

Registered number: 04413349

Hamsard 2517 Limited

Directors' Report and Financial Statements

30 September 2017



Hamsard 2517 Limited

Company Information

| | |
|-----------------------------|--|
| Directors | Paul Barber Antony L Pierce |
| Registered number | 04413349 |
| Registered office | Cross House Westgate Road Newcastle upon Tyne NE1 4XX |
| Independent auditors | PricewaterhouseCoopers LLP Chartered Accountants and 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 | Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX |

Hamsard 2517 Limited

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**Directors' Report
For the Year Ended 30 September 2017**

The directors present their report and the financial statements for the year ended 30 September 2017.

Directors' responsibilities statement

The directors are responsible for preparing the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements 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.

Principal activity

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

Directors

The directors who served during the year were:

Paul Barber
Antony L Pierce

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.

Auditors

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

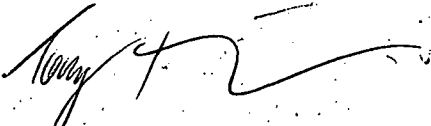
Hamsard 2517 Limited

**Directors' Report (continued)
For the Year Ended 30 September 2017**

Small companies note

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

This report was approved by the board on 20 March 2018 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 2017 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 2017; 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability 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 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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.

Independent Auditors' Report to the Members of Hamsard 2517 Limited

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement 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. 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

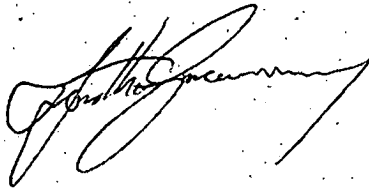
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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: prepare financial statements in accordance with the small companies regime; 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
20 March 2018

**Statement of Comprehensive Income
For the Year Ended 30 September 2017**

| | Note | 2017 £000 | 2016 £000 |
|--|------|--------------|--------------|
| Turnover | 4 | 8,697 | 8,760 |
| Cost of sales | | (2,080) | (2,168) |
| Gross profit | | 6,617 | 6,592 |
| Administrative expenses | | (265) | (277) |
| Operating profit | 5 | 6,352 | 6,315 |
| Interest receivable and similar income | | 2,150 | 328 |
| Interest payable and expenses | | (1,802) | (650) |
| Profit before tax | | 6,700 | 5,993 |
| Tax on profit | 6 | (1,306) | (1,199) |
| Profit for the financial year | | 5,394 | 4,794 |

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 8 to 16 form part of these financial statements.

Statement of Financial Position
As at 30 September 2017

| | Note | 2017 £000 | 2016 £000 |
|---|------|----------------------|----------------------|
| Fixed assets | | | |
| Investments | 7 | 1,000 | 1,000 |
| | | <u>1,000</u> | <u>1,000</u> |
| Current assets | | | |
| Stocks | 8 | 11,710 | 13,517 |
| Debtors: amounts falling due after more than one year | 9 | 283 | - |
| Debtors: amounts falling due within one year | 9 | 73,966 | 53,496 |
| Cash at bank and in hand | 10 | 7,114 | 3,983 |
| | | <u>93,073</u> | <u>70,996</u> |
| Creditors: amounts falling due within one year | | (4,494) | (1,492) |
| Net current assets | | <u>88,579</u> | <u>69,504</u> |
| Total assets less current liabilities | | <u>89,579</u> | <u>70,504</u> |
| Creditors: amounts falling due after more than one year | 12 | (56,000) | (42,602) |
| Net assets | | <u><u>33,579</u></u> | <u><u>27,902</u></u> |
| Capital and reserves | | | |
| Other reserves | 15 | 283 | - |
| Profit and loss account | 15 | 33,296 | 27,902 |
| | | <u><u>33,579</u></u> | <u><u>27,902</u></u> |

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 March 2018.


Antony L. Pierce
Director

The notes on pages 8 to 16 form part of these financial statements.

Hamsard 2517 Limited

Statement of Changes in Equity For the Year Ended 30 September 2017

| | Called up share capital £000 | Other reserves £000 | Profit and loss account £000 | Total equity £000 |
|--|------------------------------------|---------------------------|------------------------------------|----------------------|
| At 1 October 2015 | - | - | 23,108 | 23,108 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 4,794 | 4,794 |
| At 1 October 2016 | - | - | 27,902 | 27,902 |
| Comprehensive income for the year | | | | |
| Profit for the year | - | - | 5,394 | 5,394 |
| Non distributable reserve | - | 283 | - | 283 |
| At 30 September 2017 | - | 283 | 33,296 | 33,579 |

**Notes to the Financial Statements
For the Year Ended 30 September 2017**

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 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.

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 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Retirement Bridge Group Holdings Limited as at 30 September 2017 and these financial statements may be obtained from Cross House, Westgate Road, Newcastle upon Tyne, NE1 4XX.

2.3 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.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**Notes to the Financial Statements
For the Year Ended 30 September 2017**

2. Accounting policies (continued)

2.5 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.

2.6 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.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.9 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.

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.

**Notes to the Financial Statements
For the Year Ended 30 September 2017**

4. Turnover

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

| | 2017 £000 | 2016 £000 |
|--|--------------|--------------|
| Proceeds from sale of trading properties | 8,689 | 8,752 |
| Rental income | 8 | 8 |
| | <u>8,697</u> | <u>8,760</u> |

All turnover arose within the United Kingdom.

