

Registered number: 09826520

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	Ashish Kashyap Shane Law
<b>Registered number</b>	09826520
<b>Registered office</b>	54 Portland Place London W1B 1DY
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered accountants & statutory auditors Central Square South Orchard Street Newcastle upon Tyne NE1 3AZ
<b>Bankers</b>	Barclays Bank Plc 5 St Ann's Street Quayside Newcastle upon Tyne NE1 3DX
<b>Solicitors</b>	Womble Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle upon Tyne NE1 3DX

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

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The directors present their strategic report for the period ended 30 September 2017.

#### 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.

#### Assets

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 assets.

#### 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.

#### Review of the business

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 2017.

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.

On 5 July 2017, the group acquired 100% shareholding in New Sovereign Reversions Ltd and its group companies. This included 23 home reversion companies extending its share of the home reversion segment of the equity release market. Two of the companies acquired, Home and Capital Trust Limited and Welfare Dwellings Trust limited are FCA regulated companies.

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## **RETIREMENT BRIDGE INVESTMENTS LIMITED**

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### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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#### **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 a failure of the supporting control environment. The UK leaving the European Union may lead to a fall in the value of assets and may reduce availability of appropriately priced financing to implement the current strategy.

#### **Future developments**

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

The group is currently in the process of introducing a new product to the home reversion market with an expected launch date during 2018.

This report was approved by the board on 20 March 2018 and signed on its behalf.

  
**Ashish Kashyap**  
Director

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

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The directors present their report and the audited consolidated financial statements for the year ended 30 September 2017.

#### 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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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 period was that of property trading. The company is a holding investment company for the group.

#### Results and dividends

The loss for the financial year, amounted to £5,022k (*period from 15 October 2015 to 30 September - loss £914 k*).

The directors do not propose the payment of a dividend.

#### Directors

The directors who served during the year were:

Ashish Kashyap  
Shane Law  
Owen H Wilson (resigned 19 April 2017)  
Alexander J Fortescue (resigned 19 April 2017)

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

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#### Future developments

The directors have disclosed information relating to future developments in the strategic report.

#### Financial risk

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

#### Interest rate risk

The company 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 internal planning and forecasting processes. The company maintains a combination of long term and short-term debt facilities to ensure that sufficient funds are available for operations and planned investment.

#### 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.

#### Post balance sheet events

There have been no significant events affecting the Group since the year end.

#### 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 20 March 2018 and signed on its behalf.

  
Ashish Kashyap  
Director

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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

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## Report on the audit of the financial statements

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### 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 and company's affairs as at 30 September 2017 and of the group's loss 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 Director's report and financial statements (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 30 September 2017; the consolidated statement of comprehensive income, the consolidated statement of changes in equity for the year then ended; the consolidated statement of cashflows; 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.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability 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.

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 2017 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 company and its environment obtained in the course of the audit, we did

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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

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#### 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](http://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.

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#### 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  
20 March 2018

**RETIREMENT BRIDGE INVESTMENTS LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

		Year ended 30 September 2017 £000	Period from 15 October 2015 to 30 September 2016 £000
	Note		
Turnover	4	50,642	25,076
Cost of sales		(38,510)	(20,672)
<b>Gross profit</b>		<b>12,132</b>	<b>4,404</b>
Administrative expenses		(2,009)	(2,264)
Other operating income	5	1,079	570
<b>Operating profit</b>	6	<b>11,202</b>	<b>2,710</b>
Interest payable and expenses	10	(13,625)	(5,608)
<b>Loss before taxation</b>		<b>(2,423)</b>	<b>(2,898)</b>
Tax on loss	11	(2,599)	1,984
<b>Loss for the financial year</b>		<b>(5,022)</b>	<b>(914)</b>
Cashflow hedge reserve		283	-
<b>Other comprehensive income for the year</b>		<b>283</b>	<b>-</b>
<b>Total comprehensive expense for the year</b>		<b>(4,739)</b>	<b>(914)</b>
<b>Loss for the year attributable to:</b>			
Owners of the parent Company		(5,022)	(914)
		(5,022)	(914)

The notes on pages 13 to 31 form part of these financial statements.

