

Registered number: 04413349

**Hamsard 2517 Limited**

**Directors' Report and Financial Statements**

**For the Year Ended 30 September 2019**



## Hamsard 2517 Limited

### Company Information

<b>Directors</b>	Paul Barber Antony L Pierce
<b>Registered number</b>	04413349
<b>Registered office</b>	Cross House Westgate Road Newcastle upon Tyne NE1 4XX
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
<b>Bankers</b>	Barclays Bank PLC 59 High Street Gosforth Newcastle upon Tyne NE3 4AA
<b>Solicitors</b>	Womble Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX

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**Hamsard 2517 Limited**

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**Directors' Report  
For the Year Ended 30 September 2019**

The directors present their report and the financial statements for the year ended 30 September 2019.

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual 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 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 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 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;
- 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 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.

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.

**Principal activities**

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

**Results and dividends**

The profit for the year, after taxation, amounted to £3,982k (2018: £4,895k).

During the year the directors declared interim dividends of £39,950k (2018: £nil).

**Directors**

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

Paul Barber  
Antony L Pierce

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**Hamsard 2517 Limited**

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**Directors' Report (continued)**  
**For the Year Ended 30 September 2019**

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**Going concern**

The directors have prepared the company financial statements on the going concern basis after carefully considering the implications of the recent outbreak of COVID-19 on the company's performance. As stated in note 2 to the financial statements, as a result of the unprecedented global pandemic, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Small company exemptions**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**Independent auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *30<sup>th</sup> March 2020* and signed on its behalf.



**Antony L Pierce**  
Director

Independent Auditors' Report to the Members of Hamsard 2517 Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Hamsard 2517 Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Directors' Report and financial statements (the "Annual Report"), which comprise: the statement of financial position as at 30 September 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Material uncertainty related to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The Directors have considered the potential impact that the COVID-19 outbreak could have on the forecast compliance with certain banking covenants relating to the forecast level of property sales and the valuation of the underlying portfolios of properties, to which the company acts as a cross-guarantor by means of a legal charge over its assets and book debts. A severe but plausible downside involving a period of significantly reduced property sales or significantly reduced property valuations show that should the sensitivities occur, one or more of these banking covenants may be breached. Whilst there will be an opportunity to remedy any breach and the directors are confident that a covenant breach would not result in a requirement to repay the loan, if the loan was required to be repaid then alternative funding would be sought in order to repay the loan. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The company financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

## Independent Auditors' Report to the Members of Hamsard 2517 Limited

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

### **Responsibilities for the financial statements and the audit**

#### *Responsibilities of the directors for the financial statements*

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements as set out on page 1, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

#### *Use of this report*

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.

### **Other required reporting**

#### **Companies Act 2006 exception reporting**

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jonathan Greenaway (Senior statutory auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants & Statutory Auditors  
Newcastle upon Tyne  
30 March 2020

# Hamsard 2517 Limited

## Statement of Comprehensive Income For the Year Ended 30 September 2019

	Note	2019 £000	2018 £000
Turnover	4	7,171	7,427
Cost of sales		(1,732)	(1,695)
<b>Gross profit</b>		<b>5,439</b>	<b>5,732</b>
Administrative expenses		(177)	(241)
Other operating income	5	99	-
<b>Operating profit</b>	6	<b>5,361</b>	<b>5,491</b>
Interest receivable and similar income	7	2,631	2,837
Interest payable and similar expenses	8	(3,016)	(2,285)
<b>Profit before tax</b>		<b>4,976</b>	<b>6,043</b>
Tax on profit	9	(994)	(1,148)
<b>Profit for the financial year</b>		<b>3,982</b>	<b>4,895</b>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

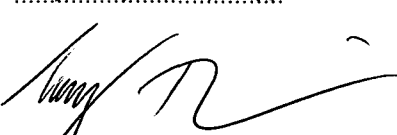
The notes on pages 8 to 18 form part of these financial statements.

