

REGISTERED NUMBER: 09704859 (England and Wales)

RG Engagement Group 5 Limited
Annual Report and Financial Statements
for the Year Ended 30 June 2019



RG Engagement Group 5 Limited

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for the Year Ended 30 June 2019**

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RG Engagement Group 5 Limited

**Annual Report and Financial Statements
for the Year Ended 30 June 2019**

Officers and Professional Advisers

DIRECTORS:

D A Butler
R A Boland
E Morii

REGISTERED OFFICE:

265 Tottenham Court Road
London
England
W1T 7RQ

REGISTERED NUMBER:

09704859 (England and Wales)

AUDITOR:

Deloitte LLP
Statutory Auditor
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

RG Engagement Group 5 Limited

Strategic Report for the Year Ended 30 June 2019

The directors present the Strategic Report for the year ended 30 June 2019.

PRINCIPAL ACTIVITY AND BUSINESS MODEL

The principal activity of the Company is that of an intermediate holding company. The Company does not intend to change its business model in the foreseeable future.

PERFORMANCE REVIEW

The Company has not undertaken any trading activities and there are no plans for this to change in the foreseeable future. The Company made a loss for the financial year of £7,954,984 (2018: £12,047,638) arising from expenses related to the principal activity noted above.

The Balance Sheet set out on page 9 of the financial statements demonstrates the Company's financial position.

KEY PERFORMANCE INDICATORS ("KPIs")

Given the nature of the Company being an intermediary holding company, there are considered to be no Company specific KPIs.

RISKS AND UNCERTAINTIES

The directors of the ultimate parent undertaking, RG Engagement Group Limited, manage the Group's risk and performance. For this reason a discussion of the Company's risks has not been included by the Company's directors.

The principal risks and uncertainties, together with the development, performance and position of the Group, which include those of the Company and the Group, are discussed in the business review of RG Engagement Group Limited's Annual Report. This is the smallest group to consolidate these financial statements. Details of how to obtain this report can be found within note 16.

Approved by the Board of Directors and signed on its behalf by:



E Morii - Director

Date: 13/12/19

265 Tottenham Court Road
London
W1T 7RQ

RG Engagement Group 5 Limited

Directors' Report for the Year Ended 30 June 2019

The directors present their Annual Report and the audited financial statements of RG Engagement Group 5 Limited (the "Company") for the year ended 30 June 2019.

Details on financial risk management and future developments are stated in the Strategic Report on page 2 and form part of this report by cross-reference.

RESULTS AND DIVIDENDS

The results for the year are set out on page 8.

The directors do not recommend the payment of a dividend (2018: £Nil).

GOING CONCERN

During the year, the Company made a loss of £7,954,984 (2018: loss £12,047,638), and the Balance Sheet shows net current liabilities of £24,399,666 (2018: £18,932,615) and net assets of £21,609,202 (2018: £29,564,186). The directors have considered the basis of preparation of the financial statements and have concluded that it is appropriate to prepare these on the going concern basis. The company's principal liabilities are amounts owed to group undertakings. The Company has the on-going support from the ultimate parent company, RG Engagement Group Limited.

On this basis, the Company has adequate resources to enable it to meet its liabilities as they fall due.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

D A Butler
R A Boland (appointed 2 July 2018)
G Elliott (resigned 2 July 2018)
E Morii (appointed 1 August 2019)

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

AUDITOR

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

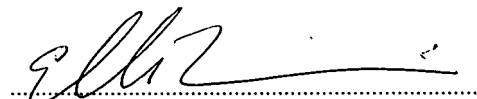
This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

PricewaterhouseCoopers LLP resigned during the year. Deloitte LLP were appointed as auditor during the year and have expressed their willingness to continue in office as auditor. Appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

RG Engagement Group 5 Limited

**Directors' Report - continued
for the Year Ended 30 June 2019**

Approved by the Board of Directors and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'E Morii', is written over a dotted line.

E Morii - Director

Date: 13/12/19

265 Tottenham Court Road
London
W1T 7RQ

RG Engagement Group 5 Limited

Directors' Responsibilities Statement for the Year Ended 30 June 2019

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 *"The Financial Reporting Standard applicable in the UK and 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;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for 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. They 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 Auditor's Report to the Members of RG Engagement Group 5 Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of RG Engagement Group 5 Limited ('the Company'):

- give a true and fair view of the state of the Company's affairs as at 30 June 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 *"The Financial Reporting Standard applicable in the UK and Republic of Ireland"*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of Comprehensive Income;
- the Balance Sheet;
- the Statement of Changes in Equity; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards, including Financial Reporting Standard 102 *"The Financial Reporting Standard applicable in the UK and Republic of Ireland"* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. It based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent Auditor's Report to the Members of RG Engagement Group 5 Limited - continued

