

RETIREMENT BRIDGE INVESTMENTS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

WEDNESDAY



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RETIREMENT BRIDGE INVESTMENTS LIMITED
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COMPANY INFORMATION

Directors	Ashish Kashyap Shane Edward Law Stephen J Groves (appointed 25 April 2019) Paul Barber (appointed 25 April 2019) Antony L Pierce (appointed 25 April 2019)
Registered number	09826520
Registered office	54 Portland Place London W1B 1DY
Independent auditors	PricewaterhouseCoopers LLP Chartered accountants & statutory auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
Bankers	Barclays Bank Plc 5 St Ann's Street Quayside Newcastle upon Tyne NE1 3DX
Solicitors	Womble Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX

RETIREMENT BRIDGE INVESTMENTS LIMITED
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RETIREMENT BRIDGE INVESTMENTS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their strategic report for the year ended 30 September 2019.

Strategy and business model

The Retirement Bridge Group is the market leader in the home reversion segment of the equity release market. Our objective is to be a leader in the home reversions market, delivering sustainable long-term returns to our investors and our partners from a combination of sales, rents and fee income. We will achieve this by maintaining our leadership role within the industry, acquiring portfolios of similar products if they meet our target return thresholds, (subject to regulatory approval where applicable) optimising our financial gearing and managing the cost base.

Through our business model we deliver strong returns from our reversionary assets and our expertise allows us to supplement these returns by generating management fee income. Our expertise and the scale of our assets and operations enable us to generate sustainable income streams.

Financial position

Reversionary Assets: we acquire tenanted properties at a discount to vacant possession value and sell them when they become vacant. We continue to seek acquisition opportunities for reversionary and other similar assets in the sector.

During the year the group was reorganised to separate the property owning and property management companies within the group. This was done to facilitate the utilisation of £74m debenture loans, secured against the property assets, from new funders. The group also negotiated a further drawn down of £25.8m debenture loans, secured against the property assets, from the group bankers.

Over the course of the year, total assets less current liabilities have increased to £249m from £204m. However, shareholders funds have dropped to a deficit of £29.8m from a £237k deficit. Given the group re-organisation and the level of new funding taken on during the year, the directors consider the group's position to be satisfactory in the light of current trading conditions.

Sales

The majority of our recurring sales revenues and profit on sale comes from the sale of properties when they fall vacant thereby releasing the inherent reversionary surplus. In addition, when we decide that a particular property no longer offers attractive future growth we may sell these properties while occupied (tenanted sales). We also take advantage of opportunities for adding value by refurbishing a select number of properties before sale.

Business review

The directors of Retirement Bridge Investments Limited manage the group's strategy and risks at a group level, rather than at an individual company level. Similarly the financial and operational performance of the business is assessed at a business unit level. The directors of the group are satisfied with the results for the year ended 30 September 2019.

The company's directors believe that analysis using financial and non-financial measures is not necessary or appropriate to understand the business' development, performance or position.

During the year, the group refreshed its website, www.retbridge.co.uk, to give both new and existing customers access to company and product information. The website incorporates a portal for advisors to submit and track progress on new home reversion plans.

A new home reversion with rent product was launched during the year to satisfy the needs of people aged over 60 who need to release a higher lump sum than available from traditional lifetime mortgages. The 'quick quote' calculator enables customers, or advisors, to get an idea of how much money the new product will release at the

RETIREMENT BRIDGE INVESTMENTS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

click of a button.

The group's chosen charity for the year was Reengage for which we carried out a number of fundraising events and raised over £1k. This local North East charity aims to combat the effects of loneliness by helping the elderly re-engage with their communities.

Principal risks and uncertainties

From the perspective of the company, the principal risks and uncertainties are integrated with the principal risks of the group and are not managed separately. The principal risks and uncertainties of the group, which are specific to the company, include

- a deterioration and/or instability of wider Global/European economic markets leading to long-term flat or negative house price inflation, which in turn would impact the value of assets;
- a lack of availability of finance for the group to achieve its strategic objectives;
- a failure to meet current or increased legal or regulatory obligations;
- a failure to attract, retain and develop our people;
- a significant failure within or by a key third-party supplier or contractor;
- a significant Health and Safety incident; and
- the UK leaving the European Union may lead to a fall in the value of assets through unstable housing markets and may reduce availability of appropriately priced financing to implement the current strategies.

The directors meet regularly to review strategies and monitor available economic data.

The directors monitor progress by means of weekly sales reports and monthly management reports from all areas of the business including operational sales, property management reports, monthly management accounts and risk and compliance reports. Budgets are prepared annually and forecasts reviewed regularly.

The directors are responsible for the development and maintenance of an appropriate system of internal controls and reviews its effectiveness. The review is ongoing but can only provide reasonable rather than absolute assurance, managing risk accordingly. Improvements in internal controls are incorporated into the group's policies and procedures manuals and are communicated to staff as they are identified and updated.

Future developments

The directors expect the performance of the group to continue satisfactorily for the foreseeable future.

The group is looking to both acquire portfolios of home reversions and similar products that meet our target returns and scale up sales of its new product in the home reversion market in the coming year.

This report was approved by the board on *30th March 2020* and signed on its behalf.



