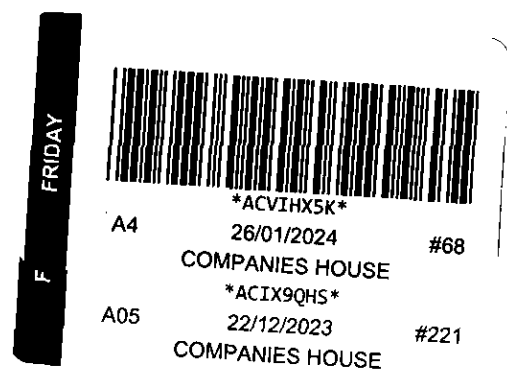

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023



EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

COMPANY INFORMATION

Directors	Paul Barber Antony L Pierce
Registered number	05348579
Registered office	Suite 4, First Floor, Honeycomb The Watermark Gateshead Tyne and Wear NE11 9SZ
Accountants	PricewaterhouseCoopers LLP Chartered Accountants & Statutory Auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

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EQUITY RELEASE INVESTMENT PROPERTIES 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 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 United Kingdom Accounting Standards, comprising FRS 102, 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 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 investment in property companies.

Results and dividends

The loss for the year, after taxation, amounted to £220,103 (2022 - profit of £701,033).

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

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

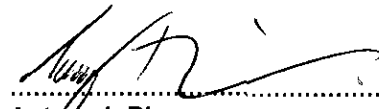
**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

Small companies 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.

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


.....
Antony L Pierce
Director

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £	2022 £
Amounts written (off)/back to investments	5	(209,079)	710,000
Interest payable and similar expenses	6	(2,278)	(1,169)
(Loss)/profit before tax		(211,357)	708,831
Tax on (loss)/profit	7	(8,746)	(7,798)
(Loss)/profit for the financial year		(220,103)	701,033
Total comprehensive (expense)/income for the year		(220,103)	701,033

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 6 to 13 form part of these financial statements.

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED
REGISTERED NUMBER: 05348579

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

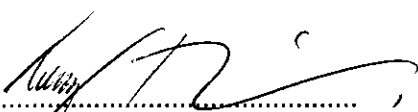
	Note	2023 £	2022 £
Fixed assets			
Investments	8	3,467,837	3,722,837
		<u>3,467,837</u>	<u>3,722,837</u>
Creditors: amounts falling due within one year	9	(4,111)	(39,008)
Net current liabilities		<u>(4,111)</u>	<u>(39,008)</u>
Total assets less current liabilities		<u>3,463,726</u>	<u>3,683,829</u>
Net assets		<u><u>3,463,726</u></u>	<u><u>3,683,829</u></u>
Capital and reserves			
Called up share capital	10	4,000,001	4,000,001
Profit and loss account	11	(536,275)	(316,172)
Total equity		<u><u>3,463,726</u></u>	<u><u>3,683,829</u></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 13 form part of these financial statements.

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2021	4,000,001	(1,017,205)	2,982,796
Comprehensive income for the year			
Profit for the year	-	701,033	701,033
As at 30 September 2022 and at 1 October 2022	4,000,001	(316,172)	3,683,829
Comprehensive expense for the year			
Loss for the year	-	(220,103)	(220,103)
At 30 September 2023	4,000,001	(536,275)	3,463,726

The notes on pages 6 to 13 form part of these financial statements.

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. General information

The company is a private company limited by shares and is registered in England and Wales. The address of the registered company 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.

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.5 Exemption from preparing consolidated financial statements

The financial statements contain information about Equity Release Investment Properties Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of the parent company, Equity Release Investment Company 2 Limited, a company registered in England and Wales.

2.6 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.

2.7 Interest 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 expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash 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 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 reporting 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.

2.10 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.

EQUITY RELEASE INVESTMENT PROPERTIES 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.

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 areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

4. Employees

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

	2023	2022
	No.	No.
Directors	2	2

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.

5. Amounts written (off)/back to investments

	2023	2022
	£	£
Amounts written off loans owed to group undertakings	45,921	-
Impairment (charge)/reversal against investments in subsidiary companies	(255,000)	710,000
	(209,079)	710,000

6. Interest payable and similar expenses

	2023	2022
	£	£
Interest payable on loans from group undertakings	2,278	1,169

7. Tax on (loss)/profit

	2023	2022
	£	£
Current tax		
Group taxation relief	8,746	7,798

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

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

Factors affecting tax charge for the year

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

	2023 £	2022 £
(Loss)/profit before tax	<u>(211,357)</u>	<u>708,831</u>
(Loss)/profit before tax multiplied by standard rate of corporation tax in the UK of 22% (2022 - 19%)	(46,516)	134,678
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	(10,106)	-
Tax on profits and interest receivable from investment in Limited Partnership	9,247	8,020
Impairment (reversal) of investment in subsidiary companies : Non-deductible/(Non-taxable)	56,121	(134,900)
Payment for group relief	8,746	7,798
Group relief claimed	(8,746)	(7,798)
Total tax charge for the year	<u>8,746</u>	<u>7,798</u>

Factors that may affect future tax charges

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.

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

8. Investments

	<i>Investments in subsidiary companies £</i>
Cost	
At 1 October 2022	5,050,000
At 30 September 2023	<u>5,050,000</u>
Impairment	
At 1 October 2022	1,327,163
Charge for the period	255,000
At 30 September 2023	<u>1,582,163</u>
Net book value	
At 30 September 2023	<u>3,467,837</u>
At 30 September 2022	<u>3,722,837</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Holding
Retirement Bridge Home Reversions Limited Partnership	Suite 4, First Floor, Honeycomb, The Watermark, Gateshead, Tyne and Wear, NE11 9SZ	Property trading	50%

During the year, the company was a Limited Partner in Retirement Bridge Home Reversions Limited Partnership and originally invested £5,050,000 in the Limited Partnership entitling it to a 50% share of the profits.

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

9. Creditors: amounts falling due within one year

	2023 £	2022 £
Amounts owed to group undertakings	<u>4,111</u>	<u>39,008</u>

Amounts owed to 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 payable for the year amounted to £2,278 (2022: £1,169).

10. Called up share capital

	2023 £	2022 £
Allotted, called up and fully paid		
4,000,001 (2022 - 4,000,001) Ordinary shares shares of £1.00 each	<u>4,000,001</u>	<u>4,000,001</u>

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

11. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

12. Contingent liabilities

At 30 September 2023, the company, together with certain fellow group companies, has guaranteed loans of £100,637,325 (2022: £112,099,307) 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 Equity Release Investment Company 2 Limited.

13. 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.

EQUITY RELEASE INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

14. Controlling party

Retirement Bridge 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.