
HOME PROPERTIES LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

SATURDAY



ABZKC2D4

A03

18/03/2023

#216

COMPANIES HOUSE

HOME PROPERTIES LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Paul Barber Antony L Pierce |
| Registered number | 03706047 |
| Registered office | Suite 4, First Floor, Honeycomb The Watermark Gateshead Tyne and Wear NE11 9SZ |
| Accountants | PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ |
| Bankers | Barclays Bank PLC 59 High Street Gosforth Newcastle upon Tyne NE3 4AA |
| Solicitors | Womble Bond Dickinson LLP The Spark Draymans Way Newcastle Helix Newcastle upon Tyne NE4 5DE |

HOME PROPERTIES LIMITED

CONTENTS

| | Page |
|--|--------|
| Directors' Report | 1 - 2 |
| Statement of Comprehensive Income | 3 |
| Statement of Financial Position | 4 |
| Statement of Changes in Equity | 5 |
| Notes to the Financial Statements | 6 - 14 |

HOME PROPERTIES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

The directors present their report and the financial statements for the year ended 30 September 2022.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and applicable law). Under company law, 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 period.

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, 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 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 also responsible for keeping adequate 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.

Principal activities

The principal activity of the company during the year, and for the foreseeable future, was property trading.

Results and dividends

The profit for the year, after taxation, amounted to £1,053,435 (2021 - £1,441,392).

During the year the directors declared an interim dividend on Ordinary Shares of £1,500,000 (2021: £2,000,000) and Preference shares of £14,000 (2021: £14,000). The directors do not recommend the payment of a final dividend.

Directors

The directors of the company who served during the year and up to the date of the signing of the financial statements were:

Paul Barber
Antony L Pierce
Ashish Kashyap (resigned 18 January 2022)

HOMF PROPERTIES LIMITED

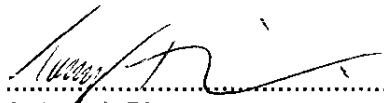
**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

Small companies exemptions

In preparing this report, the directors have taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006.

The directors have also taken advantage of the small companies' exemption from preparation of a strategic report in accordance with section 414B of the Companies Act 2006.

This report was approved by the board on *28 February 2023* and signed on its behalf.


.....
Antony L Pierce
Director

HOME PROPERTIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022

| | Note | 2022 £ | 2021 £ |
|--|------|------------------|------------------|
| Turnover | 4 | 513,660 | 1,671,800 |
| Cost of sales | | (95,839) | (617,635) |
| Gross profit | | 417,821 | 1,054,165 |
| Administrative expenses | | (11,425) | (14,231) |
| Other operating income | 5 | 100 | 200 |
| Operating profit | | 406,496 | 1,040,134 |
| Interest receivable and similar income | 7 | 911,325 | 756,646 |
| Interest payable and similar expenses | 8 | (14,000) | (14,000) |
| Profit before tax | | 1,303,821 | 1,782,780 |
| Tax on profit | 9 | (250,386) | (341,388) |
| Profit for the financial year | | 1,053,435 | 1,441,392 |
| Total comprehensive income for the year | | 1,053,435 | 1,441,392 |

There were no recognised gains and losses for 2022 or 2021 other than those included in the statement of comprehensive income.

The notes on pages 6 to 14 form part of these financial statements.

HOME PROPERTIES LIMITED
REGISTERED NUMBER: 03706047

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

| | Note | 2022 £ | 2021 £ |
|---|------|--------------------------|--------------------------|
| Current assets | | | |
| Stock | 11 | 1,312,889 | 1,387,140 |
| Debtors: amounts falling due within one year | 12 | 22,140,304 | 22,516,348 |
| | | <u>23,453,193</u> | <u>23,903,488</u> |
| Creditors: amounts falling due within one year | 13 | - | (3,730) |
| Net current assets | | <u>23,453,193</u> | <u>23,899,758</u> |
| Total assets less current liabilities | | <u>23,453,193</u> | <u>23,899,758</u> |
| Creditors: amounts falling due after more than one year | 14 | (10,114,542) | (10,114,542) |
| Net assets | | <u><u>13,338,651</u></u> | <u><u>13,785,216</u></u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 12,500,000 | 12,500,000 |
| Profit and loss account | 16 | 838,651 | 1,285,216 |
| Total equity | | <u><u>13,338,651</u></u> | <u><u>13,785,216</u></u> |

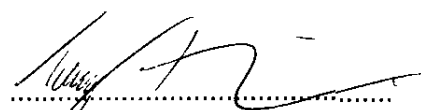
For the year ending 30 September 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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 Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28 February 2023.



Antony L Pierce
Director

The notes on pages 6 to 14 form part of these financial statements.