Anthony L Pierce
Director

RETIREMENT BRIDGE INVESTMENTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2019

The directors present their report and the financial statements for the year ended 30 September 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activity of the group during the year was that of property trading. The company is a holding investment company for the group.

Results and dividends

The profit for the year, after taxation, amounted to £1,511k (2018 - £4,322k).

During the year, the directors proposed and paid an interim dividend of £29,485k (2018: £nil). The directors do not recommend the payment of a final dividend.

Directors

The directors of the company who were in office during the year and up to the date of the signing of the financial statements were:

Ashish Kashyap
Shane Edward Law
Stephen J Groves (appointed 25 April 2019)
Paul Barber (appointed 25 April 2019)
Antony L Pierce (appointed 25 April 2019)

RETIREMENT BRIDGE INVESTMENTS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2019

Principal risks and uncertainties

The directors have disclosed information relating to principal risks and uncertainties in the strategic report but also note the following;

Financial risk

The activities of the group expose it to a number of financial risks including interest rate risk, and liquidity risk.

Interest rate risk

The group has interest bearing assets and liabilities. The majority of the liabilities attract fixed rates.

Liquidity risk

The funding needs of the business are reviewed in detail on a continuous basis as part of the internal planning and forecasting processes. The group maintains a combination of long term and short term debt facilities to ensure that sufficient funds are available for operations and planned investments.

Matters covered in the strategic report

The group has chosen to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch 7 to be contained in the directors report. This information relates to future developments and has been included in the strategic report in accordance with the Companies Act 2006 s.414C(11).

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Going concern

The directors have prepared the group and company financial statements on the going concern basis after carefully considering the implications of the recent outbreak of COVID-19 on the group's and company's performance. As stated in note 2 to the financial statements, as a result of the unprecedented global pandemic, a material uncertainty exists that may cast significant doubt on the group's and company's ability to continue as a going concern.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 30th March 2020 and signed on its behalf.



Antony L Pierce
Director

RETIREMENT BRIDGE INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RETIREMENT BRIDGE INVESTMENTS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Retirement Bridge Investments Limited's group financial statement and company financial statements ("the financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 September 2019 and of the group's profit and cash flows for the year then ended;
- have been properly prepared 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); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 30 September 2019; the consolidated statement of comprehensive income, the consolidated and company statements of changes in equity for the year then ended; the consolidated statement of cash flows; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty related to going concern

In forming our opinion on the group and company financial statements, which are not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the group's and company's ability to continue as a going concern. The Directors have considered the potential impact that the COVID-19 outbreak could have on the group and the company and its forecast compliance with certain banking covenants relating to the forecast level of property sales and the valuation of the underlying portfolios of properties. A severe but plausible downside involving a period of significantly reduced property sales or significantly reduced property valuations show that should the sensitivities occur, the group may breach one or more of its banking covenants. Whilst the group has the opportunity to remedy any breach and the Directors are confident that a covenant breach would not result in a requirement to repay the loan, if the loan was required to be repaid then the group would need to seek alternative funding to repay the loan. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group's and company's ability to continue as a going concern. The group and company financial statements do not include the adjustments that would result if the group or company was unable to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

RETIREMENT BRIDGE INVESTMENTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RETIREMENT BRIDGE INVESTMENTS LIMITED

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

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 year ended 30 September 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jonathan Greenaway (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants & Statutory Auditors
Newcastle upon Tyne
30 March 2020

RETIREMENT BRIDGE INVESTMENTS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Note	2019 £000	2018 £000
Turnover	4	48,950	54,798
Cost of sales		(31,802)	(32,825)
Gross profit		17,148	21,973
Administrative expenses		(1,316)	(2,376)
Other operating income	5	487	452
Operating profit	6	16,319	20,049
Amounts written off investments	11	847	-
Interest receivable and similar income	12	11	30
Interest payable and similar expenses	13	(16,789)	(13,673)
Profit before taxation		388	6,406
Tax on profit	14	1,123	(2,084)
Profit for the financial year		1,511	4,322
Other comprehensive (expense)/income			
Cash flow hedge reserve		(333)	114
Termination of cash flow hedge		(397)	-
Other comprehensive (expense)/income for the year		(730)	114
Total comprehensive income for the year		781	4,436
Profit for the year attributable to:			
Non-controlling interests		-	-
Owners of the parent Company		1,511	4,322
		1,511	4,322

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.


The notes on pages 14 to 34 form part of these financial statements.

RETIREMENT BRIDGE INVESTMENTS LIMITED
REGISTERED NUMBER: 09826520

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	16	(24,036)	(26,923)
Tangible assets	17	45	52
		<u>(23,991)</u>	<u>(26,871)</u>
Current assets			
Stocks	19	280,748	308,573
Debtors: amounts falling due after more than one year	20	-	397
Debtors: amounts falling due within one year	20	4,663	685
Cash at bank and in hand	21	12,552	22,099
		<u>297,963</u>	<u>331,754</u>
Creditors: amounts falling due within one year	22	(24,584)	(100,749)
Net current assets		<u>273,379</u>	<u>231,005</u>
Total assets less current liabilities		<u>249,388</u>	<u>204,134</u>
Creditors: amounts falling due after more than one year	23	(279,142)	(204,371)
Net liabilities		<u>(29,754)</u>	<u>(237)</u>
Capital and reserves			
Called up share capital	26	760	980
Share premium account	27	8	-
Other reserves	27	(333)	397
Profit and loss account	27	(30,189)	(1,614)
Total equity		<u>(29,754)</u>	<u>(237)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
30th March 2020



Antony L Pierce
Director

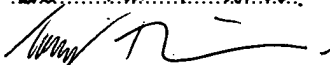
The notes on pages 14 to 34 form part of these financial statements.

