

COMPANY REGISTRATION NUMBER: 04413349

HAMSARD 2517 LIMITED
Financial Statements
30 September 2016

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HAMSARD 2517 LIMITED

Financial Statements

Year ended 30 September 2016

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HAMSARD 2517 LIMITED

Officers and Professional Advisers

The board of directors	Paul Barber Antony L Pierce
Registered office	Cross House Westgate Road Newcastle upon Tyne NE1 4XX
Auditor	PricewaterhouseCoopers LLP Chartered accountant & statutory auditor Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
Bankers	Barclays Bank PLC 59 High Street Gosforth Newcastle upon Tyne NE3 4AA
Solicitors	Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX

HAMSARD 2517 LIMITED

Strategic Report

Year ended 30 September 2016

The directors present their strategic report for the year ended 30 September 2016.

Principal activity

The principal activity of the company during the year was that of property trading.

Strategy and business model

The Retirement Bridge Group is the market leader in the home reversion segment of the equity release market. Our objective is to be a leader in the home reversion market, delivering sustainable long-term returns to our investors and our partners from a combination of sales, rents and fee income. We will achieve this by maintaining our leadership role within the industry, acquiring portfolios of similar products if they meet our target return thresholds, (subject to regulatory approval where applicable) optimising our financial gearing and managing the cost base.

Through our business model we deliver strong returns from our reversionary and market rented assets and our expertise allows us to supplement these returns by generating management fee income. Our expertise and the scale of our assets and operations enable us to generate sustainable income streams.

Assets

Reversionary Assets: we acquire tenanted properties at a discount to vacant possession value and sell them when they become vacant. We continue to seek acquisition opportunities for reversionary assets.

Sales

The majority of our recurring sales revenues and profit on sale comes from the sale of properties when they fall vacant thereby releasing the inherent reversionary surplus. In addition, when we decide that a particular property no longer offers attractive future growth we sell these properties while occupied (tenanted sales). We also take advantage of opportunities for adding value by refurbishing a select number of properties before sale.

Review of the business

The company is a subsidiary of Retirement Bridge Group Investments Ltd. The directors of Retirement Bridge Group Investments, the ultimate parent undertaking, manage the group's strategy and risks at a group level, rather than at an individual company level. Similarly the financial and operational performance of the business is assessed at a business unit level. The directors of the company are satisfied with the results for the year ended 30 September 2016.

The company's directors believe that analysis using financial and non-financial measures is not necessary or appropriate to understand the business' development, performance or position.

Principal Risks and Uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. The principal risks and uncertainties of the group, which are specific to the company, include: a deterioration and/or instability of wider global/European economic markets leading to long-term flat or negative growth in the value of assets; a lack of availability of finance for the group to achieve its strategic objectives; a failure to meet current or increased legal or regulatory obligations; a failure to attract, retain and develop our people; a significant failure within or by a key third-party supplier or contractor; a significant Health and Safety incident; and a failure of the supporting control environment.

HAMSARD 2517 LIMITED

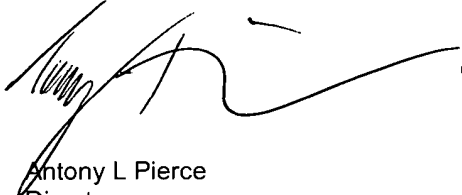
Strategic Report *(continued)*

Year ended 30 September 2016

Future developments

The directors expect the performance of the company to continue satisfactorily for the foreseeable future.

This report was approved by the board of directors on 16 May 2017 and signed on behalf of the board by:



Antony L Pierce
Director

HAMSARD 2517 LIMITED

Directors' Report

Year ended 30 September 2016

The directors present their report and the financial statements of the company for the year ended 30 September 2016.

Principal activity

The principal activity of the company during the year was property trading.

Directors

The directors who served the company during the year were as follows:

Paul Barber	
Antony L Pierce	(Appointed 4 July 2016)
Andrew R Cunningham	(Resigned 4 January 2016)
Mark J Robson	(Resigned 18 May 2016)
Nick P On	(Resigned 18 May 2016)
Mark Greenwood	(Resigned 22 December 2015)
Nicholas M F Jopling	(Resigned 18 May 2016)

Dividends

The directors do not recommend the payment of a dividend.

Change in auditors

During the year KPMG LLP resigned as auditors to the company, and the directors have appointed PricewaterhouseCoopers LLP.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the 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 the profit or loss of the company for that period.

In preparing these 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;
- 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 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 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.

HAMSARD 2517 LIMITED

Directors' Report *(continued)*

Year ended 30 September 2016

Auditor

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

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the forthcoming Annual General meeting.

