

Company No: 07890812

RADIAN CAPITAL PLC

Annual Report and Financial Statements

Year Ended 31 March 2022

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RADIAN CAPITAL PLC

GENERAL INFORMATION

BOARD OF DIRECTORS

Ralph Facey
Stephen Lodge
John Gary Orr
Caroline Moore

COMPANY SECRETARY

Gemma Burton-Connolly

REGISTERED OFFICE

Collins House
Bishopstoke Road
Eastleigh
Hampshire
SO50 6AD

BANKERS

Lloyds Bank
25 Gresham Street
London
EC2V 7HN

AUDITOR

BDO LLP
2 City Place
Beehive Ring Road
Gatwick
West Sussex
RH6 0PA

STRATEGIC REPORT

Organisational Overview

Radian Capital plc is a member of the Abri Group, with a registered head office in Eastleigh.

Business Model

The Company acts as a finance vehicle in the Group and has issued and sold own named bonds in the capital markets and on lent all proceeds from these sales to fellow subsidiaries.

Performance Highlights

As a result of the business model, the Company breaks even, and its net worth is equal to the value of its issued share capital. Finance income and receivables relate to interest earned on the balances lent to fellow Group companies, which are equal and opposite to the finance cost and payables relate to interest charged on the amounts owed to bond holders.

The Company has not issued or sold any new debt in the year.

Our Performance

External advisers assist us in benchmarking the pricing of our bond issues and sales against the bond markets and issues by other registered providers. The pricing achieved reflects the Company's performance.

The Company does not consider any other performance indicators to be relevant to managing the business.

Principal Risks and Uncertainties

Within the Group, the principal risks and uncertainties, as identified by the Executive Board, are deemed to be those that would impact on the Group's ability to successfully deliver on the aims and objectives of its corporate strategy. An appraisal of these strategic risks is included in our Group statutory accounts.

Operational risks are those that the entities in the organisation face on a day-to-day basis, which are specific to the activities performed in each legal entity.

Section 172 Compliance

The Company operates within the structure of the Abri Group and, as such, key decisions impacting the Company are taken by the Executive Board, subject to approval from the relevant committee and legal entity board. Decisions impacting the entity most typically pass through the Treasury Committee with input from the Treasury and Financial Planning directorate.

The Directors place paramount importance on their legal duties under Section 172 of the Companies Act 2006. The Board is of the opinion that its conduct and those it collaborates with led to decisions made in good faith to promote the success of the Company whilst considering the long-term implications of those decisions on its key stakeholders, as outlined below:

STRATEGIC REPORT (continued)

Section 172 Compliance (continued)

Employees

The entity has no direct employees but utilises members of staff from relevant departments who are employed by other members of the Group. All employees share common terms and conditions, irrespective of the employing entity and have access to the same resources, services and development opportunities.

Employees are supported by Connexus, a forum of elected individuals who collaborate with the Executive Board and providing a voice for feedback. Employees are regularly surveyed, have monthly performance check ins with managers and are encouraged to openly share their views.

Customers and Partners

Being members of the same Group, regular contact is maintained with Abri Group Limited to whom all bond proceeds are on lent, enabling the entity to monitor recoverability of these funds.

The entity maintains relationships with a number of professional service firms, working closely with treasury advisers - particularly in the build up to bond issues and sales – custodians and credit rating agencies on a regular basis.

Community and Environment

Given the nature of the entities operations it has little direct impact on communities and the environment, although the funds raised ultimately allow other members of the Group to deliver new homes and communities.

The increasing prevalence of green, social, and/or sustainable bonds in the markets are however expected to more directly link the entity to this stakeholder groups in future.

Statement of Compliance

The strategic report was approved by the Board on 16 September 2022 and signed on its behalf by:



Caroline Moore
Director

DIRECTORS' REPORT

The Directors present their report for the year ended 31 March 2022.

Board of Directors

The Directors of the Company during the year and up to the date of signing are listed on page 1 and their remuneration is disclosed in note 7. An overview of the positions each serving Director holds on other committees within the Abri Group is outlined below.

Director/ Committee	Audit and Risk	Treasury	People and Culture	Development and Assets	Customer Service and Performance
<i>John Gary Orr</i>	-	-	<i>Member</i>	<i>Member</i>	-
<i>Caroline Moore</i>	-	<i>Member</i>	-	-	-
<i>Ralph Facey</i>	-	-	-	-	<i>Member</i>
<i>Stephen Lodge</i>	-	-	-	-	-

Dividends

The Directors do not recommend the payment of a dividend.