RETIREMENT BRIDGE INVESTMENTS LIMITED
REGISTERED NUMBER: 09826520

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	2019 £000	2018 £000
Fixed assets			
Investments	18	10,459	97,004
		<u>10,459</u>	<u>97,004</u>
Current assets			
Debtors: amounts falling due within one year	20	56,274	1,346
		<u>56,274</u>	<u>1,346</u>
Creditors: amounts falling due within one year	22	-	(84,524)
		<u>-</u>	<u>(84,524)</u>
Net current assets/(liabilities)		56,274	(83,178)
Total assets less current liabilities		66,733	13,826
		<u>66,733</u>	<u>13,826</u>
Net assets excluding pension asset		66,733	13,826
		<u>66,733</u>	<u>13,826</u>
Net assets		66,733	13,826
		<u>66,733</u>	<u>13,826</u>
Capital and reserves			
Called up share capital	26	760	980
Share premium account	27	8	-
Profit and loss account brought forward		12,846	(1,202)
Profit for the year		83,205	14,048
Other changes in the profit and loss account		(30,086)	-
		<u>65,965</u>	<u>12,846</u>
Profit and loss account carried forward		65,965	12,846
		<u>65,965</u>	<u>12,846</u>
Total equity		66,733	13,826
		<u>66,733</u>	<u>13,826</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 March 2020.


Antony L Pierce
 Director

The notes on pages 14 to 34 form part of these financial statements.

RETIREMENT BRIDGE INVESTMENTS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital £000	Share premium account £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 October 2017	980	-	283	(5,936)	(4,673)
Comprehensive income for the year					
Profit for the financial year	-	-	-	4,322	4,322
Cash flow hedge reserve movement	-	-	114	-	114
At 30 September 2018 and 1 October 2018	980	-	397	(1,614)	(237)
Comprehensive (expense)/income for the year					
Profit for the financial year	-	-	-	1,511	1,511
New cash flow hedge	-	-	(333)	-	(333)
Termination of cash flow hedge	-	-	(397)	-	(397)
Dividends: Equity capital	-	-	-	(29,485)	(29,485)
Bonus issue of shares	-	-	-	(601)	(601)
Shares issued during the year	601	8	-	-	609
Shares redeemed during the year	(220)	-	-	-	(220)
Shares cancelled during the year	(601)	-	-	-	(601)
At 30 September 2019	760	8	(333)	(30,189)	(29,754)

RETIREMENT BRIDGE INVESTMENTS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital £000	Share premium account £000	Profit and loss account £000	Total equity £000
At 1 October 2017	980	-	(1,202)	(222)
Comprehensive income for the year				
Profit for the year	-	-	14,048	14,048
At 30 September 2018 and at 1 October 2018	980	-	12,846	13,826
Comprehensive (expense)/income for the year				
Profit for the year	-	-	83,205	83,205
Dividends: Equity capital	-	-	(29,485)	(29,485)
Bonus issue of shares	-	-	(601)	(601)
Shares issued during the year	601	8	-	609
Shares redeemed during the year	(220)	-	-	(220)
Shares cancelled during the year	(601)	-	-	(601)
At 30 September 2019	760	8	65,965	66,733

RETIREMENT BRIDGE INVESTMENTS LIMITED
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**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	2019 £000	2018 £000
Cash flows from operating activities		
Profit for the financial year	1,511	4,322
Adjustments for:		
Amortisation of intangible assets	(2,497)	(2,849)
Depreciation of tangible assets	8	7
Interest paid	16,705	13,673
Interest received	(11)	(30)
Taxation (credit)/charge	(1,123)	2,084
Decrease in stocks	27,825	32,530
(Increase)/decrease in debtors	(3,978)	707
Increase/(decrease) in creditors	2,668	(14,124)
Net fair value gains recognised in P&L	(98)	-
Corporation tax paid	(2,163)	(2,914)
Net cash generated from operating activities	38,847	33,406
Cash flows from investing activities		
Disposal of intangible assets	390	-
Purchase of tangible fixed assets	(1)	(4)
Interest received	11	30
Gain on settlement of hedging instrument	98	-
Net cash from investing activities	498	26

RETIREMENT BRIDGE INVESTMENTS LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	2019 £000	2018 £000
Cash flows from financing activities		
Issue of ordinary shares	8	-
Purchase of ordinary shares	(821)	-
Purchase of debenture loans	99,811	-
Repayment of debenture loans	(31,419)	(23,860)
Loans from group companies repaid	(84,524)	-
Dividends paid	(29,485)	-
Interest paid	(2,462)	(2,463)
Net cash used in financing activities	(48,892)	(26,323)
Net (decrease)/increase in cash and cash equivalents	(9,547)	7,109
Cash and cash equivalents at beginning of year	22,099	14,990
Cash and cash equivalents at the end of year	12,552	22,099
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	12,552	22,099
	12,552	22,099

The notes on pages 14 to 34 form part of these financial statements.

