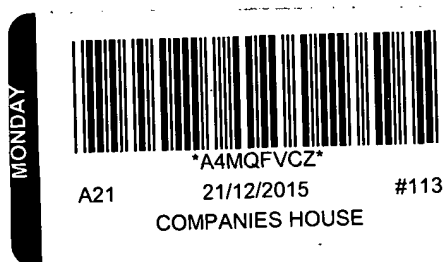


**McCarthy & Stone Financial Services Limited**

**ANNUAL REPORT & FINANCIAL STATEMENTS**

**For the year ended 31 August 2015**



**Company registration number: 07798214**

CONTENTS

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Directors and Advisors .....3

Directors’ Report .....4

Directors’ Responsibilities Statement .....6

Independent auditors’ report to the members of McCarthy & Stone Financial Services Limited .....7

Profit and Loss Account .....9

Balance Sheet .....10

Notes to the Financial Statements .....11-15

## DIRECTORS AND ADVISORS

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### Directors

C Fenton  
N W Maddock

### Registered Office

4<sup>th</sup> Floor  
100 Holdenhurst Road  
Bournemouth  
Dorset  
BH8 8AQ

### Independent Auditors

Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Mountbatten House  
1 Grosvenor Square  
Southampton  
SO15 2BZ

### Bankers

HSBC Bank plc  
70 Pall Mall  
London  
SW1Y 5EZ

### Solicitor

Freshfields Bruckhaus Deringer LLP  
65 Fleet Street  
London  
EC4Y 1HS

## DIRECTORS' REPORT

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The Directors present their report and financial statements for the year ended 31 August 2015. This Directors' Report has been prepared in accordance with the special provisions relating to small companies under section 419(2) of the Companies Act 2006. 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 £556 (2014: profit of £16,341). 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 Retirement Lifestyles Limited. The ultimate Parent Company is McCarthy & Stone plc (formerly McCarthy and Stone Ltd), who were admitted for listing on the London Stock Exchange on 11th November 2015.

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
<i>Current directors:</i>	
Clive Fenton	17 February 2014
Nick Maddock	31 August 2012

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 2015.

### 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.

### 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.

## DIRECTORS' REPORT (CONTINUED)

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### Employees

At 31 August 2015 the Company had no employees (2014: nil).

### Going concern

The Directors present their report and financial statements for the year ended 31 August 2015. Due to cessation of turnover from its principal activity and as required by FRS 18 Accounting Policies, the Directors have prepared the financial statements on the basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

### Statement of disclosure of information to the Independent Auditors

Each of the persons who is a Director of the Company at the date of approval of this report confirms that :

- as far as he is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- he 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 LLP have expressed their willingness to continue in office as auditors and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

The Directors' Report was approved by the Board of Directors on 17<sup>th</sup> December 2015 and signed on its behalf by:



N W Maddock  
Director

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

## DIRECTORS' RESPONSIBILITIES STATEMENT

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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). 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; 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCCARTHY & STONE FINANCIAL SERVICES LIMITED**

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We have audited the financial statements of McCarthy & Stone Financial Services Limited for the year ended 31 August 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and auditor**

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MCCARTHY & STONE FINANCIAL SERVICES LIMITED (CONTINUED)**

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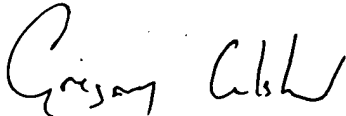
### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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 from preparing a Strategic report or in preparing the Directors' report.



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

17th December 2015



## PROFIT AND LOSS ACCOUNT

For the year ended 31 August 2015

	<i>Notes</i>	2015 £	2014 £
Turnover		-	33,618
Administrative expenses		(1,112)	1,643
<b>Operating (Loss)/Profit</b>	<b>2</b>	<b>(1,112)</b>	<b>35,261</b>
Net interest payable	4	(98)	(15,240)
<b>(Loss)/Profit on Ordinary Activities before Taxation</b>		<b>(1,210)</b>	<b>20,021</b>
Taxation charge/(credit)	5	654	(3,680)
<b>(Loss)/Profit for the Financial Year</b>	<b>9</b>	<b>(556)</b>	<b>16,341</b>

The Company has no material gains or losses other than those included in the Profit and Loss Account above, and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

There is no material difference between the result as disclosed in the Profit and Loss Account and the result on an unmodified historical cost basis.

All of the figures above relate to discontinued operations.

