

Registered number: 04952695

Bridgewater Tenancies Limited

Unaudited

Directors' Report and Financial Statements

For the Year Ended 30 September 2023

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Bridgewater Tenancies Limited

Company Information

Directors	Paul Barber Antony L Pierce
Registered number	04952695
Registered office	Suite 4, First Floor, Honeycomb The Watermark Gateshead Tyne and Wear NE11 9SZ
Accountants	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
Solicitors	Womble Bond Dickinson LLP The Spark Draymans Way Newcastle Helix Newcastle upon Tyne NE4 5DE

Bridgewater Tenancies Limited

Contents

	Page
Directors' Report	1 2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Notes to the Financial Statements	6 - 12

Bridgewater Tenancies Limited

Directors' Report For the Year Ended 30 September 2023

The directors present their report and the financial statements for the year ended 30 September 2023.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Director's 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 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 safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

Principal activities

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

Results and dividends

The loss for the year, after taxation, amounted to £1,078,197 (2022 - loss of £6,065,378).

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

Bridgewater Tenancies Limited

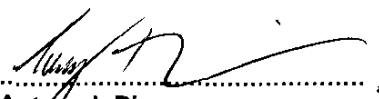
Directors' Report (continued)
For the Year Ended 30 September 2023

Small companies exemption

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

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

This report was approved by the board on 19 December 2023 and signed on its behalf.


.....
Antony L Pierce
Director

Bridgewater Tenancies Limited

**Statement of Comprehensive Income
For the Year Ended 30 September 2023**

	Note	2023 £	2022 £
Turnover	4	4,638,823	4,504,059
Cost of sales		(1,317,008)	(1,421,571)
Gross profit		3,321,815	3,082,488
Administrative expenses		(61,395)	(64,876)
Other operating income	5	167	1,507
Operating profit		3,260,587	3,019,119
Amounts written off investments		(6,000,000)	(10,000,000)
Interest receivable and similar income	8	3,050,082	1,838,795
Interest payable and similar expenses	9	-	(356)
Profit/(loss) before tax		310,669	(5,142,442)
Tax on profit/(loss)	10	(1,388,866)	(922,936)
Loss for the financial year		(1,078,197)	(6,065,378)

There was no other comprehensive income for 2023 (2022:£NIL).

The notes on pages 6 to 12 form part of these financial statements.

Bridgewater Tenancies Limited
Registered number: 04952695

Statement of Financial Position
As at 30 September 2023

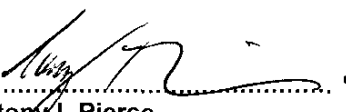
	Note	2023 £	2022 £
Current assets			
Stock	11	5,183,854	6,356,365
Debtors: amounts falling due within one year	12	40,337,351	40,243,037
		<u>45,521,205</u>	<u>46,599,402</u>
Total assets less current liabilities		<u>45,521,205</u>	<u>46,599,402</u>
Net assets		<u>45,521,205</u>	<u>46,599,402</u>
Capital and reserves			
Called up share capital	13	43,000,101	43,000,101
Share premium account	14	15,564	15,564
Profit and loss account	14	2,505,540	3,583,737
Total equity		<u>45,521,205</u>	<u>46,599,402</u>

For the year ending 30 September 2023 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 December 2023.


.....
Antony L Pierce
Director

The notes on pages 6 to 12 form part of these financial statements.

Bridgewater Tenancies Limited

**Statement of Changes in Equity
For the Year Ended 30 September 2023**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 October 2021	43,000,101	15,564	9,649,115	52,664,780
Comprehensive expense for the year				
Loss for the year	-	-	(6,065,378)	(6,065,378)
At 30 September 2022 and 1 October 2022	43,000,101	15,564	3,583,737	46,599,402
Comprehensive income for the year				
Loss for the year	-	-	(1,078,197)	(1,078,197)
At 30 September 2023	43,000,101	15,564	2,505,540	45,521,205

The notes on pages 6 to 12 form part of these financial statements.

Bridgewater Tenancies Limited

Notes to the Financial Statements For the Year Ended 30 September 2023

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Small companies exemptions

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

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 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 2023 and these financial statements may be obtained from Suite 4, First Floor, Honeycomb, The Watermark, Gateshead, Tyne and Wear, NE11 9SZ.

2.4 Exemption from audit

The Company has taken the exemption from an audit for the year ended 30 September 2023 by virtue of s479A of the Companies Act 2006. In order to allow the Company to take the audit exemption, per s479C of the Companies Act 2006, the ultimate parent company, Retirement Bridge Investments Limited, has given a statutory guarantee of all the outstanding liabilities of the Company as at 30 September 2023. Such guarantees are enforceable against Retirement Bridge Investments Limited by any person to whom any such liability is due.

Bridgewater Tenancies Limited

Notes to the Financial Statements For the Year Ended 30 September 2023

2. Accounting policies (continued)

2.5 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.

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

2.6 Revenue recognition

Turnover comprises of gross sale proceeds of trading properties and land, exclusive of VAT. Sales of properties are only accounted for when the cash proceeds are received in full or the company has entered into a legally binding contract.

