Brigid Investments No.5 Limited

Report and financial statements

Registered number 13188122

31 March 2023

Contents

Company Information

The Board of Directors	J H Abbott J G Christmas R J Newton P Sharma
Company secretary	Pario Limited
Registered office	Unit 18, Riversway Business Village Navigation Way Preston Lancashire PR2 2YP
Independent auditor	RSM UK Audit LLP Third Floor, 2 Semple Street, Edinburgh, EH3 8BL

Directors' report

for the year ended 31 March 2023

The Directors present their report and the audited financial statements of Brigid Investments No.5 Limited for the year ended 31 March 2023. The report includes a prior year adjustment to reflect the reduced property acquisition costs. The property acquisition costs were reduced as charges previously received by Brigid Investment Limited have been classified as finance fees within Brigid Investment Limited, as opposed to property acquisition costs that were charged to the Company.

Brigid Investments No.5 Limited was incorporated on 9 February 2021 and commenced trading on 2 April 2021, which is a comparative 14-month period to 31 March 2022.

Principal activities

The principal activity of the Company is the ownership and rental of properties within established retirement living complexes which are constructed and actively managed by McCarthy Stone Limited, the UK's leading retirement living manager.

The Company is performing to the required standards underwritten by the contracts entered into which govern the management of the Company. The Company has made solid progress during the year in terms of delivery and operating profitability.

The Company has modelled its anticipated financial performance for the full term of the project. The current operational model forecasts continued profits for the Company.

Key performance indicators

The Company tracks its performance against its financial model with key focus on rental income and void levels.

The Company relies on support from its immediate parent company, Brigid Investments Limited, who provide finance in the form of intra-group loans.

The results for the year are set out in the profit and loss account on page 9.

Position of the Company at the year end

The Company is performing in line with directors' expectations. The balance sheet position of the Company at the year end is net assets of £2,384,470 (2022 restated: £15,006,890).

The Company made a loss after tax for the year of £12,272,720 (2022 restated: £11,893,151).

Principal risks and uncertainties

Substantial elements of operational risk are passed on to the facilities manager, being McCarthy Stone who undertakes the management of the retirement complex and is responsible for marketing and letting of the properties under the terms of a Property Management Agreement.

The financial risk management objectives and policies of the Company, together with an analysis of the exposure to such risks, as required under the Companies Act are set out below.

Financial risk management

The Company has exposures to a variety of financial risks which are managed with the purpose of minimising any potential adverse effect on the Company's performance. The Directors have policies for managing each of these risks and they are summarised below:

Interest rate risk

Interest is charged on loans from the Company's parent, Brigid Investments Limited and is fixed. Details can be found in note 9.

Inflation risk

The Company's project revenue and most of its costs are linked to inflation. The group runs sensitivity testing based on its financial model and does not consider itself adversely exposed to large swings in inflation levels.

Directors' Report *(continued)*
for the year ended 31 March 2023

Financial risk management *(continued)*

Liquidity risk
The Company adopts a prudent approach to liquidity management by endeavouring to maintain sufficient cash and liquid resources to meet its obligations as they fall due. This is done through regular periodic cash flow forecasting of operating accounts through the operating model and requirements under the credit agreement to hold liquid resources in reserve accounts at the calculation dates.

Credit risk
The Company receives its revenue from rental receipts from renters, who undergo various checks to ensure their credit worthiness as part of the tenancy letting process. The directors consider this an appropriate mitigation against credit risk.

Dividends
The loss for the year, after taxation, amounted to £12,272,720 (2022 restated: £11,893,151). The Directors approved and paid dividends of £350,000 (2022: £750,000).

Employees
The Company has no employees.

Political and charitable contributions
The Company made no political or charitable contributions during the current period.

Directors and directors' interests
The Directors of the Company who held office during the year and to the date of signing these financial statements are listed below:

J H Abbott (appointed 27 March 2023)
J G Christmas (appointed 26 September 2022)
R J Newton (appointed 24 March 2023)
P Sharma (appointed 24 March 2023)
A H J M Kunne (appointed 31 March 2021, resigned 24 August 2022)
N A McBreen (appointed 16 February 2022 and resigned 31 March 2023)
A C H Yew (appointed 31 March 2021and resigned 09 May 2022)
W Lee (appointed 18 July 2022 and resigned 24 March 2023)

