



RCB Bonds PLC
Unaudited Condensed Financial Statements
for the 6 months ended 28 February 2023

Registered number: 8940313

RCB Bonds PLC

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for the 6 months ended 28 February 2023**

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RCB Bonds PLC
Reference and Administrative Details
for the 6 months ended 28 February 2023

DIRECTORS: John Tattersall (Chairman)
Ian Coleman (Member of Audit Committee and Review Committee)
Gordon D'Silva
Thomas Hackett (Chairman, Review Committee and Member of Audit Committee)
Timothy Jones
Philip Wright (Chairman, Audit Committee)
Clare Bates (Member of Review Committee)
Naomi Roper (Member of Review Committee)
Amelie Busch (Member of Review Committee)

SECRETARY: Jane Thompson

REGISTERED OFFICE: Future Business Centre
Kings Hedges Road
Cambridge
CB4 2HY

COMPANY NUMBER: 8940313

AUDITOR: Price Bailey LLP
Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

PRINCIPAL BANKERS: National Westminster Bank plc
135 Bishopsgate
London
EC2M 3UR

SOLICITORS Linklaters LLP
One Silk Street
London
EC2Y 8HQ

John Tattersall

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17 April 2023

**RCB Bonds PLC
Strategic Report
for the 6 months ended 28 February 2023**

Summary and highlights

Change of name

The Company changed its name from Retail Charity Bonds PLC to RCB Bonds PLC on 10 September 2021 to reflect the fact that it will now act on behalf of ethical companies, as well as registered charities.

Results

The Directors present unaudited condensed financial statements for the 6 months to 28 February 2023.

The results of RCB Bonds PLC (the "Company") are set out on page 10. The articles of the Company do not permit the payment of a dividend.

Business model and strategy

RCB Bonds PLC is a special purpose vehicle created by Allia Ltd, a national charity and social finance specialist. The Company has been established for the purpose of issuing bonds and lending the proceeds to UK charities to enable them to deliver their charitable mission. The Company's objectives have been extended to allow proceeds also to be lent to ethical companies in the United Kingdom for the purpose of promoting social and/or environmental impact. It will not engage in any activities which are not related to this purpose.

The Company is governed by an independent Board of Directors, acting on a pro-bono basis, who will review applications by appropriate established organisations seeking loan finance.

As a special purpose issuing vehicle it has no employees and all management and administrative services are carried out, under a services agreement, by Allia Bond Services Limited (ABS) a wholly-owned subsidiary of City & Continental Limited (trading as Allia C&C).

The Company is not itself a charity but its articles do not permit the distribution of profit. The shares of the Company are principally held by RC Bond Holdings Ltd, an independent holding company.

One special share is held by Allia Ltd which provides that the articles of the Company cannot be changed without the consent of Allia Ltd.

Business review

The Company made a profit after tax of £2k (2022: £2k).

After the period ended 28 February 2023, on 7 March 2023 the Company issued £20m 6.25% bonds due 2029 (including retained bonds) secured on a loan to The Royal Masonic Benevolent Institution Care Company (RMBI). The total principal amount of RMBI bonds retained was £10m.

The Company issued a total of £39.6m of bonds in the 6 months to 28 February 2022.

The balance sheet position at period end shows net assets of £69k (2022:£65k).

ABS continued to undertake all activities relating to administration and management. Allia

**RCB Bonds PLC
Strategic Report
for the 6 months ended 28 February 2023**

C&C has the responsibility to act as origination manager to identify further suitable borrowers who would benefit from being able to access finance through an issue of bonds by the Company. Allia C&C is a subsidiary of Allia Ltd.

Key performance indicators

The entity operates as a funding vehicle and as such has no specific key performance indicators. The entity is monitored against the original performance model and its annual objective is to break even.

Principal risks and uncertainties

The principal risk for the Company is the credit risk, discussed below.

Financial risk management

The Company's operations expose it to a variety of financial risks that include the effects of interest rate risk, liquidity risk and credit risk.