Report on the audit of the financial statements - continued

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit for the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Report on other legal and regulatory requirements

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

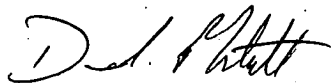
Under the Companies Act 2006, we are required to report in respect of the following matters if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Mitchell CA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom

Date: 17/12/19

RG Engagement Group 5 Limited**Statement of Comprehensive Income
for the Year Ended 30 June 2019**

	Note	2019 £	2018 £
Administrative expenses		(515,135)	(548,200)
Exceptional cost	3	-	(74,000)
OPERATING LOSS		(515,135)	(622,200)
Interest payable and similar expenses	6	(7,439,849)	(11,425,438)
LOSS BEFORE TAXATION		(7,954,984)	(12,047,638)
Tax on loss	7	-	-
LOSS FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(7,954,984)	(12,047,638)

All activities derive from continuing operations.

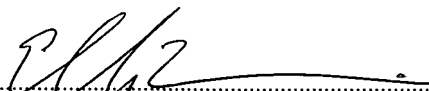
There are no comprehensive income items for the current or prior year other than as stated above. Accordingly, no separate Statement of Other Comprehensive Income has been presented.

RG Engagement Group 5 Limited

**Balance Sheet
As at 30 June 2019**

	Note	2019 £	2018 £
FIXED ASSETS			
Investments	8	142,502,019	142,502,019
CURRENT ASSETS			
Debtors	9	7,393,362	7,160,668
Cash at bank and in hand		10,087	449,231
		<u>7,403,449</u>	<u>7,609,899</u>
CREDITORS			
Amounts falling due within one year	10	(31,803,115)	(26,542,514)
NET CURRENT LIABILITIES		<u>(24,399,666)</u>	<u>(18,932,615)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		118,102,353	123,569,404
CREDITORS			
Amounts falling due after more than one year	11	(96,493,151)	(94,005,218)
NET ASSETS		<u>21,609,202</u>	<u>29,564,186</u>
CAPITAL AND RESERVES			
Called-up share capital	13	1	1
Share premium account	14	57,985,273	57,985,273
Capital contribution reserve	14	737,156	737,156
Profit and loss account	14	(37,113,228)	(29,158,244)
TOTAL SHAREHOLDERS' FUNDS		<u>21,609,202</u>	<u>29,564,186</u>

The financial statements of RG Engagement Group 5 Limited (registered number: 09704859) were approved and authorised for issue by the Board of Directors on 13/12/19 and were signed on its behalf by:


E Morii - Director

RG Engagement Group 5 Limited

**Statement of Changes in Equity
for the Year Ended 30 June 2019**

	Called-up share capital £	Share premium account £	Capital contribution reserve £	Profit and loss account £	Total £
Balance at 1 July 2017	1	57,985,273	737,156	(17,110,606)	41,611,824
Loss for the financial year and total comprehensive loss	-	-	-	(12,047,638)	(12,047,638)
Balance at 30 June 2018	1	57,985,273	737,156	(29,158,244)	29,564,186
Loss for the financial year and total comprehensive loss	-	-	-	(7,954,984)	(7,954,984)
Balance at 30 June 2019	1	57,985,273	737,156	(37,113,228)	21,609,202

RG Engagement Group 5 Limited

Notes to the Financial Statements for the Year Ended 30 June 2019

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

General information and basis of accounting

RG Engagement Group 5 Limited is a private company limited by shares registered in England and Wales, incorporated in the United Kingdom under the Companies Act 2006 (Company Registration No. 04782609). The address of the registered office is given on page 1. The nature of the company's operations and its principal activities are set out in the Strategic Report on page 2.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of RG Engagement Group 5 Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

RG Engagement Group 5 Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. RG Engagement Group 5 Limited is consolidated in the financial statements of its parent, RG Engagement Group Limited which may be obtained from the address in note 16. Exemptions have been taken in these separate company financial statements in relation to financial instruments, related party transactions, presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The company is included in the consolidated financial statements of RG Engagement Group Limited which are publicly available. Consequently, the company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

During the year, the Company made a loss of £7,954,984 (2018: loss £12,047,638), and the Balance Sheet shows net current liabilities of £24,399,666 (2018: £18,932,615) and net assets of £21,609,202 (2018: £29,564,186). The directors have considered the basis of preparation of the financial statements and have concluded that it is appropriate to prepare these on the going concern basis. The company's principal liabilities are amounts owed to group undertakings. The Company has the on-going support from the ultimate parent company, RG Engagement Group Limited.

On this basis, the Company has adequate resources to enable it to meet its liabilities as they fall due.

Exceptional items

Exceptional items, as disclosed on the face of the Statement of Comprehensive Income, are items which due to their materiality and non-recurring nature have been classified separately in order to draw them to the attention of the reader of the financial statements and to highlight the impact of exceptional items on the results of the Group.