**RETIREMENT BRIDGE INVESTMENTS LIMITED**  
**REGISTERED NUMBER: 09826520**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2017**

	Note	2017 £000	2016 £000
<b>Fixed assets</b>			
Intangible assets	12	(29,772)	(26,749)
Tangible assets	13	55	54
		<u>(29,717)</u>	<u>(26,695)</u>
<b>Current assets</b>			
Stocks	16	341,103	319,940
Debtors: amounts falling due within one year	17	1,392	1,880
Cash at bank and in hand		14,990	10,327
		<u>357,485</u>	<u>332,147</u>
Creditors: amounts falling due within one year	18	(115,669)	(101,963)
<b>Net current assets</b>		<u>241,816</u>	<u>230,184</u>
<b>Total assets less current liabilities</b>		<u>212,099</u>	<u>203,489</u>
Creditors: amounts falling due after more than one year	19	(216,772)	(203,537)
<b>Net liabilities</b>		<u>(4,673)</u>	<u>(48)</u>
<b>Capital and reserves</b>			
Called up share capital	22	980	866
Other reserves	23	283	-
Profit and loss account	23	(5,936)	(914)
<b>Equity attributable to owners of the parent Company</b>		<u>(4,673)</u>	<u>(48)</u>
<b>Total equity</b>		<u>(4,673)</u>	<u>(48)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 March 2018.

  
**Ashish Kashyap**  
Director

The notes on pages 13 to 31 form part of these financial statements.

**RETIREMENT BRIDGE INVESTMENTS LIMITED**  
**REGISTERED NUMBER: 09826520**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2017**

	Note	2017 £000	2016 £000
<b>Fixed assets</b>			
Investments	15	107,004	95,564
		<u>107,004</u>	<u>95,564</u>
Creditors: amounts falling due within one year	18	(107,226)	(95,542)
<b>Net current liabilities</b>		<u>(107,226)</u>	<u>(95,542)</u>
<b>Total assets less current liabilities</b>		<u>(222)</u>	<u>22</u>
<b>Net (liabilities)/assets</b>		<u><u>(222)</u></u>	<u><u>22</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	980	866
Profit and loss account brought forward		(844)	-
Loss for the year		(358)	(844)
<b>Profit and loss account carried forward</b>		<u>(1,202)</u>	<u>(844)</u>
		<u><u>(222)</u></u>	<u><u>22</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 March 2018.

  
**Ashish Kashyap**  
 Director

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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	Called up share capital £000	Other reserves £000	Profit and loss account £000	Total equity £000
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(914)	(914)
Shares issued during the period	866	-	-	866
<b>At 1 October 2016</b>	<b>866</b>	<b>-</b>	<b>(914)</b>	<b>(48)</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(5,022)	(5,022)
Cash flow hedge reserve	-	283	-	283
Shares issued during the year	114	-	-	114
<b>At 30 September 2017</b>	<b>980</b>	<b>283</b>	<b>(5,936)</b>	<b>(4,673)</b>

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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**COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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	Called up share capital £000	Profit and loss account £000	Total equity £000
Comprehensive expense for the period			
Loss for the financial period	-	(844)	(844)
Shares issued during the period	866	-	866
At 30 September 2016 and 1 October 2016	866	(844)	22
Comprehensive expense for the period			
Loss for the financial year	-	(358)	(358)
Shares issued during the year	114	-	114
At 30 September 2017	980	(1,202)	(222)