2.7 Interest receivable and payable

Interest is recognised by applying the effective interest rate. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income/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.

2.8 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.

2.9 Stock

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

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

2.10 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.

Bridgewater Tenancies Limited

Notes to the Financial Statements For the Year Ended 30 September 2023

2. Accounting policies (continued)

2.11 Financial instruments

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

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

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

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

2.12 Share capital

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

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 inventories are 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.

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.

Bridgewater Tenancies Limited

**Notes to the Financial Statements
For the Year Ended 30 September 2023**

4. Turnover

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

	2023 £	2022 £
Proceeds from the sale of trading properties	<u>4,638,823</u>	<u>4,504,059</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	2022 £
Other operating income	<u>167</u>	<u>1,507</u>

6. Employees

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

	2023 No.	2022 No.
Directors	<u>2</u>	<u>2</u>

The Company has no employees other than the directors. The directors' remuneration was borne by another group entity (2022: £nil). Their services to this company and to a number of fellow subsidiaries are of a non-executive nature and their remuneration is deemed to be wholly attributable to their services to the parent company. Accordingly, the above details include no remuneration in respect of the directors.

7. Amounts written off investments

	2023 £	2022 £
Amounts written off loans owed by group undertakings	<u>(6,000,000)</u>	<u>(10,000,000)</u>

Bridgewater Tenancies Limited

**Notes to the Financial Statements
For the Year Ended 30 September 2023**

8. Interest receivable and similar income

	2023 £	2022 £
Interest receivable from group companies	<u>3,050,082</u>	<u>1,838,795</u>

9. Interest payable and similar expenses

	2023 £	2022 £
Other interest payable	<u>-</u>	<u>356</u>

10. Tax on profit/(loss)

	2023 £	2022 £
Current tax		
Group taxation relief	<u>1,388,866</u>	<u>922,936</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 22% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit/(loss) before tax	<u>310,669</u>	<u>(5,142,442)</u>
Profit/(loss) before tax multiplied by standard rate of corporation tax in the UK of 22% (2022 - 19%)	68,373	(977,064)
Effects of:		
Amounts written off loans owed by group undertakings: Non-deductible	1,320,493	1,900,000
Payment for group relief	1,388,866	922,936
Group relief claimed	(1,388,866)	(922,936)
Total tax charge for the year	<u>1,388,866</u>	<u>922,936</u>

Bridgewater Tenancies Limited

**Notes to the Financial Statements
For the Year Ended 30 September 2023**

10. Tax on profit/(loss) (continued)

Factors that may affect future tax charges

No provisions have been made for tax that would have become payable if the company's properties had been sold at their year end replacement values. The total unprovided deferred tax in respect of this is £2,755,728 (2022: £3,527,188).

In the Spring Budget of 2021, the Government announced that the rate of corporation tax would increase from 1 April 2023 to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19% and there will be taper relief for businesses with profits between £50,000 and £250,000. The corporation tax rate increase was included in The Finance Bill 2021 and the Bill was substantively enacted on 24 May 2021. In both the Autumn Statement in November 2022 and the Spring Statement in March 2023, the Government confirmed the increase in corporation tax rate to 25% from April 2023.

11. Stock

	2023 £	2022 £
Trading properties	5,183,854	6,356,365

The replacement value of stock (sale at market value of the property subject to occupation by a resident) is £16,206,765 (2022: £20,465,118) based on market value at 30 September 2023, as assessed by external experts.

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

The stock expense to cost of sales in the income statement amounted to £1,172,511 (2022: £1,275,449).

12. Debtors: amounts falling due within one year

	2023 £	2022 £
Trade debtors	13	2,140
Amounts owed by group undertakings	40,316,368	40,220,903
Prepayments and accrued income	20,970	19,994
	40,337,351	40,243,037

Amounts owed by group undertakings bore interest at 3.3% above SONIA (2022: 3.3% above SONIA), are unsecured with no fixed date of repayment and are repayable on demand. Interest receivable for the year amounted to £3,050,082 (2022: £1,838,795).

Bridgewater Tenancies Limited

Notes to the Financial Statements For the Year Ended 30 September 2023

13. Called up share capital

	2023 £	2022 £
Allotted, called up and fully paid		
43,000,101 (2022 - 43,000,101) Ordinary shares of £1 each	43,000,101	43,000,101

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

14. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve records retained earnings and accumulated losses.

15. Contingent liabilities

At 30 September 2023, the company together with certain of its fellow group companies, has guaranteed loans of £78,716,819 (2022: £82,515,075) by means of a legal charge over its assets and book debts. Details of the debt repayment profile are shown in the statutory financial statements of Retirement Bridge Investments Limited.

16. 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.

17. Controlling party

Nitro 2 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 2023. The consolidated financial statements of Equity Release Investment Company 2 Limited can be obtained from Suite 4, First Floor, Honeycomb, The Watermark, Gateshead, Tyne and Wear, NE11 9SZ.

Retirement Bridge Investments Limited is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 30 September 2023. The consolidated financial statements of Retirement Bridge Investments Limited can be obtained from Suite 4, First Floor, Honeycomb, The Watermark, Gateshead, Tyne and Wear, NE11 9SZ.

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