	Allotted, called up & fully paid No.	Allotted, called up & fully paid £
Equity share capital		
Ordinary 'A' shares of £1 each	5,000	5,000
Ordinary 'B' shares of £1 each	5,000	5,000
As at 31 October 2019 and 2020	10,000	10,000

Each class of shares carries equal voting, dividends and capital repayment rights, but the Ordinary 'A' shares give the holder the right to appoint the majority of directors.

The Company's other reserves are as follows:

Retained earnings represents cumulative profits or losses net of dividends paid and other adjustments.

11. Pensions

The Company operates a stakeholder defined contribution retirement benefit scheme which is open to all employees.

Other than amounts that are deducted from employees' remuneration and accrued pending payment to the benefit scheme, no further obligations fall on the Company as the assets of these arrangements are held and managed by third parties entirely separate from the Company.

The Company's pension cost for the year ended 31 October 2020 was £609.4k (14 month period ended 31 October 2019: £528.5k). The unpaid contributions outstanding at 31 October 2020 are £98.8k (31 October 2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

12. Related parties

During the year ended 31 October 2020, the Company received invoices for management fees' transactions of £384k (14 month period ended 31 October 2019: £698.2k) from McCarthy & Stone Management Services Limited, a company which holds a 100% ownership interest in the Company. The company also received invoices for management fee transactions of £125.2k (14 month period ended 31 October 2019: £872.7k) from Somerset Care Limited, which held a 50% ownership interest in the Company up to 29 July 2019.

	31 October 2020 £'000	31 October 2019 £'000
Amounts due to related parties at the balance sheet date		
McCarthy & Stone Retirement Lifestyles Ltd	144.9	72.8
McCarthy & Stone Management Services Limited	24.0	155.9
Somerset Care Ltd	-	-
	168.9	228.7

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 Limited.

13. Ultimate Parent undertaking and controlling party

McCarthy & Stone Limited (formerly McCarthy & Stone plc), which is registered in England and Wales, is considered to be the Company's ultimate parent undertaking and ultimate controlling party. The financial statements of McCarthy & Stone Limited can be obtained from the registered office:

4th 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 Limited.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 October 2020

14. Post balance sheet events

On 23 October 2020, the Board of McCarthy & Stone plc announced that it had reached agreement with Mastiff Bidco Limited (Bidco), a wholly-owned indirect subsidiary of Lone Star Real Estate Fund VI, on the terms of a recommended cash offer by Bidco for the entire share issued and to be issued capital of the Company (the Transaction). The Transaction was to be implemented by means of a Court-sanctioned scheme of arrangement (the Scheme) under Part 26 of the Companies Act. The Scheme was duly approved by the Company's shareholders at meetings held on 7 December 2020. Court sanction of the Scheme was received on 28 January 2021 and the Scheme became effective on 1 February 2021.

Under the terms of the acquisition, each McCarthy & Stone shareholder received 120p per share held, resulting in a transaction value of approximately £646.6m.

On completion of the Transaction, the Group has a new ultimate controlling party being Lone Star Real Estate Fund VI, LP. The Company's immediate parent company is Mastiff Bidco Limited, a company registered in Jersey. A number of the Group's contractual arrangements include change of control clauses which apply as a result of the Transaction, none of which had a material impact on the financial position as at 31 October 2020.

In addition, the Group's revolving credit facility of £200m has been cancelled and existing debt and accrued interest under this facility have been repaid in line with change of control provisions. On acquisition a new 5-year senior loan facility for £275m was put in place at a nominal interest rate of 7% per annum, with the Group's immediate parent company (Mastiff Bidco Limited) as borrower.

In March 2021, the Group has also secured an additional £48.5m revolving credit facility with four lender banks at a margin of LIBOR plus 3%. The facilities are secured, including by way of floating charge, over the assets of certain Group subsidiaries.