- ***Interest rate risk***

As of 28 February 2023 100% of the Company's debt was on fixed rate terms. There is no intention to repay any debt prior to maturity; therefore, any movement in the market value of debt due to changes in interest rates is not deemed material to the ongoing operations of the Company.

- ***Liquidity risk***

The Company actively lends the full amount of the loans it borrows, thus it has assets to fully offset its liabilities and interest receivable to offset its interest payable.

- ***Credit risk***

The Company is reliant on the interest paid on its loans to fund the interest owing to bondholders. The Company's rights to receive payments from the borrowers under the loans and certain related assets under the issue documents for the bonds (the "Charged Assets") are charged as security for the benefit of the investors in each series of bonds. As each bond prospectus stipulates that the obligations of the Company to pay amounts due on the bonds are limited to the relevant Charged Assets, the bondholders do not have recourse to any general assets of the Company and the risk of default by the borrowers is fully borne by the investors in the bonds.

Operational risks

Since the Company has no employees, it relies entirely on ABS to provide management and administrative services. Any disruptions in the servicing arrangements could have an adverse effect on the Company. Having considered the complexity and volume of the transactions and the capability of ABS, this risk is judged to be low.

**RCB Bonds PLC
Strategic Report
for the 6 months ended 28 February 2023**

Future outlook

The Directors are satisfied with the results for the period and expect future performance to continue on the same basis.

The Company expects to issue further bonds in the next six months and beyond.

S172 statement

Throughout the period the Board of Directors has given consideration during its discussions and decision-making of the matters set out in section 172 of the Companies Act 2006. Set out below is a description of how the Directors have had regard to the matters set out in section 172 (1) when performing their duties under section 172.

The Company is a special purpose vehicle; its only business is issuing bonds and using the proceeds to make or acquire loans to UK charities and ethical companies in the United Kingdom for the purpose of promoting social and/or environmental impact.


The Company has no employees and therefore there are no matters relevant in this regard.

Allia C&C, part of the Allia group, provides debt advisory and arranging services, and arranges bond issues on behalf of borrowers. It also acts as lead manager on new issues and supports secondary market trading of bonds for institutional and professional investors.

As the Board of Directors, our intention is to behave responsibly and ensure that ABS operates the business for the Company in a responsible manner, operating within the high standards of business conduct and good governance expected for this special purpose vehicle.

The Company is a wholly owned subsidiary of RC Bond Holdings Limited, and the Directors believe that in the course of business for the year, the Company has acted fairly and transparently in the interests of the parent company.

By order of the board

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John Tattersall
Chairman
Signed: 17 April 2023

**RCB Bonds PLC
Directors' Report
for the 6 months ended 28 February 2023**

Incorporation

The Company was incorporated in England and Wales on 14 March 2014. Its ultimate parent undertaking is RC Bond Holdings Limited.

Consumption by the Company is less than 40,000 kWh of energy, therefore a statement of greenhouse gas emissions, energy consumption and energy efficiency disclosures is not given for that reason.

Principal activities

The principal activity of the Company is to act as a special purpose vehicle for the purpose of issuing bonds and using the proceeds to make or acquire loans to UK charities and ethical companies in the United Kingdom for the purpose of promoting social and/or environmental impact. It will not engage in any other business activity.

The Directors of the Company who have served during the period and to the date of the financial statements are:

John Tattersall (Chairman)
Ian Coleman (Member of Audit Committee and Review Committee)
Gordon D'Silva
Thomas Hackett (Chairman, Review Committee and Member of Audit Committee)
Timothy Jones
Philip Wright (Chairman, Audit Committee)
Clare Bates (Member of Review Committee)
Naomi Roper (Member of Review Committee)
Amelie Busch (Member of Review Committee)

Directors' remuneration

None of the Directors received any remuneration from the Company.

Directors' insurance

The Company has purchased insurance against Directors' liability for the benefit of the Directors of the Company.

Corporate Governance Statement

Internal control

The Board has established two committees:

1. The Review Committee is responsible for reviewing all loans to be made by the Company, recommending them to the Board for approval, considering the risk disclosures that will be required in relation to the issuer and for recommending to the Board for approval any bond issues and the particular disclosures to be made in the relevant prospectus.
2. The Audit Committee is responsible for the Company's relationship with its external auditors, including advising the Board on selection and remuneration, and for reviewing of the financial statements and the operation of its internal controls as carried out on its behalf by ABS.