**RETIREMENT BRIDGE INVESTMENTS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	2017 £000	2016 £000
<b>Cash flows from operating activities</b>		
Loss for the financial year	(5,022)	(914)
<b>Adjustments for:</b>		
Impairment of intangible assets	(3,056)	(1,099)
Depreciation of tangible assets	6	1
Interest paid	13,625	5,608
Taxation charge	2,993	(1,985)
Decrease in stocks	35,755	8,260
(Increase)/decrease in debtors	(91)	3,200
Increase/(decrease) in creditors	1,964	(549)
Corporation tax paid	(2,993)	-
<b>Net cash generated from operating activities</b>	<b>43,181</b>	<b>12,522</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(7)	(55)
Acquisition of subsidiaries	(49,167)	(137,851)
Interest paid	-	(5,608)
<b>Net cash used in investing activities</b>	<b>(49,174)</b>	<b>(143,514)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	114	866
Net proceeds from borrowings	24,167	140,453
Interest paid	(13,625)	-
<b>Net cash from financing activities</b>	<b>10,656</b>	<b>141,319</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,663</b>	<b>10,327</b>
Cash and cash equivalents at beginning of year	10,327	-
<b>Cash and cash equivalents at the end of year</b>	<b>14,990</b>	<b>10,327</b>
Cash at bank and in hand	14,990	10,327
	<b>14,990</b>	<b>10,327</b>

The notes on pages 13 to 31 form part of these financial statements.

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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#### 1. General information

The company is a private company limited by shares, registered in England and Wales. 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.

##### 2.2 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.

##### 2.3 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.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

##### 2.4 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.

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.5 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.

##### 2.6 Amortisation

The negative goodwill arising on the business combination is attributed to the fair value of the trading properties acquired, and will be released over the period in which they are sold.

##### 2.7 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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	-	20%
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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 Valuation of Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.9 Negative goodwill

Goodwill arising on acquisition is recognised at cost less accumulated amortisation and accumulated impairment losses. Negative goodwill will be released to the Income Statement on the sale of the underlying assets acquired.

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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#### 2. Accounting policies (continued)

##### 2.10 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.

##### 2.11 Business combinations

Business combinations are accounted for using the purchase method.

The cost of a business combination is measured as the aggregate of the fair values, at the acquisition date, of assets given, liabilities incurred or assumed, and equity instruments issued plus any costs directly attributable to the business combination.

Where control is achieved in stages, the cost of the business combination is the aggregate of the fair values of the assets given, liabilities incurred or assumed, and equity instruments issued at the date of each transaction in the series.

Where the business combination requires an adjustment to the cost contingent on future events, the estimated amount of that adjustment is included in the cost of the combination at the acquisition date providing it is probable and can be measured reliably. Where it is not recognised at the acquisition date but subsequently becomes probable and can be measured reliably, the additional consideration is treated as an adjustment to the cost of the combination.

##### 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.

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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#### 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.

#### 4. Turnover

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

	Year ended 30 September 2017 £000	Period from 15 October 2015 to 30 September 2016 £000
Rental income	570	11,130
Proceeds from sale of trading properties	50,072	13,946
	<u>50,642</u>	<u>25,076</u>

All turnover arose within the United Kingdom.

#### 5. Other operating income

	Year ended 30 September 2017 £000	Period from 15 October 2015 to 30 September 2016 £000
Other operating income	1,079	570
	<u>1,079</u>	<u>570</u>

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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**6. Operating profit**

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

	<b>Year ended 30 September 2017 £000</b>	<i>Period from 15 October 2015 to 30 September 2016 £000</i>
Depreciation of tangible fixed assets	6	1
Amortisation of intangible assets, including goodwill	(3,056)	(1,099)
Defined contribution pension cost	79	47
	<u>          </u>	<u>          </u>

**7. Auditors' remuneration**

	<b>Year ended 30 September 2017 £000</b>	<i>Period from 15 October 2015 to 30 September 2016 £000</i>
Fees payable to the Group's auditors and their associates for the audit of the Group's annual financial statements	105	74
	<u>          </u>	<u>          </u>
<b>Fees payable to the Group's auditors and their associates in respect of:</b>		
Taxation compliance services	17	20
	<u>          </u>	<u>          </u>
	<u>17</u>	<u>20</u>

