

Registration No.: 09000516

RB REFS ORIGINATION LIMITED

**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR
ENDED 31 DECEMBER 2016**



RB REFS ORIGINATION LIMITED
Registered in England and Wales No.: 09000516

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RB REFS ORIGINATION LIMITED
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DIRECTORS', OFFICERS AND OTHER INFORMATION

Directors	C Monedero	
	R Cull	
	D Nicholls	(appointed 05 June 2017)
Company Secretary	C A Fletcher	(appointed 10 March 2016)
Registered Office	20 King Street London SW1Y 6QY United Kingdom	(from 24 March 2016)
	4th Floor, Reading Bridge House George Street Reading RG1 8LS United Kingdom	(to 24 March 2016)
Investment Manager	GAM International Management Limited 20 King Street London SW1Y 6QY United Kingdom	
Company Number	Registered in England and Wales No.: 09000516	

RB REFS ORIGINATION LIMITED
Registered in England and Wales No.: 09000516

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their report and unaudited financial statements for RB REFS Origination Limited (the 'Company') for the year ended 31 December 2016.

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

R Cull
C Monedero
D Nicolls

The Directors have the benefit of a qualifying third party indemnity provision in accordance with the Companies Act 2006.

Incorporation

The Company was incorporated on 16 April 2014, and is registered as a private company in England and Wales under The Companies Act 2006. The Company's registered number is 09000516.

Registered Office

The Company's registered office is 20 King Street, London, SW1Y 6QY, United Kingdom. This came into effect on 24 March 2016. Prior to this date the registered office was located at 4th Floor, Reading Bridge House, George Street, Reading, RG1 8LS United Kingdom.

Principal Activities

The principal activity of the Company is to originate and syndicate long term loans backed by real estate assets with commercial borrowers. As the origination and syndication of the senior tranches of the long term loans are not always simultaneous, the Company may be committed to holding the senior tranches of these investments in the short term.

The Company transfers the junior tranches to its Parent Limited Partnership which holds the loans in accordance with the Group's investment objective.

Financial Risk Management

The key risks and uncertainties faced by the Company are managed within the framework established by the Investment Managers.

Exposures to credit risk, interest rate risk and foreign exchange risk arise in the normal course of the Company's business. These risks are discussed, and supplementary qualitative and quantitative information is provided in note 4 to the financial statements.

Key Performance Indicators

In the year, the total value of loans originated by the Company was £27,202,527 (2015: £12,770,355). The Company syndicated loans with a value of £nil (2015: £nil) and transferred loans with a carrying value of £42,186,748 (2015: £18,596,135). Through the process of loan syndication and transfer the Company made a loss of £38,900 (2015: gain of £130,745).

Results and Review of Business

The Company's profit after tax for the year ended 31 December 2016 was £121,107 (2015: profit £136,096). Dividends amounting to £nil were paid during the year (2015: £nil).

Future Developments

The Company does not intend to originate and syndicate further long term loans. The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future and consequently the going concern basis is appropriate in preparing the financial statements.

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Strategic Report

A strategic report has not been included in these unaudited financial statements as the Company qualifies for exemption as a small entity under Section 382 of the Companies Act 2006 relating to small companies.

Employees

The Company has no employees during the year (2015: nil).

Subsequent events

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue by the Directors and there are no material events to be disclosed or adjusted for in these financial statements.

Going Concern

The Directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, the Directors have taken into account all available information about the foreseeable future and consequently the going concern basis is appropriate in preparing the financial statements.

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DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Statement of Directors' Responsibilities

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 period. Under that law, the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRS"). 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 year. In preparing these financial statements, the Directors are required to:

- i) select suitable accounting policies and apply them consistently;
- ii) make judgements and estimates that are reasonable and prudent;
- iii) present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- iv) provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions; and
- v) make an assessment for the Company's ability to continue as a going concern.

The Directors are responsible for keeping 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. 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.

The Directors confirm that they have complied with the above requirements through the year and subsequently.

