

McCarthy & Stone Financial Services Limited

ANNUAL REPORT & FINANCIAL STATEMENTS

For the year ended 31 August 2016



Company registration number: 07798214

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DIRECTORS AND ADVISORS

For the year ended 31 August 2016

Directors

C Fenton

N W Maddock (resigned 6 January 2017)

R C Baker (appointed 6 January 2017)

Registered Office

4th Floor

100 Holdenhurst Road

Bournemouth

Dorset

BH8 8AQ

Bankers

HSBC Bank plc

70 Pall Mall

London

SW1Y 5EZ

DIRECTORS' REPORT

For the year ended 31 August 2016

The Directors of McCarthy & Stone Financial Services Limited (the Company) (registered number 07798214) present their Annual Report and financial statements for the year ended 31 August 2016. This Directors' Report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies' exemption. Accordingly, the Company is not required to include a Strategic Report.

Principal Activity

The principal activity of the Company is the sale of financial services products, funerals plans, wills and powers of attorney.

Results

The loss on ordinary activities after taxation for the year amounted to £833 (2015: £556). No dividend has been proposed or paid in either the current year or prior year.

Ownership

The Company is a wholly-owned subsidiary of McCarthy & Stone Lifestyle Services Limited. The ultimate parent company McCarthy & Stone plc (formerly McCarthy and 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.

Directors and directors' interests

The Directors of the Company during the year and up to the date of signing were:

Name	Date of appointment	Date of resignation
<i>Current directors:</i>		
Clive Fenton	17 February 2014	-
Nick Maddock	31 August 2012	6 January 2017
Rowan Baker	6 January 2017	-

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

Future developments

The company will continue to act as a financial services company for the foreseeable future.

DIRECTORS' REPORT (CONTINUED)

For the year ended 31 August 2016

Post balance sheet events

Post balance sheet events have been disclosed in note 11.

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.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Through a combination of third party trading, transactions with other Group entities and intra-group financing where appropriate, the Directors believe that the Company has sufficient resources to continue as a going concern. They have accordingly continued to adopt the going concern basis in preparing the financial statements.

Approval of reduced disclosures

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

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by McCarthy & Stone Lifestyle Services 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:



C Fenton
Director

8 May 2017

McCarthy & Stone Financial Services Limited
4th Floor
100 Holdenhurst Road
Bournemouth
Dorset
BH8 8AQ

DIRECTORS' RESPONSIBILITIES STATEMENT

For the year ended 31 August 2016

Directors' responsibilities statement in respect of the financial statements

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROFIT AND LOSS ACCOUNT

For the year ended 31 August 2015

	<i>Notes</i>	2016 £	2015 £
Administrative expenses		(1,041)	(1,112)
Operating loss	3	(1,041)	(1,112)
Net interest payable	4	-	(98)
Loss on ordinary activities before taxation		(1,041)	(1,210)
Taxation credit	5	208	654
Loss for the financial year		(833)	(556)

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 2015

	Notes	2016 £	2015 £
Current assets			
Debtors: amounts due within one year	6	332,067	302,057
Cash		1,058	31,134
		333,125	333,191
Creditors: amounts falling due within one year	7	(1,138)	(371)
Net assets		331,987	332,820
Capital and reserves			
Called up share capital	8	4	4
Share premium account		682,997	682,997
Profit and loss account		(351,014)	(350,181)
Shareholders' funds		331,987	332,820

For the year ending 31 August 2016 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

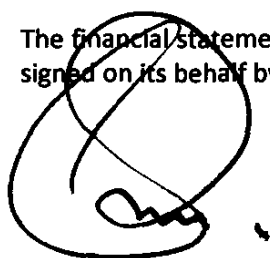
Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The notes on pages 9 to 12 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: 07798214

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 August 2016

	Notes	Share capital £	Share premium £	Profit and loss account £	Total £
Balance as at 1 September 2014	8	4 682,997	(349,625)	333,376	
Loss for the year		-	-	(556)	(556)
Total comprehensive income for the year		-	-	(556)	(556)
Balance as at 31 August 2015	8	4 682,997	(350,181)	332,820	
Loss for the year		-	-	(833)	(833)
Total comprehensive income for the year		-	-	(833)	(833)
Balance as at 31 August 2016	8	4 682,997	(351,014)	331,987	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

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 Financial Services Limited is a company incorporated in the United Kingdom under the Companies Act. 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 ultimate parent, McCarthy & Stone plc, which may be obtained at www.mccarthyandstonegroup.co.uk. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Going Concern

The financial statements have been prepared on a going concern basis. For further details please refer to the Directors' Report on pages 3 to 4.

Corporation tax

Corporation tax comprises current tax and deferred tax. Current tax is based on taxable profits for the year.

Tax is charged or credited directly to equity if it relates to items that are credited or charged to equity. Otherwise, income tax is recognised in the profit and loss account.

2. Critical accounting judgements and estimation uncertainty

There is not considered to be any critical accounting judgements or estimation uncertainty within McCarthy & Stone Financial Services Limited due to the nature of the balances and the non-trading status of the company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

3. Operating loss

a. Employees

During the current financial year the Company had no employees (2015: nil).

b. Directors' remuneration

There was no Directors' remuneration during the year. The Directors are paid by the other Group companies and the allocation to this Company is £nil (2015: nil).

c. Auditors' remuneration

Due to exemption from audit by parent guarantee, no audit fees have been incurred during the year (2015: £2,002). 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 current or prior year. The total Group audit fee was £0.2m (2015: £0.2m).

4. Net interest payable

	2016 £	2015 £
Interest payable to other group undertakings	-	(98)
Bank interest receivable	-	-
Net interest payable	-	(98)

5. Taxation on loss on ordinary activities

a. Analysis of tax credit for the year

	2016 £	2015 £
<i>Current tax:</i>		
UK corporation tax on loss in the year	(208)	(249)
Adjustment in respect of previous years	-	(405)
Tax credit on loss on ordinary activities	(208)	(654)

b. Factors affecting tax credit for the year

	2016 £	2015 £
Loss on ordinary activities before tax	(1,041)	(1,210)
Anticipated tax credit based on loss before tax at 20.00% (2015: 20.58%)	(208)	(249)
<i>Effects of:</i>		
Adjustments in respect of prior years	-	(405)
Total tax credit for the year	(208)	(654)

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

6. Debtors: amounts falling due within one year

	2016 £	2015 £
Amounts owed by Group undertakings	332,067	302,057
Debtors: amounts falling due within one year	332,067	302,057

Balances owed by Group undertakings are repayable on demand.

7. Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts owed to Group undertakings	1,138	371
Creditors: amounts falling due within one year	1,138	371

Balances owed to Group undertakings are repayable on demand.

8. Share capital

	Allotted, called up & fully paid No.	Allotted, called up & fully paid £
Equity share capital Ordinary shares of £1 each		
As at 31 August 2015	4	4
As at 31 August 2016	4	4

Each ordinary share carries equal voting, dividend and capital repayment rights.

The profit and loss account represents cumulative profit or losses net of any 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 31 August 2016

10. Ultimate parent undertaking and controlling party

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 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 plc.

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 which have been consistently applied throughout the period.

As a consequence of adopting FRS 102, the following accounting policies have changed to comply with that standard:

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