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Employees**

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

	Year ended 30 September 2017 £000	<i>Period from 15 October 2015 to 30 September 2016 £000</i>
Wages and salaries	994	338
Social security costs	114	34
Other pension costs	79	47
	<u>1,187</u>	<u>419</u>

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

	Year ended 30 September 2017 No.	<i>Period from 15 October 2015 to 30 September 2016 No.</i>
Management Staff	5	3
Directors	2	2
Staff	17	15
	<u>24</u>	<u>20</u>

**9. Directors remuneration**

The directors aggregate remuneration in respect of qualifying services was:

	2017 £000	2016 £000
Remuneration	295	129
Company contributions to defined contribution plans	23	7
	<u>318</u>	<u>136</u>

There was £2k accruing to directors under money purchase schemes (2016: £nil).

The highest paid director received remuneration of £185k (2016 - £96k).

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Interest payable and similar expenses**

	Year ended 30 September 2017 £000	<i>Period from 15 October 2015 to 30 September 2016 £000</i>
Interest on debenture and bank loans	13,625	5,608
	<u>13,625</u>	<u>5,608</u>

**11. Tax on loss**

	Year ended 30 September 2017 £000	<i>Period from 15 October 2015 to 30 September 2016 £000</i>
<b>Corporation tax</b>		
Current tax on profits for the year	2,725	(1,467)
	<u>2,725</u>	<u>(1,467)</u>
<b>Total current tax</b>	<u>2,725</u>	<u>(1,467)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(126)	(517)
<b>Total deferred tax</b>	<u>(126)</u>	<u>(517)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>2,599</u>	<u>(1,984)</u>

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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**11. Tax on loss (continued)**

**Factors affecting tax charge for the year/period**

The tax assessed for the year/period is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.5% (Period from 15 October 2015 to 30 September 2016 - 20%). The differences are explained below:

	Year ended 30 September 2017 £000	Period from 15 October 2015 to 30 September 2016 £000
Loss on ordinary activities before tax	(2,423)	(2,898)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2016 - 20%)	(469)	(580)
Effects of:		
Prior period adjustment in relation to group relief	-	(1,467)
Expenses not deductible for tax purposes	347	283
Income not taxable	(900)	(220)
Negative goodwill amortisation - not taxable	(594)	-
Exempt distribution income	(619)	-
Adjustments to brought forward values	(8)	-
Adjustments to tax charge in respect of prior periods	446	-
Adjust opening deferred tax to average rate	(103)	-
Deferred tax not recognised	(306)	-
Other timing differences leading to an increase (decrease) in taxation	55	-
Other movements	22	-
Amalgamated consolidation adjustments - not deductible	4,728	-
<b>Total tax charge for the year/period</b>	<b>2,599</b>	<b>(1,984)</b>

**Factors that may affect future tax charges**

No provisions have been made for the tax that would become payable if the company's properties were sold at their year end replacement values. The total unprovided tax in respect of this is £24,592k (period from 15 October 2015 to 30 September : £3,669k)

There are no other factors that are expected to significantly affect the taxation charge in future years.

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RETIREMENT BRIDGE INVESTMENTS LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2017

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12. Intangible assets

Group and Company

	Negative goodwill £000
Cost	
At 1 October 2016	(27,848)
Additions	(6,079)
At 30 September 2017	<u>(33,927)</u>
Accumulated impairment	
At 1 October 2016	(1,099)
Charge for the year	(3,056)
At 30 September 2017	<u>(4,155)</u>
Net book value	
At 30 September 2017	<u><u>(29,772)</u></u>
At 30 September 2016	<u><u>(26,749)</u></u>

The company has no intangible assets.

The Intangible assets relate to negative goodwill acquired on acquisition of the Retirement Solutions division of Grainger Plc and on acquisition of the New Sovereign Reversions Limited group.

