COMPANY REGISTRATION NUMBER: 9636796

RPI 1 Limited

Financial Statements

31 December 2016

KPI 1 Limited

Financial Statements

Period from 1 June 2016 to 31 December 2016

Contents	**Page**

KPI 1 Limited

Directors' Report

Period from 1 June 2016 to 31 December 2016

The directors present their report and the audited financial statements of the company for the period ended 31 December 2016.

Directors

The directors who served the company during the period were as follows:

R Connolly
D P Marshall
R J Pillar

On 2 January 2018, R Connolly resigned and S W L Collins was appointed as a director.

Other Matters

The Directors have resolved to standardise the accounting period ends of all group companies to 31 December. Accordingly these financial statements reflect trading for a seven month period to 31 December 2016 whilst the comparative figures are for an eleven and a half month period to 31 May 2016. This impacts the comparability between the current and prior periods.

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual 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 section 1a "The Financial Reporting Standard for smaller entities applicable in the UK and the Republic of Ireland", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable United Kingdom Accounting Standards, comprising FRS 102 section 1a, have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; 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 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.

Independent Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

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

Small Company Provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 22nd May 2018 and signed on behalf of the board by:

D P Marshall
Director

Independent Auditors' Report to the Member of RPI 1 Limited

Report on the financial statements

Our opinion

In our opinion, RPI 1 Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the 7 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2016;
- the Statement of Comprehensive Income for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Member of RPI 1 Limited *(continued)*

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether this report includes the disclosures required by applicable legal requirements.

Heather Ancient

Heather Ancient (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
23 May 2018

Statement of Comprehensive Income

Period from 1 June 2016 to 31 December 2016

	Period from 1 Jun 16 to 31 Dec 16	Period from 12 Jun 15 to 31 May 16
	£	£
Turnover	**49,877**	10,800
Cost of sales	–	(2,161)
Gross Profit	**49,877**	8,639
Administrative expenses	**(107,650)**	(7,387)
Exceptional item - loan arrangement fees	**(144,668)**	–
Operating (Loss)/Profit	**(202,441)**	1,252
Interest payable and similar expenses	**(169,127)**	(17,634)
Loss Before Taxation	**(371,568)**	(16,382)
Tax on loss	–	–
Loss for the Financial Period	**(371,568)**	(16,382)
Revaluation of tangible assets	–	71,089
Total Comprehensive (Expense)/Income for the Period	**(371,568)**	54,707

All the activities of the company are from continuing operations.

The notes on pages 8 to 14 form part of these financial statements.

Statement of Financial Position

As at 31 December 2016

	Note	31 Dec 16 £	31 May 16 £
Fixed Assets			
Tangible assets	5	**3,773,159**	1,274,094
Investments	6	**100**	100
		3,773,259	1,274,194
Current Assets			
Debtors	7	**30,325**	117,332
Cash at bank and in hand		**239,894**	1,453
		270,219	118,785
Creditors: amounts falling due within one year	8	**(4,360,239)**	(1,338,172)
Net Current Liabilities		**(4,090,020)**	(1,219,387)
Total Assets Less Current Liabilities		**(316,761)**	54,807
Capital and Reserves			
Called up share capital		**100**	100
Revaluation reserve		**71,089**	71,089
Profit and loss account		**(387,950)**	(16,382)
Shareholders' (Deficit)/Funds		**(316,761)**	54,807

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 22nd May 2018, and are signed on behalf of the board by:

D P Marshall
Director

Company registration number: 9636796

The notes on pages 8 to 14 form part of these financial statements.