In preparing their report, the Directors have taken advantage of the exemption for small companies in accordance with Section 415(A) of the Companies Act 2006.

By order of the Board on

20 July 2017



Clementa Monedero
Director

RB REFS ORIGATION LIMITED
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STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year ended 31-Dec-16 £	Period from Year ended 31-Dec-15 £
REVENUE			
Investment income:			
Loan interest income		2,539,644	1,473,671
Agency fee income		13,305	10,899
Arrangement fee income		94,620	108,192
Other income		61,431	61,379
Deposit interest income		832	785
Net (loss)/gain on disposal of loan investments		(38,900)	130,745
TOTAL REVENUE		2,670,932	1,785,671
EXPENSES			
Legal and professional fees		(24,638)	(65,768)
Directors' fees		-	(3,083)
Loan administration fees		(18,874)	(10,612)
Sundry expenses		(11,010)	(92)
Bank charges		(1,877)	(825)
Net gain/(loss) on foreign exchange		48,487	(862)
TOTAL EXPENSES		(7,912)	(81,242)
OPERATING PROFIT FOR THE YEAR		2,663,020	1,704,429
FINANCE COSTS			
Credit facility interest expense		(2,472,860)	(1,530,159)
PROFIT BEFORE TAX FOR THE YEAR		190,160	174,270
Tax expense	11	(69,053)	(38,174)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		121,107	136,096

The profit for the year is derived from continuing activities.

There is no other comprehensive income for the year.

(The notes on pages 10 to 20 form part of these unaudited financial statements)

RB REFS ORIGINATION LIMITED
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STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 £	2015 £
CURRENT ASSETS			
Investments			
Loans and receivables - Debt instruments	5	11,013,847	26,371,204
Receivables and prepayments	6	278,020	3,759,844
Cash and cash equivalents	7	167,415	225,802
TOTAL CURRENT ASSETS		11,459,282	30,356,850
LIABILITIES			
CURRENT LIABILITIES			
Borrowings	8	10,958,049	29,587,012
Other payables	9	303,120	722,723
Current tax liabilities		68,063	38,174
TOTAL LIABILITIES		11,329,232	30,347,909
EQUITY			
Called up share capital	10	20	20
Retained earnings		130,030	8,921
TOTAL EQUITY		130,050	8,941
TOTAL EQUITY AND LIABILITIES		11,459,282	30,356,850


For the year ending 31 December 2016 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The sole member has not required the Company to obtain an audit of its accounts 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 accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the International Financial Reporting Standards ("IFRS").

The financial statements on pages 6 to 21 were approved and authorised for issue by the Directors on 20 July 2017 and were signed on its behalf by:


C Monedero
Director

(The notes on pages 10 to 20 form part of these unaudited financial statements)

RB REFS ORIGINATION LIMITED
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STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2016

	Notes	Called up share capital £	Retained earnings £	Total equity £
Balance as at 1 January 2015		20	(127,175)	(127,155)
Total comprehensive income for the year		-	136,096	136,096
Balance as at 31 December 2015		20	8,923	8,943
Total comprehensive income for the year		-	121,107	121,107
Balance as at 31 December 2016		20	130,030	130,050

(The notes on pages 10 to 20 form part of these unaudited financial statements)