The Company regards the successful identification, monitoring and control of risk as an essential part of its operations. To do so, it relies on the following procedures carried out by ABS on its behalf:

**RCB Bonds PLC
Directors' Report
for the 6 months ended 28 February 2023**

- All relevant details for each bond issue, such as amounts, contract details, timings are documented and confirmed by ABS and by the relevant borrower. At the same time a schedule of all transactions relating to the life of the bonds is prepared and agreed by all parties.
- Separate bank accounts are maintained for each series of bonds and also to separate general transactions from retained profits. All accounts are operated online with the usual bank security provisions, with dual authorisation required for any payment.
- Every bank account is reconciled monthly.
- Payments of bond interest are made through a professional paying agent.
- All accounting entries are recorded on Sage 200, which is provided with a full support package and which is backed up regularly. Appropriate anti-virus software is installed and updated as required.

Strategic Report

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, to set out in the Company's strategic report information required by schedule 7 of the large and medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' Report. It has done so in respect of its review of financial risk management and future outlook. The Company has no direct relationships other than ABS and it relies on ABS to foster business relationships with suppliers, customers and others.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report and 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 year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting 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 judgments and accounting estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going-concern basis, unless it is inappropriate to presume that the company will continue in operation.

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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**RCB Bonds PLC
Directors' Report
for the 6 months ended 28 February 2023**

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed in the principal activities section above, confirm that, to the best of each person's knowledge:

- (a) The financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- (b) The strategic report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces.

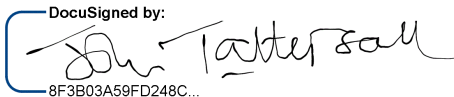
The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Section 418 of the Companies Act 2006, each Director in office at the date of the Directors' Report confirms that:

- (a) so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- (b) they have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board

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John Tattersall

Chairman

Signed: 17 April 2023

RCB Bonds PLC
Statement of Comprehensive Income
for the 6 months ended 28 February 2023

		6 months ended 28 February 2023	6 months ended 28 February 2022
	Notes	£'000	£'000
Turnover	2	206	330
Interest receivable and similar income	4	6,010	5,543
Interest payable and similar charges	5	(6,010)	(5,543)
Administrative expenditure		(204)	(328)
		<hr/>	<hr/>
Profit before taxation		2	2
Tax	6	-	-
		<hr/>	<hr/>
Profit and total comprehensive income for the period		<u>2</u>	<u>2</u>


All amounts for both the period ended 28 February 2023 and 28 February 2022 relate to continuing activities.

The notes on pages 14 to 25 form part of these financial statements.

(Registered number: 8940313)
RCB Bonds PLC
Statement of Financial Position
as at 28 February 2023

	Notes	As of 28 February 2023 £'000	As of 28 February 2022 £'000
Current assets			
Debtors: amounts due after more than one year	7	273,571	273,450
Debtors: amounts due after less than one year	8	3,127	3,096
Cash at bank and in hand		211	198
		276,909	276,744
Creditors			
Amounts falling due within one year	9	(3,269)	(3,229)
		273,640	273,515
Net current assets			
Creditors			
Amounts falling due after one year	10	(273,571)	(273,450)
		69	65
Net assets			
Capital and reserves			
Share capital	13	50	50
Profit and loss account		19	15
Shareholder's funds			
		69	65

The financial statements were approved by the Directors on 17 April 2023 and were signed on their behalf by:

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 JOHN TATTERSALL - CHAIRMAN

The notes on pages 14 to 25 form part of these financial statements.

(Registered number: 8940313)
RCB Bonds PLC
Statement of Changes in Equity
For the 6 months ended 28 February 2023

	Share capital	Profit and loss account	TOTAL
	£'000	£'000	£'000
Balance at 28 February 2022	50	15	65
Profit and total comprehensive income for the period	-	2	2
Balance at 31 August 2022	<u>50</u>	<u>17</u>	<u>67</u>
Profit and total comprehensive income for the period	-	2	2
Balance at 28 February 2023	<u>50</u>	<u>19</u>	<u>69</u>

The notes on pages 14 to 25 form part of these financial statements.