Statement of Changes in Equity

Period from 1 June 2016 to 31 December 2016

	Note	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total shareholders' funds/(deficit) £
At 12 June 2015		–	–	–	–
Loss for the financial period				(16,382)	(16,382)
Other comprehensive income for the period:					
Revaluation of tangible assets	5	–	71,089	–	71,089
Total Comprehensive Income for the Period		–	71,089	(16,382)	54,707
Issue of shares		100	–	–	100
Total Investments by and Distributions to Owners		100	–	–	100
At 31 May 2016		100	71,089	(16,382)	**54,807**
Loss for the financial period				(371,568)	**(371,568)**
Total Comprehensive Expense for the Period		–	–	(371,568)	**(371,568)**
At 31 December 2016		100	71,089	(387,950)	**(316,761)**

The notes on pages 8 to 14 form part of these financial statements.

Notes to the Financial Statements

Period from 1 June 2016 to 31 December 2016

1. General Information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Studio 5-11, 5 Millbay Road, Plymouth, Devon, PL1 3LF.

2. Statement of Compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'. The company does not depreciate fixed assets in accordance with the requirements of the accounting standards. The rental agreements state that the assets will be sold at a discounted market value within 20 years of the contract being agreed. The directors consider that the depreciation charge is not appropriate as the assets will not be reducing in value. As such the non-depreciation of fixed assets is departure from the standard for the overriding purpose of giving a true and fair view, from the requirement of paragraph 22 of Schedule 1 to the Regulations.

3. Accounting Policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Presentation currency

The financial statements are presented in pounds sterling.

Going concern

The Company's financial statements have been prepared using the going concern basis. Rentplus-UK Limited, the parent company, has agreed to provide financial support, as required, to the company for a minimum period of twelve months from the date of approval of these financial statements in order that it can meet its liabilities as they fall due. On this basis, the directors believe that preparing the financial statements on the going concern basis is appropriate due to the funding resources available to the Company for at least the next 12 months.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 12 June 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Exceptional items

An exceptional item is one that is a one-off, and does not reflect the financial performance of the company as a result of underlying trading activity. These are separately disclosed so as to aid the reader of the accounts.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

3. Accounting Policies *(continued)*

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts (including contractual allowances against rentals given to lessors of residential property owned by the company) and of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are shown at fair value. The Directors value the assets using a discounted cash flow method, underpinned by assumptions driven by market factors. The directors review the valuation annually to ensure that the fair value is materially consistent with the carrying value. A full revaluation of tangible assets is completed every five years.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

3. **Accounting Policies** *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

3. Accounting Policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Auditors' Remuneration

	Period from 1 Jun 16 to 31 Dec 16	Period from 12 Jun 15 to 31 May 16
	£	£
Fees payable for the audit of the financial statements	**5,150**	5,000

5. Tangible Assets

	Land and buildings
	£
Cost	
At 1 June 2016	**1,274,094**
Additions	**2,499,065**
At 31 December 2016	**3,773,159**
Accumulated Depreciation	
At 1 June 2016 and 31 December 2016	**–**
Carrying amount	
At 31 December 2016	**3,773,159**
At 31 May 2016	1,274,094

The Directors value the assets using a discounted cash flow method, underpinned by assumptions driven by market factors. The directors review the valuation annually to ensure that the fair value is materially consistent with the carrying value. A full revaluation of tangible assets is completed every five years.

6. Investments

	Shares in group undertakings £
Cost	
At 1 June 2016 and 31 December 2016	**100**
Impairment	
At 1 June 2016 and 31 December 2016	**–**
Carrying amount	
At 31 December 2016	**100**
At 31 May 2016	100

RPB1 Limited is a developer of affordable housing.

Under the provision of section 398 of the Companies Act 2006 the company is exempt from preparing consolidated financial statements and has not done so, therefore the financial statements show information about the company as an individual entity.