RB REFS ORIGINATION LIMITED
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STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Year to 31-Dec-16 £	Year to 31-Dec-15 £
Cash flows from operating activities			
Total comprehensive income for the period		121,107	136,096
Adjustment for:			
Loan interest income		(2,539,644)	(1,473,671)
Arrangement fee income		(94,620)	(108,192)
Loan interest expense		2,472,860	1,530,159
Tax expense		69,053	38,174
Net foreign currency (gain)/loss		(48,487)	862
Total cash flows (used in)/from operating activities after adjustments		(19,731)	123,428
Loan amounts originated	5	(27,636,658)	(12,770,355)
Loan amounts transferred, syndicated and repaid	5	44,581,314	23,527,372
Decrease/(Increase) in other receivables	6	3,341,030	(3,272,539)
Increase/(Decrease) in other payables	9	54,276	(65,529)
Cash used in operations		20,320,231	7,542,377
Loan interest income received		2,450,781	1,227,875
Tax paid		(39,165)	-
Net cash flows from operating activities		22,731,847	8,770,252
Cash flows from financing activities			
Proceeds from borrowings	8	24,397,495	16,120,394
Repayment of borrowings	8	(44,202,645)	(23,564,965)
Loan interest paid		(2,946,739)	(1,240,057)
Net cash flows used in financing activities		(22,751,889)	(8,684,628)
Net (decrease)/increase in cash and cash equivalents before currency adjustment		(20,042)	85,624
Effect of exchange rates on cash and cash equivalents		(38,345)	(7,780)
Net (decrease)/increase in cash and cash equivalents for the year		(58,387)	77,844
Cash and cash equivalents at the beginning of the year		225,802	147,958
Cash and cash equivalents at the end of the year	7	167,415	225,802

(The notes on pages 10 to 20 form part of these unaudited financial statements)

RB REFS ORIGATION LIMITED
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NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

RB REFS Origination Limited (the 'Company') is a company domiciled in the UK. Its registered office is at 20 King Street, London SW1Y 6QY.

The financial statements of the Company comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows together with the related notes.

The principal activity of the Company is to originate and syndicate long term loans backed by real estate assets with commercial borrowers. As the origination and syndication of the senior tranches of the long term loans are not simultaneous, the Company may be committed to holding the senior tranches of these investments in the short term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied throughout the current year and prior period presented unless otherwise stated.

Basis of preparation

The financial statements of the Company have been prepared in accordance with The Companies Act 2006 as applicable to companies using International Financial Reporting Standards as adopted by the European Union (EU IFRS). The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements in accordance with EU IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The financial statements of the Company have been prepared on a going concern basis.

New standards and amendments adopted by the Company

In the opinion of the Directors, there are no mandatory new standards, interpretations and amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2016 that would be expected to have a material impact on the Company.

New standards and amendments issued but not yet effective for the financial year beginning 1 January 2015 and not early adopted by the Company

The following standards are not yet applicable but are expected to have an impact when they become effective.

IFRS 9, "Financial Instruments": This standard addresses the classification, measurement and recognition of financial assets and liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. This classification depends on the entity's business model for managing its financial liabilities. For financial liabilities designated at fair value through profit or loss the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The standard is effective for annual periods beginning on or after 1 January 2018.

New standards and amendments issued but not yet effective for the financial year beginning 1 January 2016 and not early adopted by the Company (continued)

IFRS 15, "Revenue from Contracts with Customers": IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirement under IFRS. The standard is effective for annual periods beginning on or after 1 January 2018.

The Directors are assessing the impact of the above standards on the Company's future financial statements. All other new standards and amendments have no significant bearing on the operating activities and disclosures of the Company, and consequently have not been listed.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

2 ACCOUNTING POLICIES - (CONTINUED)

Loans and Receivables

Loans and receivables are non-derivative financial assets or determinable payments that are not quoted in an active market, other than:

- i) those that the Company intends to sell immediately or in the short-term, which are classified as held for trading, and those that the entity upon initial recognition designates as at fair value through profit or loss; or
- ii) those that the Company upon initial recognition designates as available for sale; or
- iii) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Loans and receivables are initially recognised at fair value, which is the cash consideration to originate or purchase the loan including any transaction costs and measured subsequently at amortised cost using the effective interest rate method. Interest on loans is included in the Statement of Comprehensive Income and is reported as loan interest income. In the case of an impairment, the impairment loss is reported in the Statement of Comprehensive Income as a deduction from the carrying value of the loan. If in a subsequent period, there is objective evidence that the Company will be able to collect all debt securities, the impairment to loans and receivables is reversed through the Statement of Comprehensive Income.

Receivables and prepayments

Receivables are initially recognised at fair value and measured subsequently at amortised cost using effective interest rate method. Prepayments are assets paid in advance and amortised over the relevant period.

Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash comprises cash in hand and demand deposits while cash equivalents are short term, highly liquid investments that are readily convertible to amounts of cash with a maturity of three months or less and which are subject to insignificant changes in value.

Financial liabilities

Liabilities within the scope of IAS 39 are classified as financial liabilities at fair value through the Statement of Comprehensive Income or other liabilities, as appropriate.

The Company's financial liabilities consist of loans and Other Payables.

Loans payable are initially recognised at fair value, net of directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised.

Financial liabilities included in Other Payables are recognised initially at fair value and subsequently at amortised cost. Other Payables are derecognised when the obligation under the liability is discharged or cancelled or expires.

Loan Interest Income

Loan interest income is recognised using the effective interest rate method and other income is recognised on an accruals basis.

Other Income

Other income includes indemnity fees, prepayment fees and exit fees. Indemnity fees are recognised on an accruals basis whereas exit fees and prepayment fees are recognised on receipt.

Loan arrangement fees

Direct loan arrangement fees paid or received will be recognised using the effective interest rate method under loans advanced and amortised over the lifetime of the related financial asset through income from loans advanced in the Statement of Comprehensive Income.

Expense recognition

Expenses are recognised on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

2 ACCOUNTING POLICIES - (CONTINUED)

Foreign currencies

(a) Functional and Presentational currency

The performance of the Company is measured and reported to the shareholders in Pound Sterling. The Directors consider the Pound Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Pound Sterling, which is the Company's functional and presentational currency.

(b) Transactions and balances

Foreign currency transactions that are denominated, or that require settlement, in a foreign currency are translated into the functional currency using the exchange rates prevailing at the date of the relevant transactions.

Monetary items denominated in foreign currency are translated with the closing rate as at the reporting date. Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate as at the date of initial recognition; non-monetary items in a foreign currency that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation, at year-end exchange rates, of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income, except when deferred in equity as gains or losses from qualifying cash flow hedging instruments or qualifying net investment hedging instruments.

All foreign exchange gains and losses recognised in the Statement of Comprehensive Income are presented net within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

Taxation

The Company is subject to tax on its taxable income on the basis of the tax laws enacted or substantively enacted at the period end date. It is recognised as an expense for the period except to the extent that such current tax is charged or credited in other comprehensive income or to equity. Where the Company has tax losses that can be relieved against a tax liability for a previous year, it recognises those losses as an asset, because the tax relief is recoverable by refund of tax previously paid. This asset is offset against any existing current tax balance.

Where tax losses can be relieved only by being carried forward and applied against taxable profits of future periods, a deductible temporary difference arises. Those losses carried forward are set off against deferred tax liabilities carried in the Statement of Financial Position.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Most notably this includes the appropriateness of amortised cost approach to valuation of the loans and receivables. Estimates and judgements are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

4 FINANCIAL RISK MANAGEMENT

Although the Directors are ultimately responsible for all the matters of the Company through a chain of delegations the Investment Manager has been given responsibility for risk management.

The Company is exposed to a number of risks arising from the financial instruments that it holds such as: credit risk, market risk (including syndication risk), interest rate risk and foreign exchange risk.

Management of financial and non-financial risks

i) Credit risk

Credit risk is the risk of defaults and subsequent losses, principally on loans (however structured) and other Portfolio Investments, but also defaults by other counterparties including defaults by hedging counterparties, those to whom collateral is transferred in connection with hedging or other transactions, those with or through whom cash deposits are placed and those with whom repurchase or other title-transfer arrangements are entered. A significant driver of credit risk is property value.

Credit risk is to be managed by having regard to the Investment Guidelines, through due diligence coordinated by the Investment Manager in connection with Portfolio Investments, the structuring of appropriate security packages and covenant packages (potentially including the setting of covenants in respect of mezzanine loans that would breach earlier than the senior lender's), and appropriate choices of law and jurisdiction in agreements relating to Portfolio Investments. Loans are secured on underlying real estate assets. The Investment Manager monitors the performance of the loans against the covenants and other key measures each quarter. Structural downside protection and appropriate gearing levels will further mitigate credit risk.