RCB Bonds PLC
Statement of Cash Flows
for the 6 months ended 28 February 2023

	6 months ended 28 February 2023 £'000	6 months ended 28 February 2022 £'000
Reconciliation of profit to net cash inflow		
Cash flow from operating activities		
Profit	2	2
Interest receivable on loans	(6,010)	(5,543)
Corporation tax charge	-	-
Corporation tax paid	-	-
(Increase) / decrease in debtors	(5)	25
Interest payable on notes	6,010	5,543
Increase / (decrease) in creditors	104	(65)
	101	(38)
Cash flow from investing activities		
Interest received on loans	5,820	5,555
Loans to borrowers	-	(32,260)
	5,820	(26,705)
Cash flow from financing activities		
Receipt of bond proceeds	-	32,260
Interest paid on notes	(5,820)	(5,555)
	(5,820)	26,705
Net cash inflow	101	(38)
CASHFLOW FOR THE PERIOD		
Increase / (decrease) in cash	101	(38)
Cash brought forward	110	236
Net cash resources at period end	211	198

The comparative figures are for the same period last year and therefore are not consecutive. The cash brought forward balance represents the closing balance at the end of the financial year.

RCB Bonds PLC
Notes to the Financial Statements
for the 6 months ended 28 February 2023

1. GENERAL INFORMATION

RCB Bonds PLC (the "Company") is a public limited company limited by shares domiciled in the United Kingdom and registered in England and Wales.

The address of the Company's registered office and principal place of business is shown on page 3.

The Company's principal activities are disclosed in the Directors' Report.

ACCOUNTING POLICIES

Basis of preparation

These condensed financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

A summary of the more important accounting policies, which have been consistently applied, are set out below:

Going concern

At the time of approving the financial statements the Directors have a reasonable expectation that the company will continue in operational existence and be able to meet its liabilities as they fall due for at least 12 months following the approval of the financial statements. The Company operates as a special purpose vehicle as explained in the Directors report. The nature of the Company is such that it has no employees and requires no fixed assets and only minimal reserves as the day to day operations are contracted out to ABS. The arrangements are structured to ensure the Company can at least break even. Consequently, the Directors continue to adopt the going concern basis of preparation.

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement. The Company considers that all of its financial instruments are "Basic Financial Instruments" and has applied the provisions of Section 11 of FRS 102 accordingly.

Basic financial assets, which include amounts owed from related parties and other debtors, accrued income and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest rate method.

Bonds and loans are held at amortised cost using the effective interest rate method. The discount/premium and issue costs of each series of bonds are amortised over the life of the series to which they relate.

Basic financial liabilities, including trade and other creditors and accrued expenses are initially recognised at transaction price and subsequently carried at amortised cost, using the effective interest rate method.

RCB Bonds PLC
Notes to the Financial Statements
for the 6 months ended 28 February 2023

Taxation

The Directors are satisfied that the Company meets the definition of a 'securitisation company' as defined by both The Finance Act 2005 and the subsequent secondary legislation and that no incremental unfunded tax liabilities will arise. As a result, no deferred tax amounts are recognised.

Under the powers conferred by the Act, secondary legislation was enacted in 2006 which ensures that, subject to certain conditions being met and an election being made, corporation tax for a 'securitisation company' will be calculated by reference to the profit of the securitisation company required to be retained in accordance with the relevant capital market arrangement.

Bond issuing costs

Costs in respect of the issue of a new series of bonds are deducted from proceeds and amortised to the profit and loss account over the expected life of the bonds.

Impairment

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

If there is objective evidence that an impairment loss on a financial asset classified as loans and receivables has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the effective interest rate of the instrument at initial recognition.

Impairment losses are recognised in the statement of comprehensive income and the carrying amount of the financial asset reduced by establishing an allowance for impairment losses and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance. Once an impairment loss has been recognised on a financial asset, interest income is recognised on the carrying amount using the rate of interest at which estimated future cash flows were discounted on measuring impairment.

