

---

**Residential Secure Income PLC**  
**COMPANY NO. 10683026**

---

**INTERIM ACCOUNTS (UNAUDITED)**

**FOR THE PERIOD 12 JULY 2017 TO 31 DECEMBER 2017**

**WEDNESDAY**



\*A717E1WQ\*

A10

07/03/2018

#262

COMPANIES HOUSE

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

**COMPANY INFORMATION**

---

**Non-Executive Directors** Rt. Hon. Baroness Dean of Thornton le Fylde (appointed 9 June 2017)  
John Carleton (appointed 9 June 2017)  
Robert Gray - (appointed 9 June 2017)  
Robert Whiteman (appointed 9 June 2017)

**Company secretary** Langham Hall UK Services LLP  
5 Old Bailey  
London  
EC4M 7BA

**Registered office** 5 Old Bailey  
London  
EC4M 7BA

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

**CONTENTS**

---

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE INTERIM ACCOUNTS .....	4
STATEMENT OF COMPREHENSIVE INCOME .....	5
STATEMENT OF FINANCIAL POSITION .....	6
STATEMENT OF CHANGES IN EQUITY .....	7
NOTES TO THE FINANCIAL STATEMENTS .....	8-14

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10883026**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE INTERIM ACCOUNTS FROM 12 JULY 2017 TO 31 DECEMBER 2017**

---

The Directors are responsible for preparing the interim accounts and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Company financial statements for each financial year. Under that law the Directors are required to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

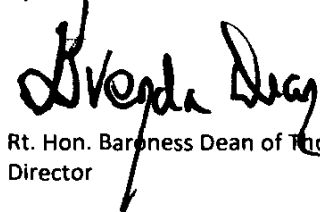
Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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 they have been prepared in accordance with IFRS as adopted by EU, 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 business.

The Directors are responsible for keeping proper 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By order of the Board



Rt. Hon. Baroness Dean of Thornton le Fylde  
Director

06 March 2018

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD 12 JULY 2017 TO 31 DECEMBER 2017**

	Note	12 July 2017 to 31 December 2017	21 March 2017 to 11 July 2017
		£	£
<b>Interest income</b>		83,274	-
<b>Operating expenses</b>			
Fund Management Fee	3	(836,088)	-
General and administrative expenses	4	(210,019)	(17,137)
Directors' remuneration	5	(73,915)	(10,849)
<b>Total operating expenses</b>		<u>(1,120,022)</u>	<u>(27,986)</u>
<b>Operating loss</b>		<u>(1,036,748)</u>	<u>(27,986)</u>
Finance expense	6	(520)	-
<b>Total loss for the period</b>		<u>(1,037,268)</u>	<u>(27,986)</u>
<b>Loss per share</b>	14	<u>(0.58p)</u>	

The Company does not have any other comprehensive income and hence the net loss for the period, as disclosed above, is the same as the Company's total comprehensive loss.

All items in the above statement derive from continuing operations.

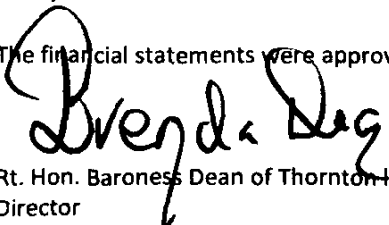
The notes on pages 8 to 14 form part of these financial statements.

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017**

	Note	As at 31 December 2017 £	As at 11 July 2017 £
<b>Assets</b>			
<b>Non-Current assets</b>			
Investment in subsidiaries	7	100,470,859	-
<b>Total non-current assets</b>		<b>100,470,859</b>	<b>-</b>
<b>Current Assets</b>			
Receivables and prepayments	8	43,234	50,001
Cash and cash equivalents	9	75,413,435	-
<b>Total current assets</b>		<b>75,456,669</b>	<b>50,001</b>
<b>Total Assets</b>		<b>175,927,528</b>	<b>50,001</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables and accrued expenses	10	383,760	77,986
<b>Total current liabilities</b>		<b>383,760</b>	<b>77,986</b>
<b>Total liabilities</b>		<b>383,760</b>	<b>77,986</b>
<b>Total assets less liabilities</b>		<b>175,543,768</b>	<b>(27,985)</b>
<b>Capital and Reserves</b>			
Share capital	11	1,802,133	1
Share premium account	12	-	-
Capital Reduction Reserve	13	174,806,889	-
Retained earnings		(1,065,254)	(27,986)
<b>Total Capital and Reserves attributable to equity holders of the Company</b>		<b>175,543,768</b>	<b>(27,985)</b>
<b>NAV per share</b>	14	<b>97.41</b>	

The financial statements were approved by the Board of Directors on 06 March 2018 and signed on its behalf by:

  
Rt. Hon. Baroness Dean of Thornton-le-Fyde  
Director

The notes on pages 8 to 14 form part of these financial statements.