Employees

The Company had no employees in the year.

Capital and Treasury Management***Introduction***

Abri has a comprehensive treasury policy with tests that apply to the Group as a whole. The policy requires the Group to maintain a minimum level of liquidity such that there is:

- sufficient cash & cash equivalents to cover the next six months forecast cash requirement;
- sufficient liquidity to cover the next 18 months net cash requirement before funding (including uncommitted but not aspirational development or any staircasing cashflows); and
- no over-reliance placed on any one counterparty, whether through cash holdings or available facilities.

Capital structure

At 31 March 2022 the Company's borrowings amounted to £330.0m nominal (2021: £330.0m).

DIRECTORS' REPORT (continued)**Capital and Treasury Management (continued)*****Own-named bonds***

All bonds are issued by the Company, with proceeds received being on-lent to Abri Group Limited.

The 2042 and 2049 bonds are repayable in 2042 and 2049 respectively. The 2044 bond is repayable in instalments. A summary of the Company's bonds is as follows:

Name	2042	2044	2049
Coupon	6.000%	4.622%	5.029%
Nominal Issued	£100m	£100m	£200m
Sold to date	£100m	£30m	£200m
Received to date	£100m	£30m	£200m
Unsold	-	£70m	-
Repayable	Expiry	Instalments	Expiry

There was no movement in the debt profile during the year.

Risks

- **Liquidity risk** is the risk that the Company is unable to service its loans and borrowings, or meet repayment liabilities as they fall due, due to insufficient cash. The Company manages liquidity risk through the requirements laid out in the Group Treasury Policy, including requirements for minimum levels of cash or immediately available facilities;
- **Counterparty credit risk** is the risk that the Company is unable to access cash deposits due to failure of counterparties. The Company manages counterparty credit risk by regularly monitoring and reviewing the credit rating of counterparties through the requirements laid out in the Group Treasury Policy;
- **Market risk** is the risk that the Company is unable to refinance loans and borrowings at an acceptable interest rate as they mature. The Company manages market risk by modelling the impact of interest rate rises in its long-term forecast and identifying mitigating actions; and
- **Currency risk** is not applicable as the Company borrows and invests surplus funds only in sterling.

Interest rate management

All the Company's borrowings consist of fixed rate bonds.

Financial loan covenant compliance

Financial loan covenants are primarily measured by asset cover based on property asset values. Covenants are continually monitored and reported to the Executive Board and Treasury and Investment Committee. There were no breaches of financial covenants during the year.

Future funding options

The Company has sufficient funds for its current needs.

DIRECTORS' REPORT (continued)

Capital and Treasury Management (continued)

Moody's Credit Rating

Moody's review Abri's credit rating by looking at the group as a whole. In December 2021, following their review, Moody's confirmed the Group's credit rating remained unchanged at A3 stable. In their review Moody's highlighted our financial strength, with moderate gearing, solid liquidity and supportive institutional framework, making us resilient to challenges and well placed to achieve our corporate objectives.

Governance and Regulation

The operations of the Company are subject to the governance and management structures in place across the Group, in common with all fellow subsidiaries.

An overview of the approach to governance and regulatory compliance, as determined by the Group Board, is included in our Group statutory accounts.

Post Balance Sheet Events

There have been no events since the reporting date that the Board considers to have had a significant effect on the Company's financial position.

Going Concern

Within the Abri Group a programme of Group Optimisation has continued in the year, with the aim of arriving at an appropriate structure from an operational, regulatory, governance, finance and tax perspective. The Board subsequently expects the entity to continue to operate within this structure for the foreseeable future.

The entity operates as a funding vehicle by on-lending proceeds from bond sales to fellow Group members. The appropriateness of preparing the accounts of the entity on a going concern basis is therefore intrinsically linked to the going concern of the Group as a whole.

Prior to lending funds to third parties, the directors also ensure the borrowing entity can meet its contractual obligations as they fall due via a review of past involvement with the borrower, updating credit checks and liquidity assessments. The Treasury committee also monitors all lending, including intercompany loans, with delegation from the ultimate parent under Group Standing Orders for effective governance and operations across all Group subsidiaries. They receive assurance at each meeting that financial commitments can be met and are provided with oversight of key financial risks.