The maximum exposure to credit risk as at 31 December 2016 and 31 December 2015 is the carrying amount of the financial assets set out below, it does not include any collateral or other credit risk enhancer, which reduce the Company's exposure.

	31-Dec-16	31-Dec-15
	£	£
Loans and receivables	11,013,847	26,371,204
Receivables and prepayments	278,020	3,759,844
Cash and cash equivalents	167,415	225,802
	11,459,282	30,356,850

The Company provides loans to portfolio companies, which are represented as loans and receivables. The credit quality of these investments is based on the financial performance of the individual borrowers and are mitigated with various covenants in the loan agreements and ultimately secured upon the underlying real estate asset.

As at 31 December 2016 and 31 December 2015, none of the assets held by the Company are past due or impaired.

Cash and cash equivalents are principally on deposit with ABN Amro Bank which has a short term credit ratings of A-1.

In accordance with the Company's policy, the Investment Manager monitors the Company's credit risk exposure on a quarterly basis.

ii) Market risk

Syndication risk

If spreads widen in the market when the Company has originated whole loans that are pending syndication, the Company may be unable to syndicate at the levels initially expected, presenting risks to performance, greater concentration risk than anticipated and potential interest rate risk.

As at 31 December 2016 the Company held no loans which were awaiting syndication (2015: £7,682,085).

Currency risk

Foreign exchange risk arises on loans denominated in currencies other than pounds sterling. The Investment Manager mitigates these risks through foreign exchange hedging.

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NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

4 FINANCIAL RISK MANAGEMENT - (CONTINUED)

ii) Market risk - (continued)

The following table summarises the Company's financial assets and liabilities categorised by their functional currencies:

Concentration of assets and liabilities as at 31 December 2016	Pound Sterling	Euros	US Dollars	Total
	£	£	£	£
Financial Assets				
Loans and receivables	-	11,013,847	-	11,013,847
Receivables and prepayments	1,228	276,792	-	278,020
Cash and cash equivalents	1,815	165,601	-	167,415
Total financial assets	3,043	11,456,240	-	11,459,282
Financial Liabilities				
Borrowings	-	10,958,049	-	10,958,049
Other payables	124,165	178,955	-	303,120
Total financial liabilities	124,165	11,137,004	-	11,261,169
Total net assets	(121,122)	319,236	-	198,113
Concentration of assets and liabilities as at 31 December 2015	Pound Sterling	Euros	US Dollars	Total
	£	£	£	£
Financial Assets				
Loans and receivables	18,818,162	7,553,042	-	26,371,204
Receivables and prepayments	3,572,746	187,098	-	3,759,844
Cash and cash equivalents	138,268	87,534	-	225,802
Total financial assets	22,529,176	7,827,674	-	30,356,850
Financial Liabilities				
Borrowings	22,059,730	7,527,282	-	29,587,012
Other payables	470,442	252,100	181	722,723
Total financial liabilities	22,530,172	7,779,382	181	30,309,735
Total net assets	(996)	48,292	(181)	47,115

The Investment Manager considers the affect of foreign exchange risk to be immaterial to the net equity position of the Company.

Interest rate risk

The Company intends to originate fixed and floating rate loans, but generally intends to hold to maturity fixed rate loans only.

Interest rate risk arises from the effects of fluctuations in the prevailing levels of market interest rates on fair value of financial assets and liabilities and future cash flows. The Company originates loans with fixed and variable interest rates. When floating loans are originated, the primary risk is that the Company's cash flows will be subject to variation depending upon changes to base interest rates. The portfolio's cash flows are continually monitored and re-forecasted both over the near future and the long-term to analyse the cash flow returned from investments.