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 21 MARCH 2017 TO 31 DECEMBER 2017**

	Share capital	Share premium	Capital reduction reserve	Retained earnings	Total equity
Balance as at 21 March 2017	-	-	-	-	-
Ordinary Shares issued	1	-	-	-	1
Loss for the period	-	-	-	(27,986)	(27,986)
<b>Balance at 11 July 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,986)</b>	<b>(27,985)</b>
Loss for the period	-	-	-	(1,037,268)	(1,037,268)
Ordinary Shares Issued	1,802,132	178,406,889	-	-	180,209,021
Share Issue Costs	-	(3,600,000)	-	-	(3,600,000)
Cancellation of share premium	-	(174,806,889)	174,806,889	-	-
<b>Balance at 31 December 2017</b>	<b>1,802,133</b>	<b>-</b>	<b>174,806,889</b>	<b>(1,065,254)</b>	<b>175,543,768</b>

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

The notes on pages 8 to 14 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 12 JULY 2017 TO 31 DECEMBER 2017**

---

**1. General information**

Residential Secure Income PLC (the "Company") was incorporated in England and Wales under the Companies Act 2006 as a public company limited by shares on 21 March 2017. The Company's registration number is 10683026. The registered office of the Company is located at 5 Old Bailey, London, EC4M 7BA.

The company achieved admission to the premium listing segment of the Official List of the London Stock Exchange on 12 July 2017.

**2. Accounting policies**

The principal accounting policies applied in the preparation of the financial statements are set out below. The policies have been consistently applied throughout the period.

**2.1. Basis of preparation of financial statements**

These financial statements are prepared and approved by the Directors in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board ("IASB").

The financial statements are presented in Sterling and all values are rounded to the nearest pound (£), except when otherwise indicated.

**Changes to accounting standards and interpretations**

The following new accounting standards, interpretations and amendments, which are not yet effective and have not been early adopted in this financial information, that will or may have an effect on the Company's future financial statements:

- IFRS 9, 'Financial Instruments' effective after 1st January 2018.
- IFRS 15, 'Revenue Recognition' effective January 1, 2018.
- IFRS 16, 'Leases' effective after 1st January 2019.

The Directors are currently assessing the impact on the financial statements of the standards listed above; however at present they do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application, other than on presentation and disclosure.

**Going Concern**

The Directors have made an assessment of the Company's ability to continue as a going concern and are satisfied that the Company has the resources to continue in business for the foreseeable future. Furthermore, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements have been prepared on the going concern basis.

**2.2. Significant accounting judgements and estimates**

The preparation of financial statements in accordance with the principles of IFRS requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future. Estimates and underlying



**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 12 JULY 2017 TO 31 DECEMBER 2017**

---

**2. Accounting policies (continued)**

**2.3. Summary of significant accounting policies**

The principal accounting policies applied in the presentation of these financial statements are set out below.

**a) Presentation currency**

The primary objective of the Company is to generate returns in Sterling, its capital-raising currency. The Company's performance is evaluated in Sterling. Therefore, the Directors consider Sterling as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions and it has therefore adopted as the presentation currency.

**b) Finance income and expense**

Finance income comprises interest receivable on funds invested. Financing expenses comprise interest payable plus fees.

Interest income and interest payable is recognised in profit and loss as it accrues, using the effective interest method.

**c) Cash and cash equivalents**

Cash and short-term deposits in the balance sheet comprise cash at bank (including investments in money-market funds) and short-term deposits with an original maturity of three months or less.

**d) Capital management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

**e) Receivables and prepayments**

Other receivables are recognised at their original invoiced value. Where the time value of money is material, receivables are discounted and then held at amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

**f) Other payables and accrued expenses**

Other payables and accrued expenses are initially recognised at fair value and subsequently held at amortised cost.