RETIREMENT BRIDGE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. General information

The company is a private company limited by shares, registered in England and Wales, United Kingdom. The address of the registered office is 54 Portland Place, London, W1B 1DY.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

2.2 Going concern

The financial statements are prepared on the going concern basis in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom, which have been applied consistently throughout.

As part of the group's and company's ongoing review of going concern, the directors have reviewed the group and company position in detail and have considered the impact of the recent outbreak of COVID-19 on the group's and company's performance. The existing principal risks and uncertainties have not changed and are set out in the group's Strategic Report and Directors' Report.

Whilst it is difficult to predict the impact that COVID-19 might have on the group's and company's business, the directors have considered the impact as low overall due to the high level of available cash held by the group and the value of trading properties currently in the pipeline across all portfolios, with sales agreed on just under 100 properties. Whilst it is possible that there may be a decline in the level of house prices and some sales may fall through, the majority of the current pipeline is expected to translate to group turnover in the next 12 months. The group requires less than half of the pipeline within the relevant portfolio to convert to sales revenue to continue to meet debt interest payments without resorting to the utilisation of the cash liquidity reserve.

However, should the housing market see a severe downturn and the value of the property portfolio drop significantly, the group may be at risk of breaching one or more of its debt covenants with one of its senior lenders. As at the reporting date, the group has sufficient expected headroom before breach of the debt covenants to give the group sufficient scope and time to take mitigating action to avoid the breach of any debt covenants.

These mitigating actions may include partial or full early repayment of debt, requesting support from the business loans scheme announced by the Government on 17 March 2020, claiming business interruption insurance if possible, securing waivers from the debt providers and consideration of operational cost savings. Furthermore, should it be necessary, the group may request assistance from other connected lenders who may be able to provide additional drawdown facilities at short notice.

RETIREMENT BRIDGE INVESTMENTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

The directors acknowledge it is difficult to predict the overall outcome and impact of COVID-19 at this stage, but the above scenario in relation to the drop in the housing market is considered severe but plausible. This scenario indicates the existence of a material uncertainty, which may cast significant doubt on the group's and company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the group or company was unable to continue as a going concern.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 30 September 2016.

2.4 Revenue recognition

Turnover comprises gross rentals, gross sale proceeds of trading properties and land, and sundry other income, exclusive of VAT. Sales of properties are only accounted for when the cash proceeds are received in full or the company has entered into a legally binding contract. Gross rentals are recognised on a straight line basis over the lease term on an accruals basis. Sundry other income is recognised when it becomes receivable.

2.5 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.

RETIREMENT BRIDGE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.6 Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation of negative goodwill is released to the profit and loss account on the sale of the underlying assets.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 5 to 10 years straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.8 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.9 Stocks

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

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

RETIREMENT BRIDGE INVESTMENTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.10 Hedge accounting

The Group uses variable to fixed interest rate swaps to manage its exposure to cash flow risk on its bank loans. These derivatives are measured at fair value at each balance sheet date.

To the extent the cash flow hedge is effective, movements in fair value are recognised in other comprehensive income and presented in a separate cash flow hedge reserve. Any ineffective portions of those movements are recognised in profit or loss for the year.

Gains and losses on the hedging instruments and the hedged items are recognised in profit or loss for the year. When a hedged item is an unrecognised firm commitment, the cumulative hedging gain or loss on the hedged item is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.12 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In determining that the value of trading properties are not carried at more than their recoverable amount an external valuation has been applied.

There are no other areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

RETIREMENT BRIDGE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

4. Turnover

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

	2019 £000	2018 £000
Rental income	556	571
Proceeds from sale of trading properties	48,394	54,227
	<u>48,950</u>	<u>54,798</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2019 £000	2018 £000
Other operating income	43	22
Management fees receivable	346	430
Gain on settlement of hedging instrument	98	-
	<u>487</u>	<u>452</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2019 £000	2018 £000
Depreciation of tangible fixed assets	8	7
Amortisation of intangible fixed assets, including goodwill	(2,497)	(2,849)
Defined contribution pension cost	75	88
Gain on settlement of hedging instrument	(98)	-
	<u></u>	<u></u>

RETIREMENT BRIDGE INVESTMENTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

7. Auditors' remuneration

	2019 £000	2018 £000
Fees payable to the Group's auditors and its associates for the audit of the Group's annual financial statements	<u>123</u>	<u>108</u>
Fees payable to the Group's auditors and its associates in respect of:		
Other services relating to taxation	-	12
	<u>-</u>	<u>12</u>

8. Employee costs

Staff costs, including directors' remuneration, were as follows:

	2019 £000	2018 £000
Wages and salaries	1,124	1,061
Social security costs	122	122
Staff pension costs	75	88
	<u>1,321</u>	<u>1,271</u>

9. Employee numbers

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

	2019 No.	2018 No.
Management Staff	7	8
Directors	5	2
Finance and co-ordinating staff	14	17
	<u>26</u>	<u>27</u>

RETIREMENT BRIDGE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

10. Directors' remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2019 £000	2018 £000
Remuneration	321	313
Company contributions to defined contribution plans	23	25
	<u>344</u>	<u>338</u>

The highest paid director received remuneration of £216k (2018: £215k).