**Hamsard 2517 Limited**  
**Registered number: 04413349**

**Statement of Financial Position**  
**As at 30 September 2019**

	Note	2019 £000	2018 £000
<b>Fixed assets</b>			
Investments	11	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
<b>Current assets</b>			
Stocks	12	8,699	10,200
Debtors: amounts falling due after more than one year	13	-	397
Debtors: amounts falling due within one year	13	85,790	72,063
Cash at bank and in hand	14	5,000	9,571
		<u>99,489</u>	<u>92,231</u>
Creditors: amounts falling due within one year	15	(34,753)	(7,526)
<b>Net current assets</b>		<u>64,736</u>	<u>84,705</u>
<b>Total assets less current liabilities</b>		<u>65,736</u>	<u>85,705</u>
Creditors: amounts falling due after more than one year	16	(63,846)	(47,117)
<b>Net assets</b>		<u><u>1,890</u></u>	<u><u>38,588</u></u>
<b>Capital and reserves</b>			
Other reserves	19	(333)	397
Profit and loss account	19	2,223	38,191
<b>Total equity</b>		<u><u>1,890</u></u>	<u><u>38,588</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30th March 2020

  
**Antony L Pierce**  
 Director

The notes on pages 8 to 18 form part of these financial statements.

# Hamsard 2517 Limited

## Statement of Changes in Equity For the Year Ended 30 September 2019

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
<b>At 1 October 2017</b>	-	283	33,296	33,579
Profit for the year	-	-	4,895	4,895
Increase in cash flow hedge	-	114	-	114
<b>At 30 September 2018 and 1 October 2018</b>	-	397	38,191	38,588
Profit for the year	-	-	3,982	3,982
New cash flow hedge	-	(333)	-	(333)
Termination of cash flow hedge	-	(397)	-	(397)
Dividends: Equity capital	-	-	(39,950)	(39,950)
<b>At 30 September 2019</b>	-	(333)	2,223	1,890

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

**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. 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' exemptions in preparing the directors' report and from preparing a strategic report.

**2.2 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, which have been applied consistently throughout.

As part of the company's ongoing review of going concern, the directors have reviewed the company position in detail and have considered the impact of the recent outbreak of COVID-19 on company's performance.

Whilst it is difficult to predict the impact that COVID-19 might have on the company's business, the directors have considered the impact as low overall due to the high level of available cash held by the wider Retirement Bridge Group and the value of trading properties currently in the pipeline across all portfolios. Whilst it is possible that there may be a decline in the level of house prices and some sales may fall through, the majority of the current pipeline is expected to translate to turnover in the next 12 months. The company is a cross-guarantor to a loan within the wider Retirement Bridge Group, and the group requires less than half of the pipeline within the relevant portfolio to convert to sales revenue to continue to meet debt interest payments without resorting to the utilisation of the cash liquidity reserve.

However, should the housing market see a severe downturn and the value of the property portfolio drop significantly, the group may be at risk of breaching one or more of its debt covenants with one of its senior lenders to which this company is a cross-guarantor. As at the reporting date, the group has sufficient expected headroom before breach of the debt covenants to give sufficient scope and time to take mitigating action to avoid the breach of any debt covenants.

These mitigating actions may include partial or full early repayment of debt, requesting support from the business loans scheme announced by the Government on 17 March 2020, claiming business interruption insurance if possible, securing waivers from the debt providers and consideration of operational cost savings. Furthermore, should it be necessary, the group may request assistance from other connected lenders who may be able to provide additional drawdown facilities at short notice.

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

**2. Accounting policies (continued)**

The directors acknowledge it is difficult to predict the overall outcome and impact of COVID-19 at this stage, but the above scenario in relation to the drop in the housing market is considered severe but plausible. This scenario indicates the existence of a material uncertainty, which may cast significant doubt on the company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**2.3 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 2019 and these financial statements may be obtained from Cross House, Westgate Road, Newcastle upon Tyne, NE1 4XX.