Investments

Fixed asset investments are stated at cost less provision for impairment.

Debtors

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

Exemption from preparing consolidated financial statements

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

RG Engagement Group 5 Limited

Notes to the Financial Statements - continued for the Year Ended 30 June 2019

1. ACCOUNTING POLICIES - continued

Cash and cash equivalents

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

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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

RG Engagement Group 5 Limited

Notes to the Financial Statements - continued for the Year Ended 30 June 2019

1. ACCOUNTING POLICIES - continued

Taxation - continued

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision affects both current and future periods.

In the view of the directors, there are no critical accounting judgements or key sources of estimation uncertainty which affect the company's financial statements.

3. EXCEPTIONAL COST

	2019	2018
	£	£
Exceptional cost	-	74,000

These costs primarily relate to project costs incurred in the investor backed management buyout of one of the Company's subsidiaries by Great Hill Partners.

RG Engagement Group 5 Limited

Notes to the Financial Statements - continued for the Year Ended 30 June 2019

4. AUDITOR'S REMUNERATION

Fees payable for the audit of the financial statements of £1,800 (2018: £1,800), tax service fees of £nil (2018: £2,000) and other non-audit services of £1,600 (2018: £1,500) are borne by the Company.

5. STAFF COSTS

No salaries or wages have been paid to employees during the current year (2018: £Nil).

The average monthly number of employees, including the directors, during the year was 2 (2018: 2).

During the year retirement benefits were accruing to no directors (2018: Nil) in respect of defined contribution pension schemes.

The Directors' received total remuneration of £402,130 from the Group during the year (2018: £595,710), but it is not practicable to allocate this between their services as executives of each Company within the Group.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank loan interest	4,585,029	9,202,901
Group loans interest payable	2,400,341	2,222,537
Other charges	454,479	-
	<u>7,439,849</u>	<u>11,425,438</u>

7. TAX ON LOSS

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax at 19% (2018: 19%)	-	-
Total current tax	<u>-</u>	<u>-</u>

RG Engagement Group 5 Limited

Notes to the Financial Statements - continued for the Year Ended 30 June 2019

7. TAX ON LOSS - continued

Factors affecting tax charge for the financial year

The tax assessed for the year higher than (2018: higher than) the standard rate of corporation tax in the UK, of 19%. The differences are explained below:

	2019 £	2018 £
Loss before taxation	(7,954,984)	(12,047,638)
Loss multiplied by the standard rate of corporation tax in the UK of 19 % (2018: 19%)	(1,511,447)	(2,289,051)
Effects of:		
Expenses not deductible for tax purposes	576,839	264,180
Group relief	1,144,154	1,887,158
Deferred tax not recognised	(209,546)	137,713
Total tax charge for the financial year	-	-

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with a rate of 20% applying from 1 April 2015, 19% applying from 1 April 2017 and 17% applying from 1 April 2020. All these rates have been substantively enacted at the year end and therefore taken into account when calculating the tax position of the Company, and the deferred tax assets and liabilities included within these financial statements have been calculated using these rates based on when the deferred tax timing differences are expected to materially reverse.

8. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2018 and 30 June 2019	142,502,019
NET BOOK VALUE	
At 30 June 2019	142,502,019
At 30 June 2018	142,502,019

RG Engagement Group 5 Limited

Notes to the Financial Statements - continued for the Year Ended 30 June 2019

8. INVESTMENTS - continued

Direct subsidiary undertakings

The following were subsidiary undertakings of the Company.

Name	Class of shares	Holding	Principal activity
International Benefits Holdings Ltd	Ordinary	100%	Holding Company

Indirect Subsidiary undertakings

The following were subsidiary undertakings of the Company.

Name	Class of shares	Holding	Principal activity
Asperity Employee Benefits Group Ltd	Ordinary	100%	Holding Company
Reward Gateway (UK) Ltd*	Ordinary	100%	Provision of employee benefit schemes
Reward Gateway US Inc.	Ordinary	100%	Provision of employee benefit schemes
Reward Gateway PTY Ltd	Ordinary	100%	Provision of employee benefit schemes
Reward Gateway DOOEL Skopje	Ordinary	100%	Provision of employee benefit schemes
LogBuy Ltd	Ordinary	100%	Provision of employee benefit schemes
Perkz Ltd	Ordinary	100%	Holding Company
Reward Gateway (US) Inc.	Ordinary	100%	Provision of employee benefit schemes
Achieve Brand Integrity LLC	Ordinary	100%	Provision of employee benefit schemes
Clarkwood Enterprise Ltd	Ordinary	100%	Provision of employee benefit schemes