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NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

4 FINANCIAL RISK MANAGEMENT - (CONTINUED)

ii) Market risk - (continued)

The following table analyses the interest rate composition of the Company's net assets categorised by maturity or expected transfer date:

	No Maturity	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	£	£	£	£	£	£
31 December 2016						
Financial Assets						
Loans - fixed rate	-	11,013,847	-	-	-	11,013,847
Receivables and prepayments	-	-	-	-	278,020	278,020
Cash and cash equivalents	167,415	-	-	-	-	167,415
Total financial assets	167,415	11,013,847	-	-	278,020	11,459,282
Financial liabilities						
Borrowings - fixed rate	-	10,958,049	-	-	-	10,958,049
Other payables	-	-	-	-	303,120	303,120
Total financial liabilities	-	10,958,049	-	-	303,120	11,261,169
Total equity	167,415	55,798	-	-	(25,100)	198,113
	No Maturity	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	£	£	£	£	£	£
31 December 2015						
Financial Assets						
Loans - floating rate	-	11,260,093	-	-	-	11,260,093
Loans - fixed rate	-	15,111,111	-	-	-	15,111,111
Receivables and prepayments	3,339,822	-	-	-	420,022	3,759,844
Cash and cash equivalents	225,802	-	-	-	-	225,802
Total financial assets	3,565,625	26,371,204	-	-	420,022	30,356,850
Financial liabilities						
Borrowings - floating rate	-	10,530,199	-	-	-	10,530,199
Borrowings - fixed rate	-	19,056,813	-	-	-	19,056,813
Other payables	-	-	-	-	722,723	722,723
Total financial liabilities	-	29,587,012	-	-	722,723	30,309,735
Total equity	3,565,625	(3,215,808)	-	-	(302,701)	47,115

If interest rates had been higher / lower by 50 basis points the profit on real estate loans would have increased / decreased by £nil (2015: £51,804). If base interest rates had been higher / lower by 50 basis points on the Interest Bearing Loan then profit before tax would have decreased / increased by £nil (2015: £51,116). The Company considers that 50 basis points is a reasonable exposure to a decrease or increase in interest rates that could occur in the foreseeable future.

In accordance with the Company's policy, the Investment Manager monitors the Company's overall interest sensitivity on a quarterly basis.

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NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

4 FINANCIAL RISK MANAGEMENT - (CONTINUED)

iii) Liquidity risk

Liquidity risk is the risk of the Company's inability to honour its obligations (other than to Limited Partners), due to cash flow, such as with respect to significant margin calls related to hedging transactions or an inability to repay short-term borrowings used to finance one or more loans. It also includes the risk that a borrower (or underlying borrower) is unable to re-finance a Portfolio Investment at maturity, and the risk that, due to cash flow issues, a borrower (or underlying borrower) is unable to make an interest or other payment relevant to a Portfolio Investment.

The table below analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

31 December 2016	On demand	From 1 to 12	1 to 5 years	Over 5 years	Total
	£	£	£	£	£
Financial assets					
Loans and receivables	-	11,013,847	-	-	11,013,847
Receivables and prepayments	-	278,020	-	-	278,020
Cash and cash equivalents	167,415	-	-	-	167,415
Total financial assets	167,415	11,291,867	-	-	11,459,282
Financial liabilities					
Borrowings	10,958,049	-	-	-	10,958,049
Other payables	-	303,120	-	-	303,120
Total financial liabilities	10,958,049	303,120	-	-	11,261,170
	On demand	From 1 to 12			
	and less than 1	months	1 to 5 years	Over 5 years	Total
	month	months	£	£	£
31 December 2015					
Financial assets					
Loans and receivables	-	26,371,204	-	-	26,371,204
Receivables and prepayments	-	3,759,844	-	-	3,759,844
Cash and cash equivalents	225,802	-	-	-	225,802
Total financial assets	225,802	30,131,048	-	-	30,356,850
Financial liabilities					
Borrowings	29,587,012	-	-	-	29,587,012
Other payables	-	722,723	-	-	722,723
Total financial liabilities	29,587,012	722,723	-	-	30,309,735

RB REFS ORIGINATION LIMITED**Registered in England and Wales No.: 09000516****NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)****4 FINANCIAL RISK MANAGEMENT - (CONTINUED)**

iv) Fair value hierarchy

The table below analyses, within the fair value hierarchy, the Company's assets and liabilities not measured at fair value as at the reporting date but for which fair value is disclosed.