11. Amounts written off investments

	2019 £000	2018 £000
Impairment against goodwill on acquisition of subsidiaries	175	-
Profit on disposal of investments in subsidiaries	(1,022)	-
	<u>(847)</u>	<u>-</u>

12. Interest receivable and similar income

	2019 £000	2018 £000
Other interest receivable	11	30
	<u>11</u>	<u>30</u>

RETIREMENT BRIDGE INVESTMENTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

13. Interest payable and similar expenses

	2019 £000	2018 £000
Interest on debentures and bank loans	16,705	13,673
Other interest payable	84	-
	16,789	13,673
	16,789	13,673

14. Tax on profit

	2019 £000	2018 £000
Corporation tax		
Current tax on profits for the year	1,235	2,483
Adjustments in respect of previous periods	804	(409)
Total current tax	2,039	2,074
	2,039	2,074
Deferred tax		
Deferred tax	(3,162)	10
Total deferred tax	(3,162)	10
	(3,162)	10
Tax on profit	(1,123)	2,084

RETIREMENT BRIDGE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

14. Tax on profit (continued)

Factors affecting tax charge for the year

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

	2019 £000	2018 £000
Profit before tax	388	6,406
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	74	1,217
Effects of:		
Expenses not deductible for tax purposes	1,635	2,368
Income not taxable for tax purposes	(474)	(564)
Adjustments to tax charge in respect of prior periods	804	(409)
Adjust closing deferred tax to average rate	-	473
Adjust opening deferred tax to average rate	-	(529)
Deferred tax recognised	(3,162)	(472)
Total tax (credit)/charge for the year	(1,123)	2,084

Factors that may affect future tax charges

No provisions have been made for the tax that would become payable if the group's properties were sold at their year end replacement values. The total unprovided tax in respect of this is £24,324k (2018: £22,525k) There are no other factors that are expected to significantly affect the taxation charge in future years.

15. Dividends

	2019 £000	2018 £000
Equity dividends on ordinary shares	29,485	-
	29,485	-

RETIREMENT BRIDGE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

16. Intangible assets

Group

	Goodwill £000	Negative goodwill £000	Total £000
Cost			
At 1 October 2018	-	(33,927)	(33,927)
Additions	175	-	175
On disposal of subsidiaries	-	390	390
At 30 September 2019	<u>175</u>	<u>(33,537)</u>	<u>(33,362)</u>
Amortisation			
At 1 October 2018	-	(7,004)	(7,004)
Charge for the year	-	(2,497)	(2,497)
Impairment charge	175	-	175
At 30 September 2019	<u>175</u>	<u>(9,501)</u>	<u>(9,326)</u>
Net book value			
At 30 September 2019	<u>-</u>	<u>(24,036)</u>	<u>(24,036)</u>
At 30 September 2018	<u>-</u>	<u>(26,923)</u>	<u>(26,923)</u>

Intangible assets relate to goodwill and negative goodwill. Negative goodwill was capitalised on acquisition of the Retirement Solutions division of Grainger Plc and on acquisition of the New Sovereign Reversions Limited group in previous years.

Goodwill capitalised on the acquisition of Home and Capital Trust Limited and Retirement Bridge Group Limited during the year has been impaired in full.

The company has no intangible assets.

RETIREMENT BRIDGE INVESTMENTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

17. Tangible assets

Group

	Office equipment £000
Cost or valuation	
At 1 October 2018	66
Additions	1
	67
At 30 September 2019	67
Depreciation	
At 1 October 2018	14
Charge for the year on owned assets	8
	22
At 30 September 2019	22
Net book value	
At 30 September 2019	45
<i>At 30 September 2018</i>	52

The company has no tangible fixed assets.

RETIREMENT BRIDGE INVESTMENTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

18. Investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2018	97,004
Additions	10,479
Disposals	(97,024)
	10,459
At 30 September 2019	10,459
Net book value	
At 30 September 2019	10,459
<i>At 30 September 2018</i>	97,004

During the year, the group was reorganised, to separate the property owning and property management companies within the group. This was done to facilitate the utilisation of £74m debenture loans, secured against the property assets, from new funders.

On 30 April 2019 the company disposed of 100% of the share capital of Retirement Bridge Group Holdings Limited for consideration of £170,154k to an indirect subsidiary of the group. The profit on disposal of this investment was £73,130k.

At the same date, the company acquired 100% of the share capital of 4 subsidiaries; Retirement Bridge Group Limited, Home and Capital Nominees Limited, Retirement Bridge Management Limited and Home and Capital Trust Limited, for total consideration of £10,459k from indirect subsidiaries within the group. The investments in these companies, and their subsidiaries, has been included in the company's balance sheet at its fair value at the date of acquisition.