5. 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.

6. Taxation

| | 2017 £000 | 2016 £000 |
|-------------------------------------|--------------|--------------|
| Corporation tax | | |
| Current tax on profits for the year | 1,306 | 1,199 |
| | <u>1,306</u> | <u>1,199</u> |
| Total current tax | <u>1,306</u> | <u>1,199</u> |

**Notes to the Financial Statements
For the Year Ended 30 September 2017**

6. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2016 - the same as) the standard rate of corporation tax in the UK of 19.5% (2016 - 20%) as set out below:

| | 2017 £000 | 2016 £000 |
|--|--------------|--------------|
| Profit on ordinary activities before tax | 6,700 | 5,993 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2016 - 20%) | 1,306 | 1,199 |
| Effects of: | | |
| Group relief surrendered/(claimed) | - | (1,199) |
| Payment/(receipt) for group relief | - | 1,199 |
| Total tax charge for the year | 1,306 | 1,199 |

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 £5,240,255 (2016: £5,485,595)

Hamsard 2517 Limited

Notes to the Financial Statements For the Year Ended 30 September 2017

7. Fixed asset investments

| | Investments in subsidiary companies £000 |
|--------------------------|--|
| Cost or valuation | |
| At 1 October 2016 | 1,000 |
| At 30 September 2017 | <u>1,000</u> |
| Net book value | |
| At 30 September 2017 | <u>1,000</u> |
| At 30 September 2016 | <u>1,000</u> |

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

| Name | Country of incorporation | Class of shares | Holding | Principal activity |
|--|-----------------------------|--------------------|---------|-----------------------|
| Hamsard 2517 (New Business) Limited | England | Ordinary | 100 % | Trading property |

The registered office of Hamsard 2517 (New Business) Limited is Cross House, Westgate Road, Newcastle upon Tyne, NE1 4XX.

**Notes to the Financial Statements
For the Year Ended 30 September 2017**

8. Stocks

| | 2017 £000 | 2016 £000 |
|--------------------|---------------|---------------|
| Trading properties | 11,710 | 13,517 |
| | <u>11,710</u> | <u>13,517</u> |

The value of stock recognised as an expense in cost of sales during the year amounted to £1,822,416 (2016: £1,943,558)

The replacement value of stock is £42,534,780 (2016: £45,785,207) based on market value at 30th September 2017, 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.

9. Debtors

| | 2017 £000 | 2016 £000 |
|-------------------------------------|---------------|---------------|
| Due after more than one year | | |
| Financial instruments | 283 | - |
| | <u>283</u> | <u>-</u> |
| Due within one year | | |
| Trade debtors | 4 | 1,200 |
| Amounts owed by group undertakings | 73,962 | 52,296 |
| | <u>73,966</u> | <u>53,496</u> |

Amounts owed by group undertakings bore interest at 3.3% above LIBOR (2016: 3.3%), are unsecured with no fixed date of repayment and are repayable on demand. Interest receivable for the year amounted to £2,149,636 (2016: £327,560).

Hamsard 2517 Limited

Notes to the Financial Statements For the Year Ended 30 September 2017

10. Cash and cash equivalents

| | 2017 £000 | 2016 £000 |
|--------------------------|--------------|--------------|
| Cash at bank and in hand | 7,114 | 3,983 |
| | <u>7,114</u> | <u>3,983</u> |

11. Creditors: Amounts falling due within one year

| | 2017 £000 | 2016 £000 |
|------------------------------|--------------|--------------|
| Bank loans | 4,128 | - |
| Trade creditors | - | 1,202 |
| Accruals and deferred income | 366 | 290 |
| | <u>4,494</u> | <u>1,492</u> |

12. Creditors: Amounts falling due after more than one year

| | 2017 £000 | 2016 £000 |
|------------|---------------|---------------|
| Bank loans | 56,000 | 42,602 |
| | <u>56,000</u> | <u>42,602</u> |

Secured loans

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. Interest payable during the year amounted to £1,802,239 (2016: £650,166).

The amounts above are shown net of unamortised loan costs of £1,061,087 (2016: £1,351,391) which are being amortised on a straight line basis over the lease of the term.

Notes to the Financial Statements
For the Year Ended 30 September 2017

13. Financial instruments

| | 2017 £000 | 2016 £000 |
|----------------------------------|--------------|--------------|
| Financial assets | | |
| Fair value of interest rate swap | 283 | - |
| | <u>283</u> | <u>-</u> |

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 are based on a principal amount of £49.4m and mature on 31 December 2020.

**Notes to the Financial Statements
For the Year Ended 30 September 2017**

14. Share capital

| | 2017 | 2016 |
|---|-------------|-------------|
| | £000 | £000 |
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 1 Ordinary share of £1 | <u>-</u> | <u>-</u> |

15. Reserves

Other reserves

Cash flow hedge reserve - this reserve records the movement in the fair value of the hedging instrument.

Profit and loss account

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

16. Related party transactions

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

17. Controlling party

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

Retirement Bridge Group Holdings Limited is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 30 September 2017. The consolidated financial statements of Retirement Bridge Group Holdings 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 2017. The consolidated financial statements of Retirement Bridge Investments Limited can be obtained from Cross House, Westgate Road, Newcastle Upon Tyne, NE1 4XX.

During the year, 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.