31 December 2016	Level 1	Level 2	Level 3	Total fair value
	£	£	£	£
Financial assets				
Loans and receivables	-	-	11,013,847	11,013,847
Receivables and prepayments	-	278,020	-	278,020
Cash and cash equivalents	-	167,415	-	167,415
	-	445,435	11,013,847	11,459,282
Financial liabilities				
Borrowings	-	-	10,958,049	10,958,049
Other payables	-	303,120	-	303,120
	-	303,120	10,958,049	11,261,170

The Loans and receivables' fair value is based on a discounted cash flow model with discount rates based on the best estimate of the Investment Manager.

31 December 2015	Level 1	Level 2	Level 3	Total fair value
	£	£	£	£
Financial assets				
Loans and receivables	-	-	26,983,317	26,983,317
Receivables and prepayments	-	3,759,844	-	3,759,844
Cash and cash equivalents	-	225,802	-	225,802
	-	3,985,646	26,983,317	30,968,963
Financial liabilities				
Borrowings	-	-	29,587,012	29,587,012
Other payables	-	722,723	-	722,723
	-	722,723	29,587,012	30,309,735

The financial assets and liabilities included in the table above are carried at amortised cost and their carrying values are a reasonable approximation of fair value.

Capital risk management

The capital of the Company is represented by the net assets attributable to its shareholder. The amount of net assets attributable to the shareholder may change as the Company may adjust the amount of dividends paid to the shareholder, return capital to the shareholder, issue new shares or sell assets to reduce debt. The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Company.

The Directors and Investment Manager monitor capital on the basis of the value of the net assets attributable to the shareholder.

RB REFS ORIGINATION LIMITED
Registered in England and Wales No.: 09000516

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

5 LOANS AND RECEIVABLES - CURRENT	31-Dec-16	31-Dec-15
	£	£
Loans and receivables - Debt instruments at amortised cost		
Neither past due or impaired	11,013,847	26,371,204
Movement in loans and receivables		
At start of year	26,371,204	37,046,881
Loan amounts originated (net of arrangement fees)	27,636,658	12,770,355
Capitalised interest	229,657	72,603
Loan amounts transferred	(42,186,748)	(18,596,135)
Loan repayments/amortisation	(2,394,566)	(4,931,237)
Capitalised arrangement fees released	94,620	108,192
Origination fees capitalised	76,519	-
Origination fees amortised	(9,597)	-
FX Revaluation	1,196,100	(99,455)
	11,013,847	26,371,204
6 RECEIVABLES AND PREPAYMENTS	31-Dec-16	31-Dec-15
	£	£
Interest receivable on loans and receivables	276,792	417,586
Amounts held by legal advisors for financing loans	-	3,339,822
Agency fee receivable	1,228	2,436
	278,020	3,759,844
Receivables are neither past due nor impaired.		
7 CASH AND CASH EQUIVALENTS	31-Dec-16	31-Dec-15
	£	£
Cash at bank	167,415	225,802
8 BORROWINGS	31-Dec-16	31-Dec-15
	£	£
Loan payable to RB REF Strategies 1 LP	10,958,049	29,587,012
On 2 May 2014, the Company, as the borrower, entered into an Interest Bearing Loan agreement (the "IBL agreement") with Renshaw Bay REF Strategies 1 LP, as the lender, for a maximum amount of £97,500,000. During the period £24,397,495 was drawn down, and £44,202,645 had been repaid.		
The repayment date of any amounts outstanding under the loan agreement shall be made upon request of the lender. The loan, with respect to payment rights, right of liquidation, winding up and dissolution, shall rank prior to all shares and all other capital stock of the Company whether outstanding on the date hereof or issued in the future.		
9 OTHER PAYABLES	31-Dec-16	31-Dec-15
	£	£
Amounts due to group undertakings (see note 14)	97,371	4,870
Interest payable to Renshaw Bay REF Strategies 1 L.P. (see note 14)	178,955	652,834
Tax compliance fees	19,200	29,640
Loan Administration fees	4,104	4,496
Market data	1,008	880
Administration fees	221	300
Legal and professional fees	2,261	29,703
	303,120	722,723