All bonds issued by the entity carry a fixed coupon and are not subject to covenants or exposed to macro-economic factors such as changes in interest rates.

The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis for the 12 months from the signing date.

DIRECTORS' REPORT (continued)

Disclosure of Information to Auditor

At the date when this report is approved each of the Directors confirm the following:

- so far as each Director is aware, there is no relevant audit information needed by the Company's auditor in connection with preparing their report, 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 needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

External Auditor

BDO LLP has indicated their willingness to continue in office as auditor to the Abri Group, and a resolution to appoint them will be proposed at the forthcoming annual general meeting.

Approval of the Board

The Directors' Report was approved by the Board on 16 September 2022 and signed on its behalf by:



Caroline Moore
Director

STATEMENT OF THE DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the strategic report, 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.

Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADIAN CAPITAL PLC

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its result for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Radian Capital plc for the year ended 31 March 2022, which comprise the statement of comprehensive income, statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit opinion is consistent with the additional report to the Audit & Risk Committee.

Independence

Following the recommendation of the Audit & Risk Committee, we were appointed by the board of directors to audit the financial statements for the year ending 31 March 2017 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is 6 years, covering the years ending 31 March 2017 to 31 March 2022. We remain 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 as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Company.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADIAN CAPITAL PLC (continued)**Conclusions relating to going concern (continued)**

- Obtaining management's assessment that supports the Directors' conclusions with respect to the disclosure provided around going concern. We note that the going concern status of the entity is inextricably linked to that of the wider Abri Group ("the Group") as it is dependent on the ability of another Group entity to repay the on-lent financing when it falls due;
- Considering the appropriateness of management's forecasts.
- Obtaining an understanding of the Group's financing facilities from the finance agreements, including the nature of the facilities, covenants and attached conditions;
- Assessing the Group facility and covenant headroom calculations, and re-performing sensitivities on management's base case and stressed case scenarios; and
- Reviewing the wording of the going concern disclosures, and assessed its consistency with management's forecasts.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Overview

Key audit matters	Recoverability of intercompany debt	2022 X	2021 X
Materiality	<i>Financial statements as a whole</i> £5.1m (2021: £4.4m) based on 1.4% (2021: 1.2%) of total assets		

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the Directors that may have represented a risk of material misstatement.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADIAN CAPITAL PLC (continued)**Key audit matters (continued)**

Key audit matters	How the scope of our audit addressed the key audit matter	
<p>Recoverability of intercompany debt</p> <p>As disclosed in note 2, the entity on lends funds to its ultimate parent. The principal risk facing the entity is that the parent will be unable to make interest or principal payments when they fall due and this impacts on the entity's ability to service its debt.</p> <p>Recoverability of these balances is intrinsically linked to the future viability of Group and needs to be reviewed at each balance sheet date.</p>	<p>The assessment of the recoverability of the related party debt involves several subjective judgements including the impact of additional downside scenarios for Group, such as demand for their properties, the level of occupancy that may affect the rental income of the borrower thereby impacting the repayment conditions and the value of the underlying collateral.</p> <p>We have therefore spent significant audit effort in assessing the appropriateness of the assumptions involved, and as such this has been identified as a key audit matter.</p>	<p>Our audit response involved the following:</p> <ul style="list-style-type: none"> • Assessment of management's review of the recoverability of related party debt including their review of the parent entity's assessment of its going concern status. • This incorporated consideration of the long-term forecasts prepared by the parent entity and challenge of the key assumptions based on our knowledge of that business, including availability of financing facilities and covenant compliance calculations. • Scenarios modelled by the parent entity include a reverse stress test to analyse the current estimates of rent collection, property sales and maintenance and development spend that could be sustained without breaching banking covenants. We challenged the assumptions used and mitigating actions included within this scenario and reviewed the reverse stress test calculations. • We considered the adequacy of the disclosures in the financial statements against the requirements of the accounting standards. <p>Key observations:</p> <p>We noted no material exceptions through performing these procedures.</p>

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADIAN CAPITAL PLC (continued)**Our application of materiality (continued)**