The group has taken advantage under paragraph 33.1A of FRS102 to not disclose transactions with other group companies and has therefore not provided supplementary notes to the accounts in relation to business combinations and discontinued operations on the above.

RETIREMENT BRIDGE INVESTMENTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

18. Investments (continued)

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Retirement Bridge Group Limited	England and Wales	Ordinary	100%
Home and Capital Nominees Limited	England and Wales	Ordinary	100%
Retirement Bridge Management Limited	England and Wales	Ordinary	100%
Home and Capital Trust Limited	England and Wales	Ordinary	100%
Equity Release Investment Company Limited	England and Wales	Ordinary	100%

RETIREMENT BRIDGE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

18. Investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Home and Capital Trustee Company Limited	England and Wales	Ordinary	100%
Equity Release Investment Company 2 Limited	England and Wales	Ordinary	100%
Retirement Bridge Group Holdings Limited	England and Wales	Ordinary	100%
Retirement Bridge Limited	England and Wales	Ordinary	100%
Home Properties Limited	England and Wales	Preference	100%
Hamsard 2518 Limited	England and Wales	Ordinary	100%
Reversions Financing Limited	England and Wales	Ordinary	100%
Bridgewater Property Holdings Limited	England and Wales	Ordinary	100%
Reversions Financing (No.1) 2011 Limited	England and Wales	Ordinary	100%
Bridgewater Equity Release (No.2) Limited	England and Wales	Ordinary	100%
Hamsard 2342 Limited	England and Wales	Ordinary	100%
Bridgewater Equity Release Nominees (No.1) Limited	England and Wales	Ordinary	100%
Nitro 2 Limited	England and Wales	Ordinary	100%
Bridgewater Tenancies Nominees Limited	England and Wales	Ordinary	100%
Bridgewater (Home Reversions) Number 1 Limited	England and Wales	Ordinary	100%
Bridgewater Equity Release Limited	England and Wales	Ordinary	100%
Bridgewater (Home Reversions Number 2) Limited	England and Wales	Ordinary	100%
Bridgewater Tenancies Limited	England and Wales	Ordinary	100%
Hamsard 2492 Limited	England and Wales	Ordinary	100%
BPT (Full Reversions) Limited	England and Wales	Ordinary	100%
BPT Bridgewater (Home Reversions) Limited	England and Wales	Ordinary	100%
Hamsard 2517 Limited	England and Wales	Ordinary	100%
Hamsard 2517 (New Business) Limited	England and Wales	Ordinary	100%
EL Investments Limited	England and Wales	Ordinary	100%
Equity Release Investment Properties Limited	England and Wales	Ordinary	100%
Retirement Bridge Housing Limited	England and Wales	Ordinary	100%
Homesafe Equity Release LP	England and Wales		100%
Retirement Bridge Home Reversions LP	England and Wales		100%
Equity Release (Increments) Limited	England and Wales	Ordinary	100%
Retirement Housing Management (Guernsey) Limited	Guernsey	Ordinary	100%
Retirement Housing No.1 (2007) Limited	England and Wales	Ordinary	100%
Bridgewater Lifetime Mortgages Limited	England and Wales	Ordinary	100%
Bridgewater Contractual Tenancies Limited	England and Wales	Ordinary	100%
Retirement Housing Management (Isle of Man) Limited	Isle of Man	Ordinary	100%
The Capital Appreciation Trust (Isle of Man) Limited	Isle of Man	Ordinary	100%
The Capital Appreciation Trust Limited	Guernsey	Ordinary	100%
Milford Reversions Limited	England and Wales	Ordinary	100%
Economic Reversions Limited	England and Wales	Ordinary	100%
Equity Release (Increments) No.1 Limited	England and Wales	Ordinary	100%
Equity Release (Increments) No.2 Limited	England and Wales	Ordinary	100%
Equity Release (Increments) No.3 Limited	England and Wales	Ordinary	100%
Equity Release (Increments) No.4 Limited	England and Wales	Ordinary	100%
Equity Release (Increments) No.5 Limited	England and Wales	Ordinary	100%
Equity Release (Increments) No.6 Limited	England and Wales	Ordinary	100%
Equity Release (Increments) No.7 Limited	England and Wales	Ordinary	100%
Equity Release (Increments) No.8 Limited	England and Wales	Ordinary	100%

RETIREMENT BRIDGE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

18. Investments (continued)

Indirect subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Equity Release (Increments) No.9 Limited	England and Wales	Ordinary	100%
Equity Release (Increments) No.10 Limited	England and Wales	Ordinary	100%
Elm Property Investments LLP	England and Wales		100%
Elm Reversions Limited	England and Wales	Ordinary	100%
New Sovereign Reversions Limited	England and Wales	Ordinary	100%
Sovereign Reversions Holdings Limited	England and Wales	Ordinary	100%
Sovereign Reversions Limited	England and Wales	Ordinary	100%
The Welfare Dwellings Trust Limited	England and Wales	Ordinary	100%
Sovereign Nominees Limited	England and Wales	Ordinary	100%
Sovereign Nominees No.2 Limited	England and Wales	Ordinary	100%
Reversionary Gains I Limited	Scotland	Ordinary	100%
Reversionary Gains II Limited	Scotland	Ordinary	100%
The Home and Capital Trust Group Limited	England and Wales	Ordinary	100%
Sovereign Retirement Capital Limited	England and Wales	Ordinary	100%
Capital Reversions Limited	England and Wales	Ordinary	100%

The registered office of all subsidiaries incorporated in England and Wales is Cross House, Westgate Road, Newcastle upon Tyne, NE1 4XX.