HOME PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

| | Called up share capital | Profit and loss account | Total equity |
|---|------------------------------------|------------------------------------|---------------------|
| | £ | £ | £ |
| At 1 October 2020 | 12,500,000 | 1,843,824 | 14,343,824 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 1,441,392 | 1,441,392 |
| Contributions by and distributions to owners | | | |
| Dividends: Equity capital | - | (2,000,000) | (2,000,000) |
| As at 30 September 2021 and 1 October 2021 | 12,500,000 | 1,285,216 | 13,785,216 |
| Comprehensive income for the year | | | |
| Profit for the year | - | 1,053,435 | 1,053,435 |
| Contributions by and distributions to owners | | | |
| Dividends: Equity capital | - | (1,500,000) | (1,500,000) |
| At 30 September 2022 | 12,500,000 | 838,651 | 13,338,651 |

HOME PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

1. General information

The entity is a private company limited by shares and is incorporated in England and Wales. The address of the registered office is Suite 4, First Floor, Honeycomb, The Watermark, Gateshead, Tyne and Wear, NE11 9SZ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The Company has taken advantage of the small companies' exemption in preparing the directors' report and from preparing a strategic report.

The Company has taken exemption from an audit for the year ended 30 September 2022 by virtue of s479A of the Companies Act 2006. In order to allow the Company to take the audit exemption, per s479C of the Companies Act 2006, the ultimate parent company, Retirement Bridge Investments Limited, has given a statutory guarantee of all the outstanding liabilities of the Company as at 30 September 2022. Such guarantees are enforceable against Retirement Bridge Investments Limited by any person to whom any such liability is due.

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Equity Release Investment Company 2 Limited as at 30 September 2022 and these financial statements may be obtained from Suite 4, First Floor, Honeycomb, The Watermark, Gateshead, Tyne and Wear, NE11 9SZ.

HOME PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.3 Going concern

The financial statements are prepared on the going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, and is applied consistently throughout.

At the date of signing these financial statements, the directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the approval of the financial statements. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.4 Revenue recognition

Turnover comprises gross rentals and gross sale proceeds of trading properties and land, exclusive of VAT. Sales of properties are only accounted for when the cash proceeds are received in full or the company has entered into a legally binding contract. Gross rentals are recognised on a straight line basis over the lease or rental term.

2.5 Interest receivable

Interest is recognised by applying the effective interest rate. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

2.6 Stock

Trading properties are shown in the financial statements at the lower of cost and net realisable value. Cost includes legal and surveying charges incurred during the acquisition plus improvement costs. Net realisable value is the net sale proceeds which the company expects on sale of a property with vacant possession.

Repairs are expensed in the income statement as incurred. Improvement costs are capitalised.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

HOME PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Preference shares are classified as liabilities in the balance sheet. The preference shares carry a fixed preferential dividend at the rate of 7% per annum, payable half yearly in arrears on 31 March and 30 September. Dividends payable on preference shares classified as debt are included within interest payable and similar expenses within the Statement of Comprehensive Income.

2.11 Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

HOME PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Stock

In determining that the value of trading properties are not carried at more than their recoverable amount an external valuation is applied.

Intercompany recoverability

Amounts owed by group undertakings are reviewed for impairment on an annual basis. In considering the need for a provision, management determines their best estimate of the expected future cash flows. As this estimate relies on a certain number of assumptions about future events which may differ from actual outcomes, including the borrower's ability to repay amounts owed, this gives rise to estimation as to whether there is a shortfall between the carrying value and the fair value of the debtor balance.

There are no other areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

| | 2022 £ | 2021 £ |
|--|----------------|------------------|
| Rental income | 1,070 | 1,080 |
| Proceeds from sale of trading properties | 512,590 | 1,670,720 |
| | <u>513,660</u> | <u>1,671,800</u> |

All turnover arose within the United Kingdom.

5. Other operating income

| | 2022 £ | 2021 £ |
|------------------------|------------|------------|
| Other operating income | <u>100</u> | <u>200</u> |

HOME PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

6. Employees

The average monthly number of employees, including the directors, during the year was as follows:

| | 2022 | 2021 |
|-----------|-------------|-------------|
| | No. | No. |
| Directors | 2 | 3 |

The Company has no employees other than the directors. The directors' remuneration was borne by another group entity (2021: £nil). Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to the parent company. Accordingly, the above details include no remuneration in respect of the directors.

7. Interest receivable and similar income

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| Interest receivable from group companies | 911,325 | 756,646 |

8. Interest payable and similar expenses

| | 2022 | 2021 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Preference share dividends | 14,000 | 14,000 |

9. Tax on profit

| | 2022 | 2021 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Current tax | | |
| Group taxation relief | 250,386 | 341,388 |

HOME PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

9. Tax on profit (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - *higher than*) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Profit before tax | <u>1,303,821</u> | <u>1,782,780</u> |
| Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%) | 247,726 | 338,728 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 2,660 | 2,660 |
| Payment for group relief | 250,386 | 341,388 |
| Group relief claimed | (250,386) | (341,388) |
| Total tax charge for the year | <u>250,386</u> | <u>341,388</u> |

Factors that may affect future tax charges

No provisions have been made for the tax which would have become payable if the company's properties had been sold at their year end replacement values. The total unprovided deferred tax in respect of this is £668,930 (2021: £460,055).

