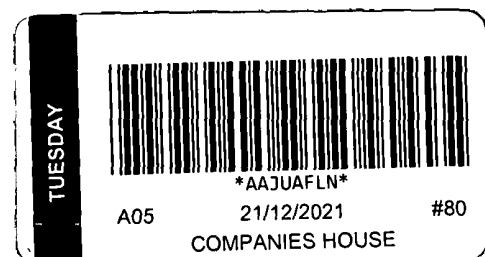


Hamsard 2517 Limited

Directors' Report and Financial Statements

For the Year Ended 30 September 2021



Hamsard 2517 Limited

Company Information

Directors	Paul Barber Antony L Pierce
Registered number	04413349
Registered office	Suite 4, First Floor, The Honeycomb The Watermark Gateshead Tyne and Wear NE11 9SZ
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	Womble Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX

Hamsard 2517 Limited

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Hamsard 2517 Limited

Directors' Report For the Year Ended 30 September 2021

The Directors present their report and the audited financial statements for the year ended 30 September 2021.

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law). Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping 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. The directors 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 £2,844k (2020 - £4,312k).

During the year the directors proposed and paid interim dividends of £4,000k (2020: £2,000k). The directors do not recommend the payment of a final dividend.

Directors

The Directors of the company 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

Post balance sheet events

On 25 October 2021, the company disposed of its 100% investment in the ordinary shares of Hamsard 2517 (New Business) Limited, it's only investment in subsidiary companies, to another entity within the Group.

Directors' Report (continued)
For the Year Ended 30 September 2021

Directors' confirmations

In the case of each director in office at the time the Directors' Report is approved:

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

Small company exemptions

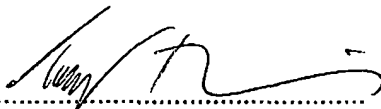
In preparing this report, the directors have taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006.

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

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 17 December 2021 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 2021 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 2021; the Statement of Comprehensive Income and 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2021 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.

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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Hamsard 2517 Limited

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase sales volume, or inflate the value of properties sold, or through management bias in manipulation of accounting estimates and forecasts. Audit procedures performed by the engagement team included:

- Discussions with management including those charged with governance, inquiring specifically as to whether there was any known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates and forecasts, in particular in relation to impairment of assets, and consideration of going concern; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations impacting revenue.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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:

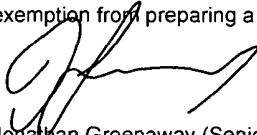
- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified 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.

Hamsard 2517 Limited

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 and Statutory Auditors
Newcastle
17 December 2021

Hamsard 2517 Limited

**Statement of Comprehensive Income
For the Year Ended 30 September 2021**

	Note	2021 £000	2020 £000
Turnover	4	5,144	8,003
Cost of sales		(1,149)	(1,737)
Gross profit		3,995	6,266
Administrative expenses		(111)	(131)
Other operating income	5	8	-
Operating profit	6	3,892	6,135
Amounts written back to investments	7	1,014	-
Interest receivable and similar income	8	2,738	3,198
Interest payable and similar expenses	9	(4,371)	(4,011)
Profit before tax		3,273	5,322
Tax on profit	10	(429)	(1,010)
Profit for the financial year		2,844	4,312


There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 10 to 21 form part of these financial statements.

Statement of Financial Position
As at 30 September 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	12	114	1,000
		<u>114</u>	<u>1,000</u>
Stocks	13	6,390	7,180
Debtors: amounts falling due within one year	14	144,868	79,317
Cash at bank and in hand	15	5,551	8,885
		<u>156,809</u>	<u>95,382</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(42,344)	(36,019)
		<u>114,465</u>	<u>59,363</u>
Net current assets			
		<u>114,579</u>	<u>60,363</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	17	(111,200)	(56,550)
		<u>3,379</u>	<u>3,813</u>
Net assets			
		<u>3,379</u>	<u>3,813</u>
Capital and reserves			
Other reserves	20	-	(722)
Profit and loss account	20	3,379	4,535
		<u>3,379</u>	<u>3,813</u>
Total equity			
		<u>3,379</u>	<u>3,813</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2021.



Antony L Pierce
Director

The notes on pages 10 to 21 form part of these financial statements.