Strategic Report exemption
The Directors' Report has been prepared in accordance with the special provisions relating to small companies under Section 415 of the Companies Act 2006. Accordingly, no Strategic Report has been prepared.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The loss in the period is related to a fair value impairment in respect of the valuation of the property investment portfolio and is not a reflection of the underlying profitability of the Company. The Company has net current liabilities at 31 March 2023 of £206,665,530 (31 March 2022 restated: £120,743,110) primarily as a result of the inter-group loan from its immediate parent, Brigid Investments Limited, of £202,732,130 (31 March 2022: £122,270,571) which is presented as a short term creditor as terms allow for this to be called on demand. The immediate parent has however provided a letter of support confirming it will continue to extend financial support to Brigid Investments No.5 Limited for a period of at least 12 months from the date of approval of the 31 March 2023 financial statements.

Directors' Report *(continued)*
for the year ended 31 March 2023

To date, there has been no material adverse impact on the Company's cashflows, or the service levels provided and no indication of heightened risk of subcontractor failure. As a result, the cashflow forecasts indicate, that the group will be able to meet its liabilities as they fall due.

The group manages cash across the group and the group's debt facilities, which are key to the ability of Brigid Investments Limited to provide Brigid Investments No.5 Limited with ongoing financial support, expire on 2 April 2025 and are due for repayment, however the forecasts assume that the facility will continue. The directors have no reason to believe that the lenders will not continue to be supportive and they believe that they will secure a refinance, with revised covenant terms to ensure covenant compliance and are currently exploring options to renew the debt of £130m. However, the directors acknowledge that there is no certainty of this.

Based on the above indications the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances indicate the existence of a material uncertainty related to events or conditions which may cast significant doubt on the Company's ability to continue as a going concern and therefore, that the group and Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Disclosure of information to auditor
The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each Director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor
RSM UK Audit LLP were reappointed as the auditor of the company for the year ended 31 March 2023 and the auditor will be deemed to be reappointed and RSM UK Audit LLP will therefore continue in office.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the Board
Puneet Sharma

P Sharma
Director

Date: 29/03/24

Unit 18 Riversway Business Village
Navigation Way
Preston
Lancashire
PR2 2YP

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGID INVESTMENTS NO.5 LIMITED

Opinion

We have audited the financial statements of Brigid Investments No.5 Limited (the 'company') for the year ended 31 March 2023 which comprise the profit and loss account, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 1.5 in the financial statements, which highlights an assumed refinancing event of the debt facilities of £130m with revised covenant terms. As stated in note 1.5, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the group's and therefore the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

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

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGID INVESTMENTS NO.5 LIMITED *(continued)*

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRIGID INVESTMENTS NO.5 LIMITED *(continued)*

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and evaluation advice received from tax advisors.

The audit engagement team identified the risk of management override of controls, and the valuation of investment property as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates applied in the valuation of investment properties using the assistance of a valuation specialist.

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

Use of our report

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

Claire Monaghan

CLAIRE MONAGHAN (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Third Floor,

2 Semple Street

Edinburgh

EH3 8BL

Date 29/03/24

Profit and Loss Account
for the period ended 31 March 2023

	Notes	Year ended 31 March 2023 £	14 Month Period Restated * 2022 £
Turnover	2	**15,600,788**	8,141,838
Cost of sales		**(4,635,224)**	(2,329,796)
		10,965,564	5,812,042
Administrative expenses		**(214,582)**	(232,912)
Operating profit		**10,750,982**	5,579,130
Fair value losses on investment property	7	**(12,294,022)**	(12,817,941)
Interest payable and similar expenses	5	**(10,729,680)**	(4,398,438)
Loss before taxation		**(12,272,720)**	(11,637,249)
Tax on profits	6	**-**	(255,902)
Loss for the financial year		**(12,272,720)**	(11,893,151)

The notes on pages 12 to 19 form an integral part of these financial statements

* See note 1.15 in respect of the restatement.