In the Spring Budget of 2021 the Government announced that the rate of corporation tax will increase from 1 April 2023 to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19% and there will be taper relief for businesses with profits between £50,000 and £250,000. The corporation tax rate increase was included in Finance Bill 2021 and the Bill was substantively enacted on 24 May 2021.

10. Dividends

| | 2022 £ | 2021 £ |
|--|------------------|------------------|
| Interim equity dividends on ordinary shares | 1,500,000 | 2,000,000 |
| Dividends on preference shares treated as debt | 14,000 | 14,000 |
| | <u>1,514,000</u> | <u>2,014,000</u> |

HOME PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. Stock

| | 2022 £ | 2021 £ |
|--------------------|------------------|------------------|
| Trading properties | <u>1,312,889</u> | <u>1,387,140</u> |

The replacement value of stock is £3,988,608 (2021: £3,808,482) based on market value at 30 September 2022, as assessed by external experts.

The directors have reviewed the net realisable value of the properties. They have concluded that the net realisable value exceeds the book cost of the properties and therefore no provision against the carrying value of stock is required.

The stock expense to cost of sales in the income statement during the year amounted to £74,251 (2021: £577,348).

12. Debtors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|------------------------------------|-------------------|-------------------|
| Trade debtors | 2,103 | 1,570 |
| Amounts owed by group undertakings | 22,137,659 | 22,514,249 |
| Prepayments and accrued income | 542 | 529 |
| | <u>22,140,304</u> | <u>22,516,348</u> |

Amounts owed by group undertakings bore interest at 3.3% above SONIA (2021: 3.3% above LIBOR), are unsecured with no fixed date of repayment and are repayable on demand. Interest receivable for the year amounted to £911,325 (2021: £756,646).

13. Creditors: amounts falling due within one year

| | 2022 £ | 2021 £ |
|-----------------|-----------|--------------|
| Trade creditors | - | 143 |
| Other creditors | - | 3,587 |
| | <u>-</u> | <u>3,730</u> |

HOME PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

14. Creditors: amounts falling due after more than one year

| | 2022 £ | 2021 £ |
|---|-------------------|-------------------|
| Share capital classed as financial liabilities | 200,000 | 200,000 |
| Premium on share capital classed as financial liabilities | 9,914,542 | 9,914,542 |
| | <u>10,114,542</u> | <u>10,114,542</u> |

Preference shares have been classified as liabilities and included within creditors in accordance with FRS 102 Section 22. The dividend payable on the shares classified as debt amounted to £14,000 (2021: £14,000) and is included within interest payable and similar expenses within the Statement of Comprehensive Income.

15. Called up share capital

| | 2022 £ | 2021 £ |
|--|-------------------|-------------------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 12,500,000 (2021 - 12,500,000) Ordinary shares shares of £1 each | <u>12,500,000</u> | <u>12,500,000</u> |

There is a single class of ordinary equity shares. There are no restrictions on the distribution of dividends and the repayment of capital

| | 2022 £ | 2021 £ |
|--|----------------|----------------|
| Shares classified as debt | | |
| Allotted, called up and fully paid | | |
| 2,000 (2021 - 2,000) Preference shares shares of £100 each | <u>200,000</u> | <u>200,000</u> |

The preference shares are classified as liabilities in the balance sheet. The preference shares carry a fixed preferential dividend at the rate of 7% per annum, payable half yearly in arrears on 31 March and 30 September. The shares have no entitlement to redemption and do not confer any further right to participate in the profits of the Company.

16. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

HOME PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

17. Contingent liabilities

At 30 September 2022, the company, together with certain of its fellow group companies, has guaranteed loans of £112,099,307 (2021: £123,972,328) by means of a legal charge over its assets and book debts. Details of the debt repayment profile are shown in the statutory financial statements of Retirement Bridge Investments Limited.

18. Related party transactions

The company is exempt from disclosing related party transactions under Section 33 Related Party Disclosures as all related party transactions are with companies that are wholly owned within the Group.

19. Controlling party

Retirement Bridge Group Holdings Limited is the immediate parent company by virtue of its 100% shareholding in the company.

Equity Release Investment Company 2 Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 30 September 2022. The consolidated financial statements of Equity Release Investment Company 2 Limited can be obtained from Suite 4, First Floor, Honeycomb, The Watermark, Gateshead, Tyne and Wear, NE11 9SZ.

Retirement Bridge Investments Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2022. The consolidated financial statements of Retirement Bridge Investments Limited can be obtained from Suite 4, First Floor, Honeycomb, The Watermark, Gateshead, Tyne and Wear, NE11 9SZ.

Patron Capital V L.P. is deemed to be the ultimate controlling party by virtue of its level of control over Retirement Bridge Investments Limited.