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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**13. Tangible assets**

**Group**

	Office equipment £000
<b>Cost or valuation</b>	
At 1 October 2016	55
Additions	7
At 30 September 2017	<u>62</u>
<b>Depreciation</b>	
At 1 October 2016	1
Charge for the period on owned assets	6
At 30 September 2017	<u>7</u>
<b>Net book value</b>	
At 30 September 2017	<u>55</u>
At 30 September 2016	<u>54</u>

**14. Investments**

	Investments in subsidiary companies £000
<b>Cost or valuation</b>	
At 1 October 2016	95,564
Additions	11,440
	<u>107,004</u>
<b>Net book value</b>	
At 30 September 2017	<u>107,004</u>
At 30 September 2016	<u>95,564</u>

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Country of incorporation</b>
Retirement Bridge Group Holdings Limited	Ordinary	100 %	England
Retirement Bridge Limited*	Ordinary	100 %	England
Home Properties Limited*	Preference	100 %	England
Hamsard 2518 Limited*	Ordinary	100 %	England
Reversions Financing Limited*	Ordinary	100 %	England
Bridgewater Property Holdings Limited*	Ordinary	100 %	England
Retirement Bridge Group Limited*	Ordinary	100 %	England
Reversions Financing (No1) 2011 Limited*	Ordinary	100 %	England
Bridgewater Equity Release (No.2) Limited*	Ordinary	100 %	England
Hamsard 2342 Limited*	Ordinary	100 %	England
Bridgewater Equity Release Nominees (No.1) Limited*	Ordinary	100 %	England
Nitro 2 Limited*	Ordinary	100 %	England
Bridgewater Tenancies Nominees Limited*	Ordinary	100 %	England
Bridgewater (Home Reversions) Number 1 Limited*	Ordinary	100 %	England
Bridgewater Equity Release Limited*	Ordinary	100 %	England
Bridgewater (Home Reversions Number 2) Limited*	Ordinary	100 %	England
Bridgewater Tenancies Limited*	Ordinary	100 %	England
Hamsard 2492 Limited*	Ordinary	100 %	England
BPT (Full Reversions) Limited*	Ordinary	100 %	England

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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#### 15. Subsidiary undertakings (continued)

BPT Bridgewater (Home Reversions) Limited*	Ordinary	100 %	England
Hamsard 2517 Limited*	Ordinary	100 %	England
Hamsard 2517 (New Business) Limited*	Ordinary	100 %	England
EL Investments Limited*	Ordinary	100 %	England
Equity Release Investment Properties Limited*	Ordinary	100 %	England
Retirement Bridge Management Limited*	Ordinary	100 %	England
Retirement Bridge Housing Limited*	Preference	100 %	England
Homesafe Equity Release LP*	Ordinary	100 %	England
Retirement Bridge Home Reversions LP*	Ordinary	100 %	England
Equity Release (Increments) Limited*	Ordinary	100 %	England
Retirement Housing Management (Guernsey) Limited*	Ordinary	100 %	Guernsey
Retirement Housing No.1 (2007) Limited*	Ordinary	100 %	England
Bridgewater Lifetime Mortgages Limited*	Ordinary	100 %	England
Bridgewater Contractual Tenancies Limited*	Ordinary	100 %	England
Retirement Housing Management (Isle of Man) Limited*	Ordinary	100 %	Isle of Man
The Capital Appreciation Trust (Isle of Man) Limited*	Ordinary	100 %	Isle of Man
The Capital Appreciation Trust Limited*	Ordinary	100 %	Guernsey
Milford Reversions Limited*	Ordinary	100 %	England
Economic Reversions Limited*	Ordinary	100 %	England
Equity Release (Increments) No.1 Limited*	Ordinary	100 %	England

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**15. Subsidiary undertakings (continued)**