This report was approved by the board of directors on 16 May 2017 and signed on behalf of the board by:



Antony L Pierce
Director

HAMSARD 2517 LIMITED

Independent Auditor's Report to the Members of Hamsard 2517 Limited

Year ended 30 September 2016

Report on the financial statements

Our opinion

In our opinion, Hamsard 2517 Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 September 2016 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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 30 September 2016;
- the Income Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

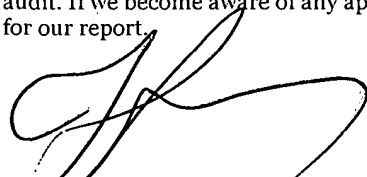
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
16 May 2017

HAMSARD 2517 LIMITED

Income Statement

Year ended 30 September 2016

	Note	2016 £000	2015 £000
Turnover	4	8,760	7,496
Cost of sales		(2,168)	(1,852)
Gross profit		6,592	5,644
Administrative expenses		(277)	(1,351)
Operating profit		6,315	4,293
Other interest receivable and similar income	6	328	185
Interest payable and similar charges	7	(650)	—
Profit on ordinary activities before taxation		5,993	4,478
Tax on profit on ordinary activities	8	(1,199)	(918)
Profit for the financial year		<u>4,794</u>	<u>3,560</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 11 to 17 form part of these financial statements.

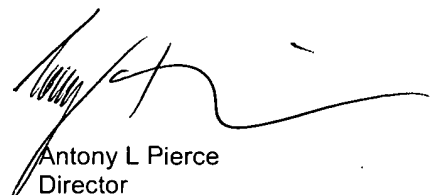
HAMSARD 2517 LIMITED

Statement of Financial Position

30 September 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	9		1,000
Current assets			
Stocks	10	13,517	14,963
Debtors	11	53,496	8,162
Cash at bank and in hand		3,983	—
		<u>70,996</u>	<u>23,125</u>
Creditors: amounts falling due within one year	12	<u>(1,492)</u>	<u>(1,017)</u>
Net current assets			<u>69,504</u>
Total assets less current liabilities			<u>23,108</u>
Creditors: amounts falling due after more than one year	13	<u>(42,602)</u>	<u>—</u>
Net assets		<u>27,902</u>	<u>23,108</u>
Capital and reserves			
Share capital	14	—	—
Profit and loss account	15	27,902	23,108
Shareholders' funds		<u>27,902</u>	<u>23,108</u>

These financial statements were approved by the board of directors and authorised for issue on 16 May 2017, and are signed on behalf of the board by:



Antony L Pierce
Director

Company registration number: 04413349

The notes on pages 11 to 17 form part of these financial statements.

HAMSARD 2517 LIMITED

Statement of Changes in Equity

Year ended 30 September 2016

	Profit and loss account
	£000
At 1 October 2014	19,548
Profit for the year	3,560
Total comprehensive income for the year	3,560
At 30 September 2015	23,108
Profit for the year	4,794
Total comprehensive income for the year	4,794
At 30 September 2016	27,902

The notes on pages 11 to 17 form part of these financial statements.

HAMSARD 2517 LIMITED

Notes to the Financial Statements

Year ended 30 September 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Cross House, Westgate Road, Newcastle upon Tyne, NE1 4XX.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

The entity is a limited company incorporated in England & Wales. The registered office is:

Cross House
Westgate Road
Newcastle upon Tyne
NE1 4XX

3. Accounting policies

Basis of preparation

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

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, which have been applied consistently throughout the year.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Group accounts

The financial statements contain information about Hamsard 2517 Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of the ultimate parent company, Retirement Bridge Group Holdings Limited (formerly Turbo Group Holdings Limited), a company registered in England and Wales.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 October 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 18.

HAMSARD 2517 LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 September 2016

3. Accounting policies *(continued)*

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Retirement Bridge Group Holdings Limited (formerly Turbo Group Holdings Limited) which can be obtained from The Secretary, Cross House, Westgate Road, Newcastle upon Tyne, NE1 4XX. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.

Judgements 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.

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

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.

Revenue recognition

Turnover comprises gross rentals, gross sale proceeds of trading properties and land, and sundry other income, 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 term on an accruals basis. Sundry other income is recognised when it becomes receivable.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

HAMSARD 2517 LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 September 2016

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Stocks

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 account as incurred. Improvement costs are capitalised.

4. Turnover

Turnover arises from:

	2016 £000	2015 £000
Rental income	8	7
Proceeds from sale of trading properties	8,752	7,489
	<u>8,760</u>	<u>7,496</u>

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Audit fees are statutory audit fees only and are borne by another Group company.

There are no persons holding service contracts with the company. None of the directors received any remuneration from the company during the year, or in the previous year, in respect of their services to the company.