The registered office of subsidiaries incorporated in Guernsey is C/O Intertrust, Martello Court, Admiral Park, St Peter Port, Guernsey, GY1 3HB.

The registered office of the subsidiaries incorporated in Isle of Man is C/O FIM Capital, IOMA House, Hope Street, Douglas, Isle of Man, IM1 1AP.

The registered office of the subsidiaries incorporated in Scotland is C/O Pinsent Masons, 13 Queens Road, Aberdeen, AB15 4YL.

19. Stocks

	Group 2019 £000	Group 2018 £000
Trading properties	280,748	308,573
	<u>280,748</u>	<u>308,573</u>

At the year end, the replacement value of stock as assessed by external valuers is £350,991k (2018: £370,001k).

The carrying value is equal to the net realisable value at the year end reporting date.

The stock expense to cost of sales in the income statement amounted to £29,838k (2018: £33,619k).

RETIREMENT BRIDGE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

20. Debtors

	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Due after more than one year				
Financial instruments (after 1 yr)	-	397	-	-
	<u>-</u>	<u>397</u>	<u>-</u>	<u>-</u>
	Group 2019 £000	Group 2018 £000	Company 2019 £000	Company 2018 £000
Due within one year				
Trade debtors	915	336	-	-
Amounts owed by group undertakings	-	-	56,274	1,346
Other debtors	240	64	-	-
Deferred taxation	3,280	118	-	-
Prepayments and accrued income	228	167	-	-
	<u>4,663</u>	<u>685</u>	<u>56,274</u>	<u>1,346</u>

Amounts owed by group undertakings bore interest at 3.3% above LIBOR, are unsecured with no fixed date of repayment and are repayable on demand.

21. Cash at bank and in hand

	Group 2019 £000	Group 2018 £000
Cash at bank and in hand	12,552	22,099
	<u>12,552</u>	<u>22,099</u>

RETIREMENT BRIDGE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

22. Creditors: amounts falling due within one year

	Group 2019 £000	<i>Group 2018 £000</i>	Company 2019 £000	<i>Company 2018 £000</i>
Debenture loans	16,078	10,345	-	-
Trade creditors	46	40	-	-
Amounts owed to group undertakings	-	84,524	-	84,524
Corporation tax	1,243	1,283	-	-
Other taxation and social security	38	15	-	-
Other creditors	1,025	664	-	-
Accruals and deferred income	6,154	3,878	-	-
	<u>24,584</u>	<u>100,749</u>	<u>-</u>	<u>84,524</u>

Debenture loans are mainly fixed rate, are secured by specific assets held by the group's subsidiaries and bear interest at average rate of 6.88%. There are four loans in place with repayments linked to the cash flows generated from the sale of the underlying assets.

Amounts owed to group undertakings bore no interest, are unsecured with no fixed date of repayment and are repayable on demand.

23. Creditors: amounts falling due after more than one year

	Group 2019 £000	<i>Group 2018 £000</i>
Debentures loans	278,809	204,371
Financial instruments (after 1 yr)	333	-
	<u>279,142</u>	<u>204,371</u>

Debenture loans are mainly fixed rate, are secured by specific assets held by the group's subsidiaries and bear interest at average rate of 6.88%. There are four loans in place with repayments linked to the cash flows generated from the sale of the underlying assets.

RETIREMENT BRIDGE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

24. Financial instruments

	Group 2019 £000	<i>Group 2018 £000</i>	Company 2019 £000	<i>Company 2018 £000</i>
Financial assets				
Financial assets measured at fair value through profit or loss	-	397	-	-
Financial assets that are debt instruments measured at amortised cost	1,155	400	56,274	1,346
	1,155	797	56,274	1,346
Financial liabilities				
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	(333)	-	-	-
Financial liabilities measured at amortised cost	(295,958)	(299,944)	-	(84,524)
	(296,291)	(299,944)	-	(84,524)

Financial assets measured at fair value through profit or loss comprise of two interest rate swaps that were entered into on 3 December 2016 and 13 July 2017 to receive interest at LIBOR plus a fixed rate. The interest swaps were entered into to mitigate the cash flow risk of fluctuating interest rates. The swaps were based on an initial principal amount of £49.4m and amortised in line with the expected debt profile over time, terminating on 25 June 2019 with a net gain of £98,599.

Financial assets that are debt instruments measured at amortised cost comprise of all other financial assets of the group.

Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio comprise of a new interest rate swap entered into on 25 June 2019 to receive interest at LIBOR and pay interest at a fixed rate. The interest rate swap was entered into to mitigate the cash flow risk of fluctuating interest rates. The swap was based on an initial principal amount of £59.2m and amortises in line with the expected debt profile over time, maturing on 25 June 2022.