Turnover

The turnover shown in the statement of comprehensive income represents fees for the arrangement of bond issues, including fees incurred on behalf of borrowers for legal costs, and for the servicing of existing bonds and is recognised by the Company in line with the provision of services, exclusive of Value Added Tax.

Segmental analysis

The whole Company's operations are carried out in the United Kingdom and the results and net assets are derived from bonds issued in the United Kingdom, so therefore the Directors only report one business and one geographic segment.

RCB Bonds PLC
Notes to the Financial Statements
for the 6 months ended 28 February 2023

Loans

Each of the Company's loans is a non-derivative financial asset with fixed or determinable repayments and is not quoted in an active market. It is classified as loans and receivables. In accordance with FRS 102 'Financial Instruments: Recognition and Measurement' each loan is measured at initial recognition at cost, and is subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Interest receivable

Interest receivable represents the amounts receivable as compound interest on the loan advances made and is calculated using the effective interest rate basis.

Interest payable

Interest payable represents the amounts payable as compound interest on the bonds issued and is calculated using the effective interest rate basis.

Cash and cash equivalents

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

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price.

RCB Bonds PLC
Notes to the Financial Statements
for the 6 months ended 28 February 2023

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical areas of judgement

The Company makes judgements concerning the future.

The key judgement that has a potential risk of causing a material adjustment to the carrying amounts of assets and liabilities is the carrying value of loans receivable of £273,571,000 (2022: £273,450,000).

The Directors are satisfied that, because each bond prospectus stipulates that the obligations of the Company to pay amounts due on the relevant bonds are limited to the relevant Charged Assets (as described in note 11), the risk of default by the borrowers is fully borne by the investors in the bonds.

Critical accounting estimates and assumptions

There are no critical accounting estimates and assumptions included within the financial statements.

RCB Bonds PLC
Notes to the Financial Statements
for the 6 months ended 28 February 2023

2. TURNOVER

Turnover was all derived from trading in the UK.

	6 months ended 28 February 2023 £'000	6 months ended 28 February 2022 £'000
Fees for the arrangement of bond issues	206	330
	206	330

During the period no transactions with a single external customer amounted to 10% or more of the total annual turnover (2022: Nil).

3. STAFF COSTS

The Company employs no staff. Allia C&C has the responsibility of origination management, with administration activities undertaken by ABS. None of the Directors received remuneration for their services (2022: Nil).

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	6 months ended 28 February 2023 £'000	6 months ended 28 February 2022 £'000
Interest receivable on loans	6,010	5,543
	6,010	5,543

5. INTEREST PAYABLE AND SIMILAR CHARGES

	6 months ended 28 February 2023 £'000	6 months ended 28 February 2022 £'000
Interest payable to bond holders	6,010	5,543
	6,010	5,543

RCB Bonds PLC
Notes to the Financial Statements
for the 6 months ended 28 February 2023

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge in the period	6 months ended 28 February 2023 £'000	6 months ended 28 February 2022 £'000
Current tax	-	-
Deferred tax	-	-
Tax on profit on ordinary activities	<u>-</u>	<u>-</u>

The tax assessed for the period is equal to the standard rate of corporation tax in the UK at 19%.

	6 months ended 28 February 2023 £'000	6 months ended 28 February 2022 £'000
Profit for the period before taxation	<u>2</u>	<u>2</u>
UK corporation tax at 19%	-	-
Current tax charge for the period	<u>-</u>	<u>-</u>

For UK corporation tax purposes, the Company has been considered as a 'Securitisation Company' under the 'Taxation of Securitisation Companies Regulations 2006 (SI 2006/3296)'. Therefore, the Company is not required to pay corporation tax on its accounting profit or loss. Instead, the Company is required to pay tax on a pre-defined proportion of its retained profits as specified in the documentation governing the transaction.