HAMSARD 2517 LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 September 2016

6. Other interest receivable and similar income

	2016 £000	2015 £000
Interest from group undertakings	<u>328</u>	<u>185</u>

7. Interest payable and similar charges

	2016 £000	2015 £000
Interest on banks loans and overdrafts	529	—
Other interest payable and similar charges	<u>121</u>	<u>—</u>
	<u>650</u>	<u>—</u>

8. Tax on profit on ordinary activities

Major components of tax expense

	2016 £000	2015 £000
Current tax:		
UK current tax expense	1,199	918
Tax on profit on ordinary activities	<u>1,199</u>	<u>918</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is the same as (2015: the same as) the standard rate of corporation tax in the UK of 20% (2015: 20.50%).

	2016 £000	2015 £000
Profit on ordinary activities before taxation	<u>5,993</u>	<u>4,478</u>
Profit on ordinary activities by rate of tax	1,199	918
Group relief surrendered/(claimed)	(1,199)	—
Payment/(receipt) for group relief	<u>1,199</u>	<u>—</u>
Tax on profit on ordinary activities	<u>1,199</u>	<u>918</u>

Factors that may affect future tax expense

No provisions have been made for tax that would become payable if the company's properties were sold at their year end replacement values. The total unprovided deferred tax in respect of this is £5,485,595 (2015: £5,490,320)

HAMSARD 2517 LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 September 2016

9. Investments

	Shares in group undertakings £000
Cost	
At 1 Oct 2015 and 30 Sep 2016	<u>1,000</u>
Impairment	
At 1 Oct 2015 and 30 Sep 2016	<u>-</u>
Carrying amount	
At 30 September 2016	<u>1,000</u>

Subsidiaries, associates and other investments

Subsidiary undertakings	Country of incorporation	Class of share	Percentage of shares held
Hamsard 2517 (New Business) Limited	England and Wales	Ordinary	100

10. Stocks

	2016 £000	2015 £000
Trading properties	<u>13,517</u>	<u>14,963</u>

The value of stock recognised as an expense in cost of sales during the year amounted to £1,943,558 (2015: £1,728,511)

The replacement value of stock is £45,785,207 (2015: £42,414,544) based on market value at 30th September 2016, 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.

11. Debtors

	2016 £000	2015 £000
Trade debtors	1	1,338
Amounts owed by group undertakings	<u>53,495</u>	<u>6,824</u>
	<u>53,496</u>	<u>8,162</u>

HAMSARD 2517 LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 September 2016

12. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Trade creditors	3	–
Amounts owed to group undertakings	1,199	776
Accruals and deferred income	290	26
Corporation tax	–	215
	<u>1,492</u>	<u>1,017</u>

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

	2016 £000	2015 £000
Bank loans and overdrafts	<u>42,602</u>	<u>–</u>

The bank loan is secured via fixed charges over the trading properties of the company and floating charges over all other assets and undertakings. It incurs interest at a rate of 6.68% per annum, and is part repayable as and when individual trading properties are sold instead of having a fixed repayment profile.

The amounts above are shown net of unamortised loan costs of £1,351,391 which are being amortised on a straight line basis over the lease of the term.

14. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	£000	No.	£000
Ordinary shares of £1 each	<u>1</u>	<u>–</u>	<u>1</u>	<u>–</u>

15. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Share capital - This represents the nominal value of the shares that have been issued.

16. Related party transactions

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the Group.

HAMSARD 2517 LIMITED

Notes to the Financial Statements *(continued)*

Year ended 30 September 2016

17. Ultimate parent undertaking and controlling party

Hamsard 2518 Limited is the immediate controlling party and parent company by virtue of its 100% shareholding in the company.

Up until 17th May 2016 the directors regarded Grainger plc, a company registered in England and Wales, as the ultimate parent undertaking, being the parent undertaking of the smallest and largest group to consolidate these financial statements. The financial statements of Grainger plc can be obtained from Citygate, St James Boulevard, Newcastle upon Tyne, NE1 4JE.

From 18th May 2016 Retirement Bridge Group Holdings Limited (formerly Turbo Group Holdings Limited) became the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 30 September 2016. The consolidated financial statements of Retirement Bridge Group Holdings Limited (formerly Turbo Group Holdings Limited) can be obtained from Cross House, Westgate Road, Newcastle Upon Tyne, NE1 4XX.

From 18th May 2016 Retirement Bridge Investments Limited (formerly Turbo Investments Limited) became the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2016. The consolidated financial statements of Retirement Bridge Investments Limited (formerly Turbo Investments Limited) can be obtained from Cross House, Westgate Road, Newcastle Upon Tyne, NE1 4XX.

Due to the joint ownership of Retirement Bridge Investments Limited (formerly Turbo Investments Limited), the directors consider there to be no ultimate controlling party.

Subsequent to the year end, on 19 April 2017, Patron Capital V.L.P acquired a further 50% shareholding in Retirement Bridge Investments Limited increasing its shareholding to 100%. From that date, Patron Capital, V L.P is deemed to be the ultimate controlling party.

18. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 October 2014.

No transitional adjustments were required in equity or profit or loss for the year.