Hamsard 2517 Limited

Statement of Changes in Equity For the Year Ended 30 September 2021

	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 October 2019	-	(333)	2,223	1,890
Comprehensive income for the year				
Profit for the year	-	-	4,312	4,312
(Increase)/decrease in cash flow hedge	-	(389)	-	(389)
Dividends: Equity capital	-	-	(2,000)	(2,000)
At 30 September 2020 and 1 October 2020	-	(722)	4,535	3,813
Comprehensive income for the year				
Profit for the year	-	-	2,844	2,844
(Increase)/decrease in cash flow hedge	-	459	-	459
Termination of cash flow hedge	-	263	-	263
Dividends: Equity capital	-	-	(4,000)	(4,000)
At 30 September 2021	-	-	3,379	3,379

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

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

This information is included in the consolidated financial statements of Equity Release Investment Company 2 Limited as at 30 September 2021 and these financial statements may be obtained from Suite 4, First Floor, The Honeycomb, The Watermark, Gateshead, Tyne and Wear, NE11 9SZ.

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.

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

2. Accounting policies (continued)

2.4 Interest receivable and payable

Interest receivable and payable is recognised in profit or loss using the effective interest method. The effective interest rate method is a method of calculating the amortised cost of a debt instrument and of allocating the income/expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts/payments through the expected life of the debt instrument to the net carrying amount on initial recognition.

2.5 Taxation

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

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

2.6 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.

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 Debtors

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

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

2. Accounting policies (continued)

2.10 Creditors

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

2.11 Financial instruments

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

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

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

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

2.12 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.

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

2. Accounting policies (continued)**2.13 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.

Stock

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

Intercompany recoverability

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

Investments

The directors make an assessment as to the appropriateness of the carrying value of investments based on the trading performance and underlying asset values and assesses at each reporting date whether an investment should be impaired or written back. If any such indication exists, the Company estimates the recoverable amount of the investment. When determining the estimate, it is assumed that the recoverable amount is equal to the underlying net asset values. If the recoverable amount is different from the value of the investment, the impairment/ write back is charged/ credited through the Statement of Comprehensive Income.

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

4. Turnover

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

	2021	2020
	£000	£000
Proceeds from sale of trading properties	5,144	8,003
	<hr/> 5,144 <hr/>	<hr/> 8,003 <hr/>

All turnover arose within the United Kingdom.

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

5. Other operating income

	2021 £000	2020 £000
Other operating income	8	-
	<u>8</u>	<u>-</u>

6. Operating profit

Audit fees are statutory audit fees only and are borne by another group company, Retirement Bridge Group Holdings Limited.

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 persons holding service contracts with the Company (2020: nil).

7. Amounts written back to investments

	2021 £000	2020 £000
Amounts written off loans owed to group companies	1,900	-
Impairment charge against investments in subsidiary companies	(886)	-
	<u>1,014</u>	<u>-</u>

8. Interest receivable and similar income

	2021 £000	2020 £000
Interest receivable from group companies	2,737	3,191
Bank and other interest receivable	1	7
	<u>2,738</u>	<u>3,198</u>

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

9. Interest payable and similar expenses

	2021	2020
	£000	£000
Bank interest payable	3,150	3,048
Debenture loan interest payable	253	-
Interest payable to group companies	968	963
	<u>4,371</u>	<u>4,011</u>

10. Tax on profit

	2021	2020
	£000	£000
Corporation tax		
Adjustments in respect of previous periods	-	(1)
Group taxation relief	429	1,011
Total current tax	<u>429</u>	<u>1,010</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - *lower than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£000	£000
Profit before tax	<u>3,273</u>	<u>5,322</u>
Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	622	1,011
Effects of:		
Non-tax deductible impairment of investments	168	-
Adjustments to tax charge in respect of prior periods	-	(1)
Non-taxable income amounts written off loans to group companies	(361)	-
Group relief claimed	(429)	(1,011)
Payment for group relief	429	1,011
Total tax charge for the year	<u>429</u>	<u>1,010</u>

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

10. 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 £4,477k (2020: £4,362k).