**g) Provisions**

A provision is recognised in the statement of financial position when the Company has a present legal or constructive obligation as a result of a past event that can be reliably measured and is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 12 JULY 2017 TO 31 DECEMBER 2017**

---

**2. Accounting policies (continued)**

**2.3. Summary of significant accounting policies (continued)**

**h) Dividend payable to shareholders**

Equity dividends are recognised when they become legally payable.

**i) Share issue costs**

The costs of issuing or reacquiring equity instruments (other than in a business combination) are accounted for as a deduction from equity.

**j) Taxation**

Taxation on the profit or loss for the period not exempt under UK REIT regulations would comprise of current and deferred tax. Tax would be recognised in the statement of comprehensive income except to the extent that it relates to items recognised as direct movement in equity, in which case it would be recognised as a direct movement in equity. Current tax is expected tax payable on any non-REIT taxable income for the period, using tax rates enacted or substantively enacted at the balance sheet date.

**k) Investment in subsidiaries**

The investments in subsidiary companies are included in the Company's balance sheet at cost less provision for impairment.

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 12 JULY 2017 TO 31 DECEMBER 2017**

**3. Fund Management Fee**

On 16 June 2017 the board appointed RESI Capital Management Limited to act as alternative investment fund manager (the Fund Manager), in compliance with the provisions of the AIFMD, pursuant to the Fund Management Agreement.

The Fund Manager is entitled to an annual management fee (the Fund Management Fee) under the Fund Management Agreement with effect from the date of Admission, as follows:

- a) on that part of the Net Asset Value up to and including £250 million, an amount equal to 1 % of such part of the Net Asset Value;
- b) on that part of the Net Asset Value over £250 million and up to and including £500 million, an amount equal to 0.9 % of such part of the Net Asset Value;
- c) on that part of the Net Asset Value over £500 million and up to and including £1,000 million, an amount equal to 0.8 % of such part of the Net Asset Value;
- d) on that part of the Net Asset Value over £1,000 million, an amount equal to 0.7 % of such part of the Net Asset Value.

The Fund Management Fee shall be paid quarterly in advance. 75 per cent. of the total Fund Management Fee will be payable in cash and 25 per cent. of the total Fund Management Fee (net of any applicable tax) will be payable in the form of Ordinary Shares rather than cash.

**4. General and administrative expenses**

	<b>12 July 2017 to 31 December 2017</b>	<b>21 March 2017 to 11 July 2017</b>
	£	£
Legal and professional fees	101,115	-
Administration fees	34,474	8,137
Audit fees	28,734	9,000
Depository fees	11,722	-
Insurance	11,200	-
Valuation fees	8,046	-
Employer's NI	6,661	-
Marketing	4,274	-
Directors' expenses	3,793	-
<b>Total general and administrative expenses</b>	<b><u>210,019</u></b>	<b><u>17,137</u></b>

**5. Director's remuneration**

	<b>12 July 2017 to 31 December 2017</b>	<b>21 March 2017 to 11 July 2017</b>
	£	£
Directors' fees	<u>73,915</u>	<u>10,849</u>
<b>Total directors' remuneration</b>	<b><u>73,915</u></b>	<b><u>10,849</u></b>

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 12 JULY 2017 TO 31 DECEMBER 2017**

6. Finance expense	12 July 2017 to 31 December 2017	21 March 2017 to 11 July 2017
	£	£
Bank charges	520	-
<b>Total finance expense</b>	<u>520</u>	<u>-</u>

**7. Investment in subsidiaries**

The Company has the following subsidiary undertakings as at 31 December 2017.

Name of Entity	Percentage of Ownership	Country of Incorporation	Investment at cost
RHP Holdings Limited	100%	UK	100,470,859
<b>Total investment in subsidiaries</b>			<u>100,470,859</u>

**8. Receivables and prepayments**

	As at 31 December 2017	As at 11 July 2017
	£	£
Other debtors	23,564	-
Prepaid Legal and Professional	13,270	-
Other Prepayments	6,400	-
Amounts Due from Shareholders	-	50,001
<b>Total receivables and prepayments</b>	<u>43,234</u>	<u>50,001</u>

**9. Cash and cash equivalents**

	As at 31 December 2017	As at 11 July 2017
	£	£
Cash at bank	75,355,979	-
Cash held in Escrow Account	57,456	-
<b>Total cash and cash equivalents</b>	<u>75,413,435</u>	<u>-</u>

Cash held in escrow account represents monies held by lawyers for expenses expected to be incurred in relation to investment properties pending completion.