Balance Sheet
at 31 March 2023

	Notes	31 March 2023 £	31 March 2022 Restated * £
Fixed Assets			
Investment Property	7	**209,050,000**	135,750,000
Current assets			
Debtors: amounts falling due within one year	8	**11,349,393**	14,588,164
Current liabilities			
Creditors: amounts falling due within one year	9	**(218,014,923)**	(135,331,274)
Net current liabilities		**(206,665,530)**	(120,743,110)
Net assets		**2,384,470**	15,006,890
Capital and reserves			
Called up share capital	10	**701**	401
Share Premium		**27,649,640**	27,649,640
Profit and loss account		**(25,265,871)**	(12,643,151)
Total shareholders' funds		**2,384,470**	15,006,890

The notes on pages 12 to 19 form an integral part of these financial statements

* See note 1.15 in respect of the restatement.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime. They were approved by the board of directors on 29/03/24 and were signed on its behalf by:

Puneet Sharma

P Sharma
Director

Company registered number: 13188122

Statement of Changes in Equity

	Called up share capital	Share Premium	Profit and loss account	Total Equity
	£	£	£	£
As restated*				
Loss for the period	-	-	(11,893,151)	(11,893,151)
Total loss for the period	-	-	(11,893,151)	(11,893,151)
Issue of new shares	401	27,649,640	-	27,650,041
Dividends Paid	-	-	(750,000)	(750,000)
Total transactions with owners	401	27,649,640	(750,000)	26,900,041
Balance at 31 March 2022	401	27,649,640	(12,643,151)	15,006,890

	Called up share capital	Share Premium	Profit and loss account	Total Equity
	£	£	£	£
Balance at 01 April 2022	**401**	**27,649,640**	**(12,643,151)**	**15,006,890**
Loss for the period	-	-	**(12,272,720)**	**(12,272,720)**
Total loss for the period	-	-	**(12,272,720)**	**(12,272,720)**
Issue of new shares	**300**	-	-	**300**
Dividends Paid	-	-	**(350,000)**	**(350,000)**
Total transactions with owners	**300**	-	**(350,000)**	**(349,700)**
Balance at 31 March 2023	**701**	**27,649,640**	**(25,265,871)**	**2,384,470**

The notes on pages 12 to 19 form an integral part of these financial statements.

* See note 1.15 in respect of the restatement.

Notes
(forming part of the financial statements)
1 Accounting policies

1.1 Company Information
Brigid Investments No.5 Limited (the "Company") is a private Company limited by shares and incorporated, domiciled and registered in England and Wales in the UK. The registered number is 13188122 and the registered address is Unit 18 Riversway Business Village Navigation Way, Preston, Lancashire, PR2 2YP.

1.2 Accounting Convention
These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (*"FRS 102"*). The presentation currency of these financial statements is sterling, and monetary amounts are rounded to the nearest £.

The financial statements are prepared on the historical cost basis.

1.3 Reduced disclosures
The Company's ultimate parent undertaking, Brigid UK Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Brigid UK Holdings Limited are prepared in accordance with FRS 102 and are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:
- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes including disclosure of changes in net debt; and
- Key Management Personnel compensation.

As the consolidated financial statements of Brigid UK Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:
- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.4 Judgements and key sources of estimation
The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

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

The fair value of the investment property is an estimate using the discounted cash flow valuation method with reference to the financial model in place. The valuation is prepared by an external valuer with key assumptions linked to the financial model, contracts in place surrounding the management of the properties and appropriate discount rate. The directors are of the opinion that the investment value/discounted cash flow model is the most appropriate method in determining fair value and 31 March 2023 believe the fair value of £209,050,000 to be appropriate. (2022: £135,750,000)

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The loss in the period is related to a fair value impairment in respect of the valuation of the property investment portfolio and is not a reflection of the underlying profitability of the Company. The Company has net current liabilities at 31 March 2023 of £206,665,530 (31 March 2022 restated: £120,743,110) primarily as a result of the inter-group loan from its immediate parent, Brigid Investments Limited, of £202,732,130 (31 March 2022: £122,270,571) which is presented as a short term creditor as terms allow for this to be called on demand. The immediate parent has however provided a letter of support confirming it will continue to extend financial support to Brigid Investments No.5 Limited for a period of at least 12 months from the date of approval of the 31 March 2023 financial statements.

To date, there has been no material adverse impact on the Company's cashflows, or the service levels provided and no indication of heightened risk of subcontractor failure. As a result, the cashflow forecasts indicate, that the group will be able to meet its liabilities as they fall due.

The group manages cash across the group and the group's debt facilities, which are key to the ability of Brigid Investments Limited to provide Brigid Investments No.5 Limited with ongoing financial support, expire on 2 April 2025 and are due for repayment, however the forecasts assume that the facility will continue. The Directors have no reason to believe that the lenders will not continue to be supportive and they believe that they will secure a refinance, with revised covenant terms to allow ensure compliance and are currently exploring options to renew the debt of £130m. However, the Directors acknowledge that there is no certainty of this.