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

11. Dividends

	2021 £000	2020 £000
Interim equity dividends on ordinary shares	4,000	2,000
	<u>4,000</u>	<u>2,000</u>

12. Investments

	Investments in subsidiary companies £000
Cost	
At 1 October 2020	1,000
At 30 September 2021	<u>1,000</u>
Impairment	
Charge for the period	886
At 30 September 2021	<u>886</u>
Net book value	
At 30 September 2021	<u>114</u>
At 30 September 2020	<u>1,000</u>

Hamsard 2517 Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

12. 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	Suite 4, First Floor, The Honeycomb, The Watermark, Gateshead, Tyne & Wear, NE11 9SZ	Property trading	Ordinary	100%

On 25 October 2021, the company disposed of its 100% investment in the ordinary shares of Hamsard 2517 (New Business) Limited to another entity within the Group.

13. Stocks

	2021 £000	2020 £000
Trading properties	6,390	7,180
	<u>6,390</u>	<u>7,180</u>

The replacement value of stock (sale at market value of the property subject to occupation by a resident) is £29,949k (2020: £30,137k) based on market value at 30 September 2021, 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 carrying value of the properties and therefore no further provision against the carrying value of stock is required.

The stock expense to cost of sales in the income statement amounted to £1,009k (2020: £1,530k).

Hamsard 2517 Limited

Notes to the Financial Statements For the Year Ended 30 September 2021

14. Debtors: amounts falling due within one year

	2021 £000	2020 £000
Trade debtors	1	1
Amounts owed by group undertakings	144,842	79,291
Prepayments and accrued income	2	2
Corporation tax	23	23
	<u>144,868</u>	<u>79,317</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 £2,737k (2020: £3,191k).

15. Cash at bank and in hand

	2021 £000	2020 £000
Cash at bank and in hand	5,551	8,885
	<u>5,551</u>	<u>8,885</u>

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

16. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Debenture loans	11,257	-
Bank loans	-	8,121
Trade creditors	-	12
Amounts owed to group undertakings	30,431	27,400
Other creditors	23	27
Accruals and deferred income	633	459
	42,344	36,019

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 £968k (2020: £963k).

The bank loan was repaid in full on 13 September 2021. It was 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, all of which have now been fully satisfied. It incurred interest at a rate of 2.9% (2020: 2.9%) above LIBOR per annum. Interest payable during the year amounted to £3,150k (2020: £3,048k).

A new debenture loan was drawn down of £123,972k on 13 September 2021. The loan is secured via fixed charges over the trading properties of the company and floating charges over all assets and undertakings. The loan 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 £253k (2020: £nil).

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

	2021	2020
	£000	£000
Debentures loans	111,200	-
Bank loans	-	55,828
Financial instruments (after 1 yr) (see note 18)	-	722
	111,200	56,550

The bank loan was repaid in full on 13 September 2021. It was 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, all of which have now been fully satisfied. It incurred interest at a rate of 2.9% (2020: 2.9%) above LIBOR per annum. Interest payable during the year amounted to £3,150k (2020: 3,048k).

A new debenture loan was drawn down of £123,972k on 13 September 2021. The loan is secured via fixed charges over the trading properties of the company and floating charges over all assets and undertakings. The loan 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 £253k (2020: £nil).

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

18. Financial instruments

	2021	2020
	£000	£000
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	-	722

The company entered into an 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 amortised in line with the expected debt profile over time, terminating on 13 September 2021 with at a net cost of £263k as shown in the Statement of Changes in Equity.

19. Called up share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
1 (2020 - 1) Ordinary share of £1	1	1

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

20. 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.

21. Related party transactions

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

22. Post balance sheet events

On 25 October 2021, the company disposed of its 100% investment in the ordinary shares of Hamsard 2517 (New Business) Limited, it's only investment in subsidiary companies, to another group company, Equity Release Investment Company Limited.

**Notes to the Financial Statements
For the Year Ended 30 September 2021**

23. 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 2021. The consolidated financial statements of Equity Release Investment Company 2 Limited can be obtained from Suite 4, First Floor, The Honeycomb, The Watermark, Gateshead, Tyne & Wear, NE11 9SZ.

Retirement Bridge Investments Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2021. The consolidated financial statements of Retirement Bridge Investments Limited can be obtained from Suite 4, First Floor, The Honeycomb, The Watermark, Gateshead, Tyne & Wear, NE11 9SZ.

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