RCB Bonds PLC
Notes to the Financial Statements
for the 6 months ended 28 February 2023

7. DEBTORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR

	At 28 February 2023 £'000	At 28 February 2022 £'000
Loans receivable	273,571	273,450
	<u>273,571</u>	<u>273,450</u>

The loans are unsecured (see note 10 and 11 for further details). The Company's rights to receive payments from the borrowers under the loans and certain related assets under the issue documents for the bonds are charged as security for the benefit of the investors in each series of bonds.

The respective loans and bonds and the terms on which they were made are shown in note 11.

8. DEBTORS: AMOUNTS DUE WITHIN ONE YEAR

	At 28 February 2023 £'000	At 28 February 2022 £'000
Trade debtors	30	7
Other debtors	16	8
Amounts owing from related companies	50	50
Accrued interest on loans made	3,031	3,031
Loans to charities	-	-
	<u>3,127</u>	<u>3,096</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	At 28 February 2023 £'000	At 28 February 2022 £'000
Trade creditors	21	5
Other creditors	133	114
Deferred income	69	64
Accrued interest on bonds	3,031	3,031
Other accruals	15	15
Bonds issued to fund loans made	-	-
	<u>3,269</u>	<u>3,229</u>

RCB Bonds PLC
Notes to the Financial Statements
for the 6 months ended 28 February 2023

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

	At 28 February 2023 £'000	At 28 February 2022 £'000
Bonds to fund loan advances	<u>273,571</u>	<u>273,450</u>
	<u>273,571</u>	<u>273,450</u>

Each bond prospectus stipulates that the obligations of the Company to pay amounts due on the relevant bonds are limited to the relevant Charged Assets. Therefore, the risk of default by the borrowers is fully borne by the investors in the bonds.

The borrowings are due as follows:

	At 28 February 2023 £'000	At 28 February 2022 £'000
Due in less than five years	195,374	108,860
Due in more than five years	<u>78,197</u>	<u>164,590</u>
	<u>273,571</u>	<u>273,450</u>

The loans are unsecured (see note 7 and 11 for further details). All are repayable in full at the end of the related bond term at the maturity dates shown in note 11. The Company's rights to receive payments from the borrowers under the loans and certain related assets under the issue documents for the bonds are charged as security for the benefit of the investors in each series of bonds.

RCB Bonds PLC
Notes to the Financial Statements
for the 6 months ended 28 February 2023

11. BREAKDOWN OF DEBTORS AND CREDITORS: AMOUNT FALLING DUE AFTER MORE THAN ONE YEAR

As noted above, each series of bonds is secured against a corresponding loan issued on the same terms and for the same duration. These are listed below:

	Loan asset	Bond liability	Interest rate	Maturity date
Hightown Housing Association	26,941,923	26,941,923	4.40%	30/04/2025
Charities Aid Foundation	7,103,644	7,103,644	5.00%	12/04/2026
Greensleeves Homes Trust	49,983,924	49,983,924	4.25%	30/03/2026
Dolphin Living	24,897,731	24,897,731	4.25%	06/07/2026
Hightown Housing Association	31,378,216	31,378,216	4.00%	31/10/2027
Golden Lane Housing	18,211,598	18,211,598	3.90%	23/11/2027
Belong	36,857,310	36,857,310	4.50%	20/06/2026
Alnwick Garden Trust	12,408,266	12,408,266	5.00%	27/03/2030
Greensleeves Homes Trust	25,174,374	25,174,374	5.00%	17/12/2030
Golden Lane Housing	10,870,409	10,870,409	3.25%	22/07/2031
Charities Aid Foundation	29,743,508	29,743,508	3.50%	08/12/2031
	<u>273,570,903</u>	<u>273,570,903</u>		

12. RETAINED BONDS

When bonds are issued, the total is often higher than the amount initially placed. The balance is retained and may be sold at a later date, with the proceeds of such sale funding a further advance to the relevant borrower under the relevant loan agreement.

The amount of retained bonds held is as follows:

	At 28 February 2023 £'000	At 28 February 2022 £'000
Retained bonds held	<u>69,100</u>	<u>69,100</u>
	<u>69,100</u>	<u>69,100</u>

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13. SHARE CAPITAL

	At 28 February 2023 £'000	At 28 February 2022 £'000
Authorised issued shares of £1 each	50	50
Allotted, called up, but not paid	50	50

No shares were issued during the period.