Based on the above indications the Directors believe it remains appropriate to prepare the financial statements on a going concern basis. However, these circumstances indicate the existence of a material uncertainty related to events or conditions which may cast significant doubt on the Company's ability to continue as a going concern and therefore, that the group and Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

1.6 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and

(b) To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.7 Investment Property

The fair value of investment property was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued.

Notes *(continued)*

1 Accounting policies *(continued)*

1.8 Basic financial instruments

Debtors / creditors

Debtors are recognised initially at transaction price less attributable transaction costs. Creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. If the arrangement constitutes a financing transaction, for example, if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.9 Other financial instruments

Financial instruments not considered to be Basic financial instruments (Other financial instruments)

Other financial instruments not meeting the definition of Basic Financial Instruments are recognised initially at fair value. Subsequent to initial recognition other financial instruments are measured at fair value with changes recognised in profit or loss.

1.10 Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.11 Turnover

The company generates revenue by collecting rental income from retirement properties it owns. Revenue is recognised on a receipts basis as invoiced each month.

1.12 Expenses

Interest payable

Interest payable and similar expenses include interest payable on borrowings and associated ongoing financing fees.

Notes *(continued)*

1 Accounting policies *(continued)*

1.13 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

1.14 Share Premium

Ordinary shares are classified as equity attributable to the equity holders. Amounts received above the nominal share value is recorded as share premium.

1.15 Prior year adjustments

During the prior year the company recorded the financial advisory, debt origination and structuring services provided by Macquarie as property acquisition costs. These were incurred by Brigid Investments Limited but were recharged in full to Brigid Investments No 5 Limited and capitalised within investment property. The Directors have undertaken a review of the Macquarie costs and note that the original accounting treatment was incorrect, and the total costs should have been apportioned 52.5% as finance fees incurred by Brigid Investments Limited and 47.5% are property costs incurred but then recharged to Brigid Investment No 5 Limited. A prior period adjustment has been processed to reflect the correct apportionment of the fees incurred. It is also noted that the recharging of the property costs to Brigid Investment No. 5 Limited by Brigid Investments Limited creates a VAT liability of £1,052,266 as at 31 March 2022 which has also been recognised.

The impact on the financial statements is as follows:

		31 March 2022		
	Note	**As previously reported**	**Effect of Adjustment**	**Restated**
		£	**£**	**£**
Interest payable and similar expenses	5	(4,423,713)	25,275	(4,398,438)
Fair value losses on investment property	7	(17,484,955)	4,667,014	(12,817,941)
Creditors: amounts falling due within one year	9	(139,767,661)	4,436,387	(135,331,274)
Loss before taxation		(16,329,538)	4,692,289	(11,637,249)
Tax for the year	6	-	(255,902)	(255,902)
Loss for the year		(16,329,538)	4,436,387	(11,893,151)
Net current liabilities		(125,179,497)	4,436,387	(120,743,110)
Net assets		10,570,503	4,436,387	15,006,890
Profit and loss account reserves		(17,079,538)	4,436,387	(12,643,151)
Total shareholders' funds		10,570,503	4,436,387	15,006,890

Notes *(continued)*

2 Turnover

	2023	2022
	£	**£**
Rental Income	**15,600,788**	8,141,838
	15,600,788	8,141,838

All turnover originates in the United Kingdom.

3 Auditor's remuneration

Operating profit is stated after charging:

	2023	2022
	£	**£**
Audit of these financial statements	**17,350**	15,000
Tax compliance services	**3,000**	5,250

Auditor's remuneration is payable to RSM UK Audit LLP. Auditor's remuneration has been paid by Brigid Investments Limited.

4 Staff costs and Directors' remuneration

The Company had no employees during the period.

The Directors received no remuneration for their services during the period.