Equity Release (Increments) No.2 Limited*	Ordinary	100 %	England
Equity Release (Increments) No.3 Limited*	Ordinary	100 %	England
Equity Release (Increments) No.4 Limited*	Ordinary	100 %	England
Equity Release (Increments) No.5 Limited*	Ordinary	100 %	England
Equity Release (Increments) No.6 Limited*	Ordinary	100 %	England
Equity Release (Increments) No.7 Limited*	Ordinary	100 %	England
Equity Release (Increments) No.8 Limited*	Ordinary	100 %	England
Equity Release (Increments) No.9 Limited*	Ordinary	100 %	England
Equity Release (Increments) No.10 Limited*	Ordinary	100 %	England
Elm Property Investments LLP*	Ordinary	100 %	England
Elm Reversions Limited*	Ordinary	100 %	England
New Sovereign Reversions Limited*	Ordinary	100 %	England
Sovereign Reversions Holdings Limited*	Ordinary	100 %	England
Sovereign Reversions Limited*	Ordinary	100 %	England
The Welfare Dwellings Trust Limited*	Ordinary	100 %	England
The Home & Capital Trust Group Limited*	Ordinary	100 %	England
Home & Capital Trustee Company Limited*	Ordinary	100 %	England
Sovereign Nominees Limited*	Ordinary	100 %	England
Sovereign Nominees No.2 Limited*	Ordinary	100 %	England

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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#### 15. Subsidiary undertakings (continued)

Second Spring Reversions Limited*	Ordinary	100 %	England
Capital Reversions Limited*	Ordinary	100 %	England
Sovereign Property Solutions Limited*	Ordinary	100 %	England
Sovereign Retirement Capital Limited*	Ordinary	100 %	England
Sovereign Equity Release Limited*	Ordinary	100 %	England
Home & Capital Nominees Limited*	Ordinary	100 %	England
Home Equity Limited*	Ordinary	100 %	England
Home & Capital Advisers Limited*	Ordinary	100 %	England
Hinton & Wild Limited*	Ordinary	100 %	England
Home & Capital Trust Partners Limited*	Ordinary	100 %	England
Reversionary Gains I Limited*	Ordinary	100 %	Scotland
Reversionary Gains II Limited*	Ordinary	100 %	Scotland
Reversionary Gains III Limited*	Ordinary	100 %	Scotland
Reversionary Gains IV Limited*	Ordinary	100 %	Scotland
Unchained Reversions Limited	Ordinary	100 %	Scotland

\* held indirectly.

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

The registered office of the 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 St, 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.

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Stocks**

	<b>Group 2017 £000</b>	<b>Group 2016 £000</b>	<b>Company 2017 £000</b>	<b>Company 2016 £000</b>
Trading properties	341,103	319,940	-	-
	<u>341,103</u>	<u>319,940</u>	<u>-</u>	<u>-</u>

The replacement value of stock is £388,996k (2016: £341,523k) based on market value at 30 September 2017, as assessed by external valuers.

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 £36,666k (2016: £13,356k)

**17. Debtors: amounts falling due within one year**

	<b>Group 2017 £000</b>	<b>Group 2016 £000</b>	<b>Company 2017 £000</b>	<b>Company 2016 £000</b>
Trade debtors	386	1,151	-	-
Other debtors	779	122	-	-
Prepayments and accrued income	102	90	-	-
Deferred taxation	125	517	-	-
	<u>1,392</u>	<u>1,880</u>	<u>-</u>	<u>-</u>

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Creditors: Amounts falling due within one year**

	<b>Group 2017 £000</b>	<b>Group 2016 £000</b>	<b>Company 2017 £000</b>	<b>Company 2016 £000</b>
Debenture loans	10,594	11,103	-	-
Trade creditors	1,794	103	-	-
Amounts owed to group undertakings	97,502	85,699	107,226	95,542
Taxation and social security	363	308	-	-
Other creditors	1,659	302	-	-
Accruals and deferred income	3,757	4,448	-	-
	<b>115,669</b>	<b>101,963</b>	<b>107,226</b>	<b>95,542</b>

Other creditors includes £1,500k of deferred consideration relating to the acquisition of New Sovereign Reversions. Debenture loans are mainly fixed rate, non financial institution loans which are secured by specific assets held by the company's subsidiaries and they bear interest at average rate of 6.3%.