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

## BALANCE SHEET

As at 31 August 2015

	Notes	2015 £	2014 £
<b>Current Assets</b>			
Debtors: amounts due within one year	6	302,057	47,378
Cash		31,134	285,998
		<b>333,191</b>	<b>333,376</b>
<b>Creditors: amounts falling due within one year</b>	7	(371)	-
<b>Net Current Assets</b>		<b>332,820</b>	<b>333,376</b>
<b>Net Assets</b>		<b>332,820</b>	<b>333,376</b>
<b>Capital and Reserves</b>			
Called up share capital	8	4	4
Share premium account	9	682,997	682,997
Profit and loss account	9	(350,181)	(349,625)
<b>Shareholders' Funds</b>		<b>332,820</b>	<b>333,376</b>

Company registration number: 07798214

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

Approved by the Board and authorised for issue on 17th December 2015

Signed on its behalf by:



N W Maddock  
Director

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

## NOTES TO THE FINANCIAL STATEMENTS

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### 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 year and prior period.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

The Directors have taken the decision to cease trading and as such the financial statements have been prepared on a basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

#### **Going Concern**

McCarthy & Stone Financial Services Limited was formed to offer tailored financial products from chosen partners to our existing owners of retirement properties and 3rd parties. The Group is headed by McCarthy & Stone plc. (formerly McCarthy and Stone Ltd).

Due to cessation of turnover from its principal activity, as required by FRS 18 Accounting Policies, the Directors have prepared the financial statements on the basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

#### **Turnover**

Turnover represents commission earned on sales of financial services products occurring entirely within the United Kingdom. Income from sales is recognised in the profit and loss account on a receivables basis once the underlying contract has been completed and is no longer subject to reclaim.

#### **Corporation tax**

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

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.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting policies (continued)

### Corporation tax (continued)

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, income tax is recognised in the income statement.

### Cash Flow Statement

No Cash Flow Statement has been prepared for the Company as it is itself a wholly owned UK incorporated subsidiary. A Group consolidated Cash Flow Statement is included in the financial statements of McCarthy & Stone plc. (formerly McCarthy & Stone Ltd).

## 2. Operating (loss)/profit

### a. Employees

During the current financial year the Company had no employees (2014: nil).

### b. Directors' remuneration

There was no Directors' remuneration during the period. The Directors are paid by the other Group companies and the allocation to this Company is £nil (2014: nil).

## 3. Auditors' remuneration

Auditors' remuneration of £2,002 (2014: £1,863) is borne by a fellow Group company.

## 4. Net interest payable

	2015 £	2014 £
Interest payable to other group undertakings	(98)	(16,270)
Bank interest receivable	-	1,030
<b>Net interest payable</b>	<b>(98)</b>	<b>(15,240)</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 5. Taxation on (loss)/profit on ordinary activities

#### a. Analysis of tax (credit)/charge for the period

	2015 £	2014 £
<i>Current tax:</i>		
UK corporation tax on (loss)/profit in the period	(249)	4,437
Adjustment in respect of previous periods	(405)	(757)
<b>Tax on (loss)/profit on ordinary activities</b>	<b>(654)</b>	<b>3,680</b>

#### b. Factors affecting tax (credit)/charge for the period

	2015 £	2014 £
(Loss)/profit on ordinary activities before tax	(1,210)	20,021
Anticipated tax (credit)/charge based on (loss)/profit before tax at 20.58% (2014: 22.16%)	(249)	4,437
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	-
Adjustments in respect of prior years	(405)	(757)
<b>Current tax (credit)/charge for the period</b>	<b>(654)</b>	<b>3,680</b>

In the Budget on 8 July 2015, the UK Government proposed to further reduce the main rate of UK corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020. These rate changes were substantively enacted in the Finance Bill 2015 on 26 October 2015 and existing temporary differences may therefore unwind in periods subject to these rates.

## NOTES TO THE FINANCIAL STATEMENTS

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

	2015 £	2014 £
Amounts owed by group undertakings	302,057	47,378
<b>Debtors: amounts due within one year</b>	<b>302,057</b>	<b>47,378</b>

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

	2015 £	2014 £
Other creditors	371	-
<b>Creditors: amounts falling due within one year</b>	<b>371</b>	<b>-</b>

### 8. Share capital

	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 2014	4	4
As at 31 August 2015	4	4

### 9. Combined reconciliation of shareholders' deficit and statement of movement on reserves

	Called up share capital £	Share Premium £	Profit and loss account £	Total £	Total £
	2015	2015	2015	2015	2014
As at 1 September	4	682,997	(349,625)	333,376	317,035
(Loss)/profit for the financial year	-	-	(556)	(556)	16,341
<b>As at 31 August</b>	<b>4</b>	<b>682,997</b>	<b>(350,181)</b>	<b>332,820</b>	<b>333,376</b>

## NOTES TO THE FINANCIAL STATEMENTS

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### 10. Related parties

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

### 11. 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:

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.

### 12. Post balance sheet events

On the 11<sup>th</sup> November 2015 the ultimate parent company, McCarthy & Stone plc (formerly McCarthy & Stone Limited) was admitted to the London Stock Exchange.