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
RPB1 Limited	Ordinary	100

The results and capital and reserves for the period are as follows:

	Capital and reserves 31 Dec 16 £	Capital and reserves 31 May 16 £	**Loss for period from 1 Jun 16 to 31 Dec 16 £**	Loss for period from 12 Jun 15 to 31 May 16 £
Subsidiary undertakings				
RPB1 Limited	(540,385)	(219,820)	(297,259)	(219,920)

7. Debtors

	31 Dec 16 £	31 May 16 £
Trade debtors	**30,030**	–
Other debtors	**295**	117,332
	30,325	117,332

8. Creditors: amounts falling due within one year

	31 Dec 16	31 May 16
	£	£
Trade creditors	**–**	948
Amounts owed to group undertakings and undertakings in which the company has a participating interest	**4,329,116**	1,331,133
Accruals	**31,123**	6,091
	4,360,239	1,338,172

Amounts owed to group undertakings and undertakings in which the company has a participating interest are repayable upon demand. Included within these figures is a loan of £2,498,945 (31 May 2016 - £1,327,219) which bears interest at 8% per annum.

9. Creditors

On 1st December 2016, Crestline Direct Finance agreed to make loan facilities available to RPB 1 Limited, RPB 2 Limited, RPI 1 Limited and RPI 2 Limited as borrowers under a facility agreement. As part of this agreement the company entered into a deed to provide security to the finance parties and as such a registration of charge has been recorded against the company. As at 31 December 2016, £8,626,168 remained due to this lender across the companies which are party to the charge.

10. Related Party Transactions

The company was effectively controlled by Weston Hall (RP) Limited until 14 February 2018. Weston Hall (RP) Limited is under the control of Mr G A Widdowson and Mr A P Serruys. From that date, Enigma Holdings Rentplus Limited acquired a majority stake. Enigma Holdings Rentplus Limited is controlled by Mr P L George.

The company has purchased properties from its subsidiary company, RPB1 Limited. During the period, the value of such properties purchased amounted to £3,069,719 (31 May 2006 - £1,197,291).

The company has borrowed from its subsidiary company, RPB1 Limited. At the period end, these borrowings amounted to £nil (31 May 2016 - £1,327,219). These borrowings bore interest at 8% per annum.

The company is charged a monthly management fee by Rentplus-UK Limited, its parent company. During the period under review, these totalled £44,472 (31 May 2016 - £2,399). In addition, the company incurred a finder's fee due to Rentplus-UK Limited during the period of £136,305 (31 May 2016 - £3,246).

No other transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standards.

Notes to the Financial Statements *(continued)*

Period from 1 June 2016 to 31 December 2016

11. Controlling Party

The parent company is Rentplus-UK Limited, a company incorporated in England and Wales. The ultimate parent company until 14 February 2018 was Weston Hall (RP) Limited and from that date was Enigma Holdings Rentplus Limited. Both of these companies are incorporated in England and Wales. Copies of these companies' sets of financial statements may be obtained from Companies House.

12. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 12 June 2015.

No transitional adjustments were required in equity or profit or loss for the period.

The following pages do not form part of the financial statements.

Detailed Income Statement

Period from 1 June 2016 to 31 December 2016

	Period from 1 Jun 16 to 31 Dec 16 £	Period from 12 Jun 15 to 31 May 16 £
Turnover	**49,877**	10,800
Cost of Sales		
Retained rent allowance	–	2,161
Gross Profit	**49,877**	8,639
Overheads		
Administrative expenses	**107,650**	7,387
Exceptional Item - Loan Arrangement Fees	**144,668**	–
Operating (Loss)/Profit	**(202,441)**	1,252
Interest payable and similar expenses	**(169,127)**	(17,634)
Loss Before Taxation	**(371,568)**	(16,382)

Notes to the Detailed Income Statement

Period from 1 June 2016 to 31 December 2016

	Period from 1 Jun 16 to 31 Dec 16 £	Period from 12 Jun 15 to 31 May 16 £
Administrative Expenses		
Light and heat	**26**	–
Insurance	**1,962**	–
Management charges payable	**17,091**	2,200
Legal and professional fees (allowable)	**57,868**	–
Accountancy fees	**4,748**	177
Auditors' remuneration	**12,150**	5,000
Bank charges	**13,805**	10
	107,650	7,387
Interest Payable and Similar Expenses		
Other interest payable and similar charges	**169,127**	17,634