5 Interest payable and similar expenses

	2023	2022 As restated
	£	**£**
Interest on loan from Brigid Investments Limited	**10,729,680**	4,398,438
	10,729,680	4,398,438

Notes *(continued)*

6 Taxation

(a) Analysis of tax charge for the year

	2023	2022 As restated
	£	£
Current tax:		
UK corporation tax on profits for the year	-	255,902
Total tax charge	**-**	**255,902**

(b) Tax on profit on ordinary activities

The tax assessed for the period is lower than (2022: higher than) the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023	2022 As restated
	£	£
Loss on ordinary activities before tax	**(12,272,720)**	(11,637,249)
Expected tax charge based on the standard rate of corporation tax on the UK of 19.00% (2022: 19.00%)	**(2,331,817)**	(2,211,077)
Effects of:		
Fixed asset differences	**2,335,864**	2,435,409
Expenses not deductible for tax purposes	**1,636,590**	835,703
Chargeable losses	**(2,335,864)**	(2,415,279)
Group relief claimed	**(1,640,637)**	(804,133)
Remeasurement of deferred tax for changes in tax rates	**(737,642)**	(762,720)
Movement in deferred tax not recognised	**3,073,506**	3,177,999
Tax charge for the year (note 6(a))	**-**	255,902

The March 2021 Budget announced that a rate of 25% would apply with effect from 1 April 2023. This was substantively enacted on 24 May 2021 and the UK deferred tax asset / (liability) as at 31 March 2023 was calculated based on this rate.

Notes (continued)

7 Investment Property

	2023	2022
		As restated
	£	£
Fair Value		
As at 1 April	**135,750,000**	-
Additions	**85,594,022**	148,567,941
Fair Value Losses	**(12,294,022)**	(12,817,941)
As at 31 March	**209,050,000**	135,750,000

Jones Lang LaSalle Limited carried out a property valuation as at 31 March 2023, applying the Discounted Cash Flow methodology. Based on this valuation £12,294,022 has been written off as an impairment loss.

The cost of property acquisition £148,567,941 in 2022 includes £5,261,331 of Macquarie related property costs recharged from Brigid Investment Limited, this has been restated from £11,086,560. The charge of £5,261,331 is subject to VAT of £1,052,266 which is irrecoverable and has been capitalised.

The cost of property acquisition in 2023 includes £5,484,620 of Macquarie related property costs recharged from Brigid Investment Limited. The charge is subject to VAT of £1,096,924 which is irrecoverable and has been capitalised.

8 Debtors

	2023	2022
	£	£
Amounts due from group undertakings	**10,286,574**	14,541,582
Corporation tax receivable	**1,062,818**	-
Other taxation	-	46,582
	11,349,393	14,588,164

9 Creditors: amounts falling due within one year

	2023	2022
		As restated
	£	£
Accruals and deferred income	-	4,423,713
Intra group loans	**202,732,130**	122,270,571
Intercompany creditor	**15,282,793**	8,381,088
Corporation tax payable	-	255,902
	218,014,923	135,331,274

The carrying value of creditors is measured at amortised cost which approximated to fair value.

Intra group loans from Brigid Investments Limited attracting interest at 6% totalling of £10,729,680 (2022 restated: £4,398,438) in the period.

Notes *(continued)*

10 Capital and reserves

	2023			2022		
	Share Capital		Share Premium	Share Capital		Share Premium
	No.	£	£	No.	£	£
Authorised, issued and fully paid:						
Ordinary shares of par value of £1 each	**701**	**701**	**27,649,640**	401	401	27,649,640

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11 Related parties

Brigid Investments Limited is the immediate parent company of Brigid Investments No.5 Limited. The Company is ultimately controlled by John Laing Senior Living HoldCo Limited.

The details of the related party transactions are detailed as follows:

	2023		2022	
			£	£
	Transactions	Balance owed at year end	As restated Transactions	As restated Balance owed at year end
Group Loans				
Loans advanced from Brigid Investments Limited	**(80,461,559)**	**(202,732,130)**	(122,270,571)	(122,270,571)
Investment fees recharged from Brigid Investments Limited	**(6,901,705)**	**(15,282,793)**	(8,381,088)	(8,381,088)
Interest charged on loans from Brigid Investments	**(10,729,680)**	-	(4,398,438)	(4,398,438)
Intercompany recharges to Brigid Investments Limited	**10,935,365**	**10,286,574**	14,541,582	14,541,582
Dividend				
Dividend declared to Brigid Investments Limited	**(350,000)**	-	(750,000)	-

12 Ultimate parent Company and parent Company of larger Group

The Company is a wholly owned subsidiary undertaking of Brigid Investments Limited, the registered address of which is Unit 18 Riversway Business Village, Navigation Way, Preston, PR2 2YP, United Kingdom.

The smallest and largest Group in which the Company's results are consolidated is Brigid UK Holdings Limited. The beneficial owner of the Group in the UK is John Laing Group Limited, while the ultimate beneficial owner of the Company is KKR & Co. Inc, an entity incorporated in the state of Delaware, USA.