Financial liabilities measured at amortised cost comprise of all other financial liabilities of the group.

RETIREMENT BRIDGE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

25. Deferred taxation

Group

	2019	2018
	£000	£000
At beginning of year	118	125
Credited/(charged) to profit or loss	3,162	(7)
At end of year	3,280	118

The deferred tax asset is made up as follows:

	Group	Group
	2019	2018
	£000	£000
Accelerated capital allowances	7	7
Tax losses carried forward	3,273	111
	3,280	118

The provision for deferred tax is solely made up of unused tax losses. The company has tax losses of £19,296k arising in the United Kingdom that are available for offset against future taxable profits in the group.

26. Called up share capital

	2019	2018
	£000	£000
Allotted, called up and fully paid		
Nil (2018 - 547,223) Ordinary shares of £1.000000 each	-	547.22
Nil (2018 - 432,822) Ordinary B shares of £1.000000 each	-	432.82
Nil (2018 - 10) Ordinary C shares of £1.000000 each	-	0.01
96,773,700 (2018 - nil) A shares of £0.007760 each	750.96	-
8,040 (2018 - nil) B shares of £0.001000 each	0.01	-
900,000 (2018 - nil) C1 shares of £0.000100 each	0.09	-
1,200,000 (2018 - nil) C2 shares of £0.000100 each	0.12	-
420,000 (2018 - nil) C3 shares of £0.000100 each	0.04	-
229,121 (2018 - nil) X shares of £0.038519 each	8.83	-
1 (2018 - nil) Y share of £1.000000	-	-
	760.05	980.05

RETIREMENT BRIDGE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

26. Called up share capital (continued)

On 30 April 2019, the company allotted 8,040 B shares of £0.001 per share.

On the same date, the company re-designated 203,710 of the existing Ordinary B shares with a nominal value of £1.00 into 203,710 Ordinary shares with a nominal value of £1.00. The resulting 750,933 Ordinary shares of £1.00 each were then subdivided into 96,773,700 A shares with a nominal value of £0.00776.

On 30 April 2019, 9 existing Ordinary C shares with a nominal value of £1.00 per share, were re-designated as 9 X shares with a nominal value of £1.00 per share. The remaining 1 Ordinary C share with a nominal value of £1.00 per share was re-designated as 1 Y share with a nominal value of £1.00 per share. Finally, the remaining 229,112 Ordinary B shares with a nominal value of £1.00 were re-designated into 229,112 X shares with a nominal value of £1.00 per share.

On 8 May 2019, the 229,121 X shares were cancelled and extinguished to the extent of £0.74 on each X share thereby reducing the nominal value of each share from £1 to £0.26. The amount by which the share capital was reduced was repaid to the shareholder in accordance with the Company's articles of association.

Furthermore, on 27 June 2019, the 229,121 X shares were cancelled and extinguished to the extent of £0.22 on each X share thereby reducing the nominal value of each share from £0.26 to £0.04. The amount by which the share capital was reduced was repaid to the shareholder in accordance with the Company's articles of association.

Finally, on 30 September 2019, the company allotted 1,919,050,000 C1 shares with a nominal value of £0.0001, 3,198,420,000 C2 shares with a nominal value of £0.0001 and 895,558,100 C3 shares with a nominal value of £0.0001 by capitalising the sum of £601k from the company's profit and loss reserves. At the same date, 1,918,150,000 C1 shares of £0.0001, 3,197,220,000 C2 shares and 895,138,100 C3 shares were cancelled and extinguished and the amount by which the share capital was reduced was repaid to the shareholders in accordance with the Company's articles of association.

All classes of shares have attached to them full voting rights, except for the B shares which are non-voting. The shares have attached to them the capital distribution (including on winding up) rights set out in the Company's articles of association. The shares are not redeemable.

27. Reserves

Share premium account

Share premium account - this reserve records consideration paid for share capital over and above the par value of the share capital issued.

Other reserves

Cash flow hedge reserve - this reserve records the movement in the fair value of the hedging instrument.

Profit and loss account

Profit and loss account - This reserve records retained earnings and accumulated losses.

RETIREMENT BRIDGE INVESTMENTS LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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28. Contingent liabilities

At 30 September 2019, the company guaranteed loans of £68,071k by means of a legal charge over its assets and book debts. At the same date, the group guaranteed loans of £298,118k by means of legal charges over the group's assets and book debts.

29. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £75k (2018: £88k). Contributions totalling £2k (2018: £10k) were payable to the fund at the reporting date and are included in creditors due within one year.

30. Related party transactions

Company

The company has taken advantage under paragraph 33.1A of FRS 102, of not disclosing transactions with other group companies. There are no other transactions which are required to be disclosed under the terms of FRS 102.

Group

The directors believe that the Key Management Personnel of the Group are the same as the Directors. Remuneration (see note 10 for details of directors' remuneration).

The group has taken advantage under paragraph 33.1A of FRS 102, of not disclosing transactions with other group companies. There are no other transactions which are required to be disclosed under the terms of FRS 102.

31. Controlling party

Patron Capital V L.P is deemed to be the ultimate controlling party by virtue of its level of control over the company and group.