

Resolution Capital Limited

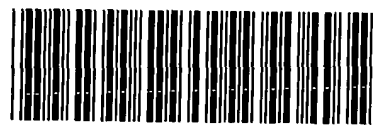
Unaudited Financial Statements

Year Ended

31 March 2019

Company Number 06726654

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Resolution Capital Limited
Registered number: 06726654

Balance Sheet
As at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	5	35,485,807	110,452
Current assets			
Debtors	6	12,415,539	31,860,265
Cash and cash equivalents		5,918,927	29,101,861
		<u>18,334,466</u>	<u>60,962,126</u>
Creditors: amounts falling due within one year	7	(391,996)	(609,118)
Net current assets		<u>17,942,470</u>	<u>60,353,008</u>
Total assets less current liabilities		<u>53,428,277</u>	<u>60,463,460</u>
Creditors: amounts falling due after more than one year	8	(81,487,477)	(76,217,904)
Net liabilities		<u>(28,059,200)</u>	<u>(15,754,444)</u>
Capital and reserves			
Called up share capital	9	10,000	10,000
Profit and loss account		(28,069,200)	(15,764,444)
		<u>(28,059,200)</u>	<u>(15,754,444)</u>

Resolution Capital Limited

Registered number: 06726654

Balance Sheet (continued)

As at 31 March 2019

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

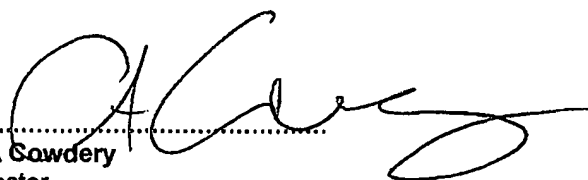
The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


.....
C A Cowdery
Director

Date: 19/12/2019

The notes on pages 3 to 10 form part of these financial statements.

Resolution Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

1. General information

Resolution Capital Limited is a private Company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company information page and its principal activities are set out in the directors report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

The director has undertaken a going concern assessment. The Company has made a loss in the current year but has sufficient cash resources for the foreseeable future. Therefore, the director is satisfied that the Company has adequate resources to operate as a going concern for the foreseeable future, and has prepared the financial statements on that basis.

Resolution Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less any provision for impairment. Other investments are measured at fair value.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Resolution Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

2. Accounting policies (continued)

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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

2.11 Current and deferred taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Resolution Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

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 for assets and liabilities as at the financial reporting date and the amounts reported for revenues and expenses during the year.

The following judgements (including the key areas of estimation uncertainty) have had the most significant effect on amounts recognised in the financial statements:

Other investments (note 9)

Other investments are recognised under the fair value through profit and loss method. In determining this amount, the group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the director considers factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or group customers.

Resolution Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

4. Employees

The average monthly number of employees, including directors, during the year was 1 (2018 - 2).

No director's emoluments were paid in the year (2018 - £Nil).

5. Fixed asset investments

	Subsidiary undertakings £	Other investments £	Total £
Cost or valuation			
At 1 April 2018	110,352	100	110,452
Additions	-	41,144,424	41,144,424
Disposals	(2)	-	(2)
Foreign exchange movement	-	1,103,772	1,103,772
Fair value adjustment	-	(6,872,839)	(6,872,839)
At 31 March 2019	<u>110,350</u>	<u>35,375,457</u>	<u>35,485,807</u>

Resolution Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

5. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Resolution Financial Group Limited*	Dormant Company	Ordinary	100%
Resolution Life US Limited*	Dormant Company	Ordinary	100%
RCAP (US) GP Limited*	Holding Company	Ordinary	100%
RCAP Feeder LP*	Holding Company	Ordinary	100%
Resolution Life GP Limited**	Holding Company	Ordinary	100%
Resolution Service Management Limited*	Shared Services and Property Management	Ordinary	100%
RLGH GP Ltd**	General Partner	Ordinary	100%
RLGH Management GP Ltd**	General Partner	Ordinary	100%
Other investments:			
Resolution Operations LLP*	Investment Management Services	Members Capital	0%
Resolution Life Group Holdings LP**	Holding Company	Members Capital	7.34%
RLGH Management LP**	Management Investment Company	Members Capital	0%

*Company incorporated in England and Wales.

**Company incorporated in Bermuda.

During the year the Company disposed 100% of the share capital held in Resolution (Brands) Limited and Resolution Service Management Limited.

During the year, the Company contributed an additional investment of £41,144,424 in Resolution Life Group Holdings LP.

Resolution Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

6. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	11,187,501	30,125,539
Other debtors	1,207,573	1,247,104
Prepayments and accrued income	-	429,911
VAT recoverable	20,465	57,711
	<u>12,415,539</u>	<u>31,860,265</u>

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

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	6,500	5,000
Amounts owed to group undertakings	277,060	533,208
Other creditors	-	4
Accruals and deferred income	108,436	70,906
	<u>391,996</u>	<u>609,118</u>

Amounts owed to group undertakings are interest free and repayable on demand.

Resolution Capital Limited

Notes to the Financial Statements For the Year Ended 31 March 2019

8. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Director's Loan	<u>81,487,477</u>	<u>76,217,904</u>

The loan facility has been made available to the Company by Clive Cowdery, the sole shareholder and director of the Company. The interest rate charge on the loan is 10% (2018: 10%). The loan is repayable on 31 December 2021.

During the year there was a further advance to the loan of £7,615,791 (£2018 - £Nil) by Clive Cowdery, the sole shareholder and director of the Company.

During the year the company repaid £10,100,522 (2018: £10,000,000) to the director. Interest of £7,754,304 (2018: £7,623,165) was charged during the year. At the year end, £81,487,477 (2018: £76,217,904) was due to the director.

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
10,000 (2018 - 10,000) Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

10. Related party transactions

During the year, the company repaid £10,100,522 (2018 - £10,000,000) of the director's loan. At the year end, the loan outstanding was in principal £57,215,269 (2018 - £59,700,000) and with interest £81,487,477 (2018 - £76,217,904).

During the year there was a further advance to the loan of £7,615,791 (£2018 - £Nil) by Clive Cowdery, the sole shareholder and director of the Company.

In accordance with FRS102 paragraph 33.1A Related Party Disclosures, the company has taken advantage of the exemption from disclosing transactions with fellow group companies.

11. Post balance sheet events

There have been no material subsequent events.

12. Controlling party

The ultimate controlling party is C A Cowdery as sole shareholder.