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NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

10 CALLED UP SHARE CAPITAL

	31-Dec-16	31-Dec-15
	£	£
The allotted and unpaid share capital of the Company at 31 December was 2 ordinary share of £10	20	20

On 16 April 2014, the Company issued 2 Ordinary shares of £10, at par, to Renshaw Bay REFS Strategies 1 LP, acting by its General Partner Renshaw Bay GP4 LLP.

11 TAX EXPENSE

	31-Dec-16	31-Dec-15
	£	£
<i>Analysis of tax charge in the period</i>		
UK corporation tax charge on profit for the year	69,053	38,174
Total tax expense	69,053	38,174

Tax reconciliation

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the tax rate in the United Kingdom as follows:

	31-Dec-16	31-Dec-15
	£	£
Profit before tax	190,160	174,270
Profit before tax multiplied by the standard rate of corporation tax in the United Kingdom of: 20.00% (2015: 20.25%)	38,032	35,290
Tax charge on non-deductible UK expenditure	31,021	23,376
Tax relief on losses brought forward	-	(21,251)
Impact of change in tax rate on loss relief	-	759
Tax losses carried forward	-	-
Current tax charge for the gain	69,053	38,174

12 COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2016, the Company did not have any significant commitments or contingent liabilities.

NOTES TO THE FINANCIAL STATEMENTS - (CONTINUED)

13 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

a) Key management compensation

The Directors who have served the Company in the financial year and up to the date of signing these financial statements, and who are considered to be the key management of the Company are listed on page 2 of these financial statements. No director received emoluments from the Company for services to the Company for the year.

There are no accounts receivable from or payments due to the directors.

b) Transactions with related parties

During the period, the Company made loan drawdowns totalling £24,397,495 (2015: £16,120,394) under an Interest Bearing Loan agreement with Renshaw Bay REF Strategies 1 LP. There was £10,958,049 outstanding on the Interest Bearing Loan at 31 December 2016 (2015: £29,587,012). The Company was charged interest totalling £2,472,860 (2015: £1,530,159) on these loans, of which £178,955 remained outstanding at 31 December 2016 (2015: £652,834).

During the year, the Company sold loans to Renshaw Bay REF Strategies 1 LP of £42,186,748 (2015: £18,596,135) making a loss of £38,900 (2015: gain £130,745).

During the year, Renshaw Bay REF Strategies 1 LP (the "LP") incurred expenses totalling £nil on behalf of the Company (2015: £2,764). As at 31 December 2016, an amount of £97,371 is due to the LP (2015: £4,870).

During the year, GAM (U.K.) Limited, an affiliate of the new Investment Manager to the Group, recharged expenses totalling £nil (2015: £420) of which £nil remained outstanding as at 31 December 2016 (2015: £420).

14 ULTIMATE PARENT UNDERTAKING

As at 31 December 2016 the Company's immediate parent undertaking is Renshaw Bay REF Strategies 1 LP. Renshaw Bay REF Strategies 1 LP is the parent undertaking of the largest group of undertakings to consolidate these financial statements as at 31 December 2016. The Directors of the Company considers BAE Systems Pension Fund Trustees Limited to be the ultimate controlling party.

The largest and smallest group of undertakings for which consolidated financial statements are prepared and which include the results of the Company are the consolidated financial statements of Renshaw Bay REF Strategies 1 LP. A copy of these financial statements may be obtained from the Company Secretary.

15 SUBSEQUENT EVENTS

Subsequent events have been evaluated up to the date the financial statements were approved and authorised for issue by the Directors and there are no material events to be disclosed in the financial statements.