50,000 of the issued £1 ordinary shares are allotted, called up, and paid (2022: 50,000)

The Directors are happy that the intercompany arrangement between RCB Bonds and RC Bond Holdings meet the payment requirements as per the Companies Act 2006.

In addition, there is one issued £1 special share, which is designated as a "Special Share" which is called up and paid. In respect of any resolution proposed in relation to any alteration in the articles of association of the Company, the holder of the Special Share is entitled to cast such number of votes as is necessary to defeat the resolution and, in the event that the holder of the Special Share has not voted in respect of any such resolution, such resolution will be deemed not to have been passed. The holder of the Special Share shall not be entitled to vote in relation to any matter other than a proposed alteration in the articles of association of the Company.

14. RELATED PARTIES

John Tattersall is a Director of the Company; he owns £10,000 (2022: £10,000) of the bonds in relation to Hightown Housing Association Limited issued by the Company in 2015, £8,300 (2022: £8,300) of the bonds in relation to Dolphin Square Charitable Foundation issued by the Company in 2017 and £8,100 (2022: £8,100) of the bonds in relation to Greensleeves Homes Trust issued by the Company in 2017. The Director received interest in line with the published return on the bond.

Philip Wright, a Director of the Company, is also a Trustee of Allia Limited. Timothy Jones, a Director of the Company, is also the Chairman of Allia Ltd and Allia C&C. During the period 6 months ended 28 February 2023 ABS charged the Company £132,000 (2022: £112,000); ABS is a wholly owned subsidiary of Allia C&C. At 28 February 2023 the Company owed £132,000 to ABS (2022: £112,000).

In addition, Allia Ltd holds the £1 Special Share described in note 13.

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14. RELATED PARTIES (continued)

During this period and the prior period, the Company employed no staff and had no key management other than the Directors. All services are provided to the Company by ABS and Allia C&C. None of the Directors received remuneration for their services (2022: £nil), they are remunerated by Allia C&C but it is not practical to split out the element of their remuneration relating to services to the Company.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is RC Bond Holdings Limited, which is a company limited by guarantee (registered company number 8936422).

The largest group in which the results of the Company are consolidated is that headed by RC Bond Holdings Limited. No other consolidated financial statements include the results of the Company.

A copy of the consolidated financial statements for the year ended 31 August 2022 can be obtained from RC Bond Holdings Limited, Future Business Centre, Kings Hedges Road, Cambridge, CB4 2HY, United Kingdom.

16. NET DEBT RECONCILIATION

	At 28 February 2022	Cash Flows	Other non-cash changes	At 28 February 2023
	£'000	£'000	£'000	£'000
<i>Cash and cash equivalents</i>	198	13	-	211
	198	13	-	211
<i>Borrowings</i>				
Debt due within one year	-	-	-	-
Debt due after one year	(273,450)	-	(121)	(273,571)
	(273,450)	-	(121)	(273,571)
Net debt total	(273,252)	13	(121)	(273,360)

Other non-cash changes are due to the effective interest rate adjustment.

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17. FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments, all of which are measured at amortised cost, were as follows:

	At 28 February 2023 £'000	At 28 February 2022 £'000
<i>Financial assets:</i>		
Loans	276,602	276,480
Trade and other debtors	96	65
Cash at bank and in hand	211	198
	<u>276,909</u>	<u>276,743</u>
<i>Financial liabilities:</i>		
Notes	(276,602)	(276,480)
Trade and other creditors	(169)	(134)
	<u>(276,771)</u>	<u>(276,614)</u>

Financial assets that are debt instruments measured at amortised cost comprise loan notes, trade and other debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise bond notes, trade and other creditors.

18. POST BALANCE SHEET EVENTS

On 7 March 2023 the Company issued £20m 6.25% bonds due 2029 (including retained bonds) secured on a loan to The Royal Masonic Benevolent Institution Care Company (RMBI). The total principal amount of RMBI bonds retained was £10m.