**2.4 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.

**2.5 Taxation**

Tax is recognised in the Statement of Comprehensive Income, 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.

**2.6 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

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**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

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**2. Accounting policies (continued)**

**2.7 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.

**2.8 Hedge accounting**

The Company uses variable to fixed interest rate swaps to manage its exposure to cash flow risk on its bank loan. These derivatives are measured at fair value at each balance sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

Gains and losses on the hedging instruments and the hedged items are recognised in profit or loss for the year. When a hedged item is an unrecognised firm commitment, the cumulative hedging gain or loss on the hedged item is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

**2.9 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.

**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.

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.

# Hamsard 2517 Limited

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 4. Turnover

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

	2019 £000	2018 £000
Proceeds from sale of trading properties	7,171	7,425
Rental income	-	2
	<u>7,171</u>	<u>7,427</u>

All turnover arose within the United Kingdom.

### 5. Other operating income

	2019 £000	2018 £000
Sundry income	1	-
Gain on settlement of hedging instrument	98	-
	<u>99</u>	<u>-</u>

### 6. Operating profit

Audit fees are statutory audit fees only and are borne by another Group 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. There are no other persons holding service contracts with the Company (2018: nil).

### 7. Interest receivable and similar income

	2019 £000	2018 £000
Interest receivable from group companies	2,617	2,836
Other interest receivable	14	1
	<u>2,631</u>	<u>2,837</u>

# Hamsard 2517 Limited

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 8. Interest payable and similar expenses

	2019 £000	2018 £000
Bank interest payable	2,461	2,282
Interest payable to group undertakings	554	-
Other interest payable	1	3
	<u>3,016</u>	<u>2,285</u>

### 9. Tax on profit

	2019 £000	2018 £000
<b>Corporation tax</b>		
Current tax on profits for the year	119	1,080
Adjustments in respect of previous periods	49	-
Group taxation relief	826	68
<b>Total current tax</b>	<u>994</u>	<u>1,148</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £000	2018 £000
Profit on ordinary activities before tax	<u>4,976</u>	<u>6,043</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	945	1,148
<b>Effects of:</b>		
Adjustment in respect of prior periods	49	-
Group relief claimed	(826)	(68)
Payment for group relief	826	68
<b>Total tax charge for the year</b>	<u>994</u>	<u>1,148</u>

**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

**9. Tax on profit (continued)**

**Factors that may affect future tax charges**

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 £4,435,485 (2018: £4,857,987)

**10. Dividends**

	2019 £000	2018 £000
Ordinary shares	39,950	-
	<u>39,950</u>	<u>-</u>

The directors acknowledge that in October 2018 a dividend of £38,750k was paid, of which £306k (0.79%) was not in strict compliance with the provisions set out in the Companies Act 2006. Payment was made and received by members in good faith and the directors confirm that no creditors or shareholders of the company were adversely affected by the distribution. Remedial action was taken during the year to 30 September 2019 by ensuring that the company had sufficient distributable reserves prior to the issuance of any further dividends.

**11. Investments**

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 October 2018	1,000
At 30 September 2019	<u>1,000</u>

# Hamsard 2517 Limited

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 11. Investments (continued)

#### Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Hamsard 2517 (New Business) Limited	Cross House, Westgate Road, Newcastle upon Tyne, NE1 4XX	Property trading	Ordinary	100%

### 12. Stocks

	2019 £000	2018 £000
Trading properties	8,699	10,200
	<u>8,699</u>	<u>10,200</u>

The value of stock recognised as an expense in cost of sales during the year amounted to £1,528,548 (2018: £1,514,699)

The replacement value of stock is £34,790,242 (2018: £38,776,233) based on market value at 30th September 2019, 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.