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 12 JULY 2017 TO 31 DECEMBER 2017**

<b>10. Other payables and accrued expenses</b>	<b>As at 31 December 2017 £</b>	<b>As at 11 July 2017 £</b>
Accrued acquisition costs	180,000	-
Trade Payables	131,136	-
Accrued audit fee	28,734	9,000
Accrued legal and professional fees	15,789	-
Accrued Employee NI & PAYE	19,372	-
Accrued Employer NI	6,024	-
Accrued directors' fees	2,705	10,849
Amounts due to shareholders	-	50,000
Accrued administration fees	-	8,137
<b>Total other payables and accrued expenses</b>	<b>383,760</b>	<b>77,986</b>
 <b>11. Share Capital account</b>		<b>£</b>
<b>At 21 March 2017</b>		-
Issue of Shares		1
<b>At 11 July 2017</b>		<b>1</b>
Issued on admission to trading on London Stock Exchange on 12 July 2017		1,800,000
Issued to RESI Capital Management		2,132
<b>As at 31 December 2017</b>		<b>1,802,133</b>
 <b>12. Share premium account</b>		<b>£</b>
<b>At 11 July 2017</b>		-
Issued on admission to trading on London Stock Exchange on 12 July 2017		178,200,000
Share issue costs		(3,600,000)
Issued to RESI Capital Management		206,889
Share Premium Cancellation		(174,806,889)
<b>At 31 March 2017</b>		-
 <b>13. Capital Reduction Reserve</b>		<b>£</b>
<b>At 11 July 2017</b>		-
Transfer from share premium account		174,806,889
<b>At 31 December 2017</b>		<b>174,806,888</b>

In the general meeting on 31 May 2017, a resolution was passed authorising, conditional on Admission, the amount standing to the credit of the share premium account of the Company (less any issue expenses set off against the share premium account) to be cancelled and the amount of the share premium account so cancelled be credited as a distributable reserve to be established in the Company's books of account.

In order to cancel the share premium account the Company needed to obtain a court order, which was received on 29 November 2017. The SH19 form was registered to Companies House with a copy of the court order on 30 November 2017.

**RESIDENTIAL SECURE INCOME PLC**  
**COMPANY NO. 10683026**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 12 JULY 2017 TO 31 DECEMBER 2017**

<b>14. Loss per share and NAV per share</b>	<b>Loss</b>	<b>Shares in issue</b>	<b>Pence per share</b>
	<b>£</b>	<b>£</b>	<b>p</b>
Loss per share for the period from 12 July 2017 to 31 December 2017	(1,037,268)	180,213,287	(0.58)
<b>NAV per share</b>	<b>Net assets</b>	<b>Shares in issue</b>	<b>NAV per share</b>
As at 31 December 2017	175,543,768	180,213,287	97.41

The loss per share calculation above is for the period 12 July 2017 to 31 December 2017. From the date of incorporation of 21 March 2017 to the Initial Public Offering ('IPO') on 12 July 2017, 1 founder share was in existence.

**15. Contingent liabilities and commitments**

There were no known material contingent liabilities or commitments at 31 December 2017.

**16. Related party disclosure**

As defined by IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

For the period ended 31 December 2017, the directors of the Company are considered to be the key management personnel. Details of amounts paid to Directors for their services can be found within note 5, Directors' remuneration.

Following the admission of the Company on the premium segment of the London Stock Exchange on 12 July 2017, the Directors purchased the following number of £0.01 nominal Ordinary Shares of £1.00 each:

Rt. Hon. Baroness Dean of Thornton le Fylde (Chairman) - 20,000 Ordinary Shares  
 Robert Whiteman (Audit Committee Chair) - 5,000 Ordinary Shares  
 Robert Gray (Director) - 75,000 Ordinary Shares

On 16 June 2017 the board appointed RESI Capital Management Limited to act as alternative investment fund manager (the Fund Manager), in compliance with the provisions of the AIFMD, pursuant to the Fund Management Agreement. For the period ended 31 December 2017, the Company incurred £836,088 in respect of fund management fees and no amount was outstanding as at 31 December 2017. The above fee was split between cash and equity per the Fund Management Agreement with the cash fee equating to £627,066 and the equity fee of £209,022 being paid as 213,288 ordinary shares at £0.98 per share.