Name	Registered office
Achieve Brand Integrity LLC	265 Tottenham Court Road, London, England W1T 7RQ
Clarkwood Enterprise Ltd	265 Tottenham Court Road, London, England W1T 7RQ
RG Engagement Group 3 Ltd	265 Tottenham Court Road, London, England W1T 7RQ
RG Engagement Group 4 Ltd	265 Tottenham Court Road, London, England W1T 7RQ
RG Engagement Group 5 Ltd	265 Tottenham Court Road, London, England W1T 7RQ
International Benefits Holdings Ltd	265 Tottenham Court Road, London, England W1T 7RQ
Perkz Ltd	265 Tottenham Court Road, London, England W1T 7RQ
Asperity Employee Benefits Group Ltd	265 Tottenham Court Road, London, England W1T 7RQ
Reward Gateway (UK) Ltd*	265 Tottenham Court Road, London, England W1T 7RQ
Reward Gateway US Inc.	2711 Centreville RD Suite 400, Wilmington New Castle DE, 19808
Reward Gateway PTY Ltd	Suite 13.01, Level 13, Australia Square Plaza, 87-95 Pitt Street, Sydney NSW 2000
Reward Gateway DOOEL Skopje	23 Oktomvri Str. no. 11A. Skopje
LogBuy Ltd	265 Tottenham Court Road, London, England W1T 7RQ
Reward Gateway Bulgaria	928 Hristo Botev Blvd, block A, 8th floor, Central region, Plovdiv 4000, Bulgaria Plovdiv 4000, Bulgaria

*Reward Gateway (UK) Ltd has a branch in Bulgaria trading as Reward Gateway Bulgaria.

On 2 July 2018, the Company's wholly owned subsidiary Reward Gateway (US) Inc. acquired 100% of the issue share capital of Achieve Brand Integrity LLC, a company incorporated in the USA for a consideration of £4,540,184.

On 2 July 2018, the Company's wholly owned subsidiary International Benefits Holdings Ltd required 100% of the issue share capital Clarkwood Enterprise Ltd, a company incorporated in the UK for a consideration of £1,423,155.

Reward Gateway DOOEL Skopje was dissolved on 4 October 2019.

RG Engagement Group 5 Limited

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2019**

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Amounts owed by group undertakings	7,178,135	7,136,208
Other debtors	899	11,960
Prepayments and accrued income	-	12,500
Other taxation and social security	214,328	-
	<u>7,393,362</u>	<u>7,160,668</u>

Amounts owed by group undertakings are interest free, unsecured and repayable on demand.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	-	65,760
Amounts owed to group undertakings	30,975,228	25,367,084
Accruals and deferred income	827,887	1,109,670
	<u>31,803,115</u>	<u>26,542,514</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

11. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Bank loans (see note 12)	64,088,565	64,000,972
Amounts owed to group undertakings	32,404,586	30,004,246
	<u>96,493,151</u>	<u>94,005,218</u>

Amounts owed to group undertakings relate to intercompany loan notes from RG Engagement 4 Limited of £23,998,540 (2018: £23,998,540) plus interest payable of £8,406,046 (2018: £6,005,706). The loan notes carry an 8% compound annual interest rate and are repayable in full on the earlier of a change of control or 7 August 2045.

Total interest expense of £2,400,340 (2018: £2,222,537) has been recognised within 'Interest payable and similar expenses'.

RG Engagement Group 5 Limited

Notes to the Financial Statements - continued for the Year Ended 30 June 2019

12. LOANS

An analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due after more than one year		
Bank loans	64,088,565	64,000,972

The above facilities are secured on the Group's assets, and mature in 2024. The applicable interest for the facilities was a rate of LIBOR plus 6%, with a LIBOR floor of 5%. The rate in effect as at 30 June 2019 was approximately 6.8%.

13. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
100	Ordinary shares	£0.01 each	1	1

14. RESERVES

Share premium account

The share premium account represents amounts received on the issue of share capital in excess of the nominal value of share capital, less any costs incurred as a result of the issue.

Capital contribution reserve

The capital contribution reserve represents contribution received from shareholders that have been recognised directly in equity.

Profit and loss account

The profit and loss reserve relates to the cumulative profit and loss account net of distribution to owners

15. RELATED PARTY TRANSACTIONS

The Company is taking advantage of the exemptions in FRS 102, not to disclose transactions with other wholly owned entities within Group as it is 100% owned and the financial statements of the Group are publicly available.

16. IMMEDIATE AND ULTIMATE PARENT UNDERTAKINGS

The immediate parent undertaking of the company is RG Engagement Group 4 Ltd, which is a company registered in England and Wales. The largest and smallest group which the results of this company are consolidated is that headed by RG Engagement Group Limited. Copies of the consolidated financial statements of RG Engagement Group Limited are available from 265 Tottenham Court Road, London, England, W1T 7RQ.

The ultimate controlling party is RG Investment Holding L.P.