# Hamsard 2517 Limited

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 13. Debtors

	2019 £000	2018 £000
<b>Due after more than one year</b>		
Financial instruments (after 1 yr)	-	397
	<u>-</u>	<u>397</u>
	2019 £000	2018 £000
<b>Due within one year</b>		
Trade debtors	-	3
Amounts owed by group undertakings	85,719	72,059
Other debtors	69	-
Prepayments and accrued income	2	1
	<u>85,790</u>	<u>72,063</u>

Amounts owed by group undertakings bore interest at 3.3% above LIBOR, are unsecured with no fixed date of repayment and are repayable on demand. Interest receivable for the year amounted to £2,616,853 (2018: £2,836,783).

### 14. Cash at bank and in hand

	2019 £000	2018 £000
Cash at bank and in hand	5,000	9,571
	<u>5,000</u>	<u>9,571</u>

# Hamsard 2517 Limited

## Notes to the Financial Statements For the Year Ended 30 September 2019

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

	2019 £000	2018 £000
Bank loans	9,582	6,631
Trade creditors	2	-
Amounts owed to group undertakings	24,604	-
Corporation tax	12	552
Other creditors	29	-
Accruals and deferred income	524	343
	<u>34,753</u>	<u>7,526</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 of the Company and its Group. It incurs interest at a rate of 2.9% (2018: 2.7%) above LIBOR per annum, and is part repayable on a quarterly basis, based on properties sold during the corresponding quarter, instead of having a fixed repayment profile. Interest payable during the year amounted to £2,461,029 (2018: 2,282,272).

Amounts owed to group undertakings bore interest at 3.3% above LIBOR, are unsecured with no fixed date of repayment and are repayable on demand. Interest payable for the year amounted to £553,793 (2018: £nil).

### 16. Creditors: amounts falling due after more than one year

	2019 £000	2018 £000
Bank loans	63,513	47,117
Financial instruments (after 1 yr)	333	-
	<u>63,846</u>	<u>47,117</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 of the Company and its Group. It incurs interest at a rate of 2.9% (2018: 2.7%) above LIBOR per annum, and is part repayable on a quarterly basis, based on properties sold during the corresponding quarter, instead of having a fixed repayment profile. Interest payable during the year amounted to £2,461,029 (2018: £2,282,272).

# Hamsard 2517 Limited

## Notes to the Financial Statements For the Year Ended 30 September 2019

### 17. Financial instruments

	2019 £000	2018 £000
<b>Financial assets</b>		
Fair value of interest rate swap	-	397
<b>Financial liabilities</b>		
Fair value of interest rate swap	333	-

The company entered into two interest rate swaps on 3 December 2016 and 13 July 2017 to receive interest at LIBOR and pay interest at a fixed rate. The interest rate swap was entered in to to mitigate the cash flow risk of fluctuating interest rates. The swaps were based on an initial principal amount of £49.4m and amortised in line with the expected debt profile over time, terminating on 25 June 2019 with a net gain of £98,599.

The company entered into a new interest rate swap on 25 June 2019 to receive interest at LIBOR and pay interest at a fixed rate. The interest rate swap was entered in to to mitigate the cash flow risk of fluctuating interest rates. The swaps were based on an initial principal amount of £59.2m and amortise in line with the expected debt profile over time, maturing on 25 June 2022.

### 18. Called up share capital

	2019 £000	2018 £000
<b>Allotted, called up and fully paid</b>		
1 (2018 - 1) Ordinary share of £1	-	-

### 19. Reserves

#### Other reserves

This cash flow hedge reserve records the movement in the fair value of the hedging instrument.

#### Profit and loss account

This reserve records retained earnings and accumulated losses.

### 20. Related party transactions

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

<b>Hamsard 2517 Limited</b>
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**Notes to the Financial Statements  
For the Year Ended 30 September 2019**

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**21. Controlling party**

Hamsard 2518 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 2019. The consolidated financial statements of Equity Release Investment Company 2 Limited can be obtained from Cross House, Westgate Road, Newcastle Upon Tyne, NE1 4XX.

Retirement Bridge Investments Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2019. The consolidated financial statements of Retirement Bridge Investments Limited can be obtained from Cross House, Westgate Road, Newcastle Upon Tyne, NE1 4XX.

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