**19. Creditors: Amounts falling due after more than one year**

	<b>Group 2017 £000</b>	<b>Group 2016 £000</b>	<b>Company 2017 £000</b>	<b>Company 2016 £000</b>
Debenture loans	216,772	203,537	-	-
	<b>216,772</b>	<b>203,537</b>	<b>-</b>	<b>-</b>

Debenture loans are mainly fixed rate, non financial institution loans which are secured by specific assets held by the company's subsidiaries and they bear interest at average rate of 6.3%. Interest payable for the year amounted to £13,625k (2016: £5,608k). There are three loans in place with financial institutions. £61m of the loans matures on 31 December 2020. The remainder of the loans have maturity dates linked to the sale of the underlying assets.

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**RETIREMENT BRIDGE INVESTMENTS LIMITED**

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**20. Financial instruments**

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
<b>Financial assets</b>				
Financial assets measured at amortised cost	342,503	332,147	107,004	95,564
	<u>342,503</u>	<u>332,147</u>	<u>107,004</u>	<u>95,564</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(332,330)	(305,500)	(107,226)	(95,542)
	<u>(332,330)</u>	<u>(305,500)</u>	<u>(107,226)</u>	<u>(95,542)</u>

**21. Deferred taxation**

**Group**

	2017 £000	2016 £000
At beginning of year	517	-
(Charged)/credited to profit or loss	(392)	517
At end of year	<u>125</u>	<u>517</u>

The deferred tax asset is made up as follows:

	Group 2017 £000	Group 2016 £000
Accelerated capital allowances	125	517
	<u>125</u>	<u>517</u>

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**22. Called up share capital**

	2017 £000	2016 £000
<b>Shares classified as equity</b>		
Group and company		
<b>Allotted, called up and fully paid</b>		
547,223 (2016 - 432,822) Ordinary shares shares of £1 each	547	433
432,822 Ordinary B shares shares of £1 each	433	433
10 Ordinary C shares shares of £1 each	-	-
	<u>980</u>	<u>866</u>

During the year, 114,401 Ordinary shares were issued at £1 each.

**23. Reserves**

**Other reserves**

Cashflow 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.

**24. Business combinations**

**Acquisition of New Sovereign Reversions Limited**

	Book value £000	Fair value £000
<b>Current assets acquired</b>	57,217	57,217
<b>Total assets</b>	<u>57,217</u>	<u>57,217</u>
Purchase consideration settled in cash, as above	34,368	34,368
Liabilities consumed	15,500	15,500
Deferred consideration	1,500	1,500
Negative goodwill	6,079	6,079
<b>Cash outflow on acquisition</b>	<u>57,447</u>	<u>57,447</u>

Deferred consideration is payable in full should the value of certain properties increase above 5% between the valuation dates of 30/06/2016 and 31/12/2017, and on a sliding scale if the value is between 0% and 5%.

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## RETIREMENT BRIDGE INVESTMENTS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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#### 25. Contingent liabilities

At 30 September 2017, the company, together with certain of its fellow group companies, has guaranteed loans of £233,189k (Period from 15 October 2015 to 30 September 2016: £42,602k) by means of a legal charge over its assets and book debts.

#### 26. 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 £79k (2016: £47k). Contributions totalling £8k (2016: £NIL) were payable to the fund at the reporting date and are included in creditors.

#### 27. 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 for the period amounted to £295k (2016: £129k).

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.

#### 28. Controlling party

During the year, on 19 April 2017, Patron Capital V L.P acquired a further 50% shareholding in Retirement Bridge Investments Limited increasing its shareholding to 100%. From that date, Patron Capital, V L.P is deemed to be the ultimate controlling party.