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	2022 (£m)	2021 (£m)
Materiality	5.1	4.4
Basis for determining materiality	1.4% of Total assets	1.2% of Total assets
Rationale for the benchmark applied	We used total assets for our chosen benchmark to determine materiality as the entity on-lends funds raised in the capital markets to group companies and therefore the level of on-lending from these activities is the area that will have the greatest impact on decisions made by users of the accounts. This is considered to be the key performance indicator for stakeholders assessing the performance of the Company.	We used total assets for our chosen benchmark to determine materiality as the entity on-lends funds raised in the capital markets to group companies and therefore the level of on-lending from these activities is the area that will have the greatest impact on decisions made by users of the accounts. This is considered to be the key performance indicator for stakeholders assessing the performance of the Company.
Performance materiality	3.8	3.3
Basis for determining performance materiality	75% of materiality - The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements.	75% of materiality - The level of performance materiality applied was set after having considered a number of factors including the expected total value of known and likely misstatements.

Reporting threshold

We agreed with the Audit and Risk Committee that we would report to them all individual audit differences in excess of £102,000 (2021: £88,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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 RADIAN CAPITAL PLC (continued)

Other Companies Act 2006 reporting

Strategic report and Directors' report

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

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

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 Strategic report or the Directors' report.

Matters on which we are required to report by exception

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 by the Company, 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.

Responsibilities of Directors

As explained more fully in the statement of directors' responsibilities, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADIAN CAPITAL PLC (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company and the sector in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to their registration under the Companies Act, and we considered the extent to which non-compliance might have a material effect on the Financial Statements or their continued operation. We also considered those laws and regulations that have a direct impact on the financial statements, such as compliance with tax legislation.

We performed an assessment of the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We evaluated managements incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks were related to the management override of controls by posting inappropriate journal entries to manipulate the financial results and management bias in accounting estimates and judgements leading to material misstatement. The responsible individual assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The audit procedures to address the risks identified included:

- discussions with management and those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reading minutes of meeting of those charged with governance, and reviewing correspondence with HMRC and reports produced by Internal Audit; and
- in addressing the risk of fraud through management override of controls; testing the appropriateness of journal entries and other adjustments, in particular any journals posted to cash and material journal adjustments.


Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADIAN CAPITAL PLC (continued)

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.

DocuSigned by:

829727ECC12041D...
27 September 2022

Hamid Ghafoor (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2022

	Note	2022 £'000	2021 £'000
Finance income	3	16,821	16,771
Finance costs	4	(16,821)	(16,771)
Result on ordinary activities before tax	5	<u>-</u>	<u>-</u>
Tax charge for the year	6	-	-
Result on ordinary activities after tax		<u>-</u>	<u>-</u>

All activities derive from continuing operations.

The notes on pages 19 to 24 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Note	2022 £'000	2021 £'000
Current assets			
Receivables			
Amounts due within one year	9	3,807	7,040
Amounts due after one year	9	359,526	360,303
Cash and cash equivalents		13	13
		<u>363,346</u>	<u>367,356</u>
Payables: amounts due within one year	10	(5,531)	(8,795)
		<u>357,815</u>	<u>358,561</u>
Net current assets			
Payables: amounts due after one year	11	(357,765)	(358,511)
		<u>50</u>	<u>50</u>
Total assets less current liabilities			
Capital and reserves			
Share capital	12	50	50
Revenue reserve		-	-
		<u>50</u>	<u>50</u>
Shareholders' funds			

The notes on pages 19 to 24 form part of these financial statements.

The financial statements of Radian Capital plc, registered number 07890812, on pages 16 to 24 were approved by the Board of Directors and authorised for issue on 16 September 2022 and signed on its behalf by:



Caroline Moore
 Director

STATEMENT OF CHANGES IN EQUITY
As at 31 March 2022

	Share Capital £'000	Revenue Reserve £'000	Total £'000
At 31 March 2020	50	-	50
Result on ordinary activities after tax	-	-	-
At 31 March 2021	50	-	50
Result on ordinary activities after tax	-	-	-
At 31 March 2022	50	-	50

The notes on pages 19 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. LEGAL STATUS

The Company is a public limited company incorporated in the United Kingdom under the Companies Act 2006.

2. ACCOUNTING POLICIES

Basis of Preparation

The financial statements of the Company have been prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP) including Financial Reporting Standard 102 (FRS 102). The financial statements are presented in pounds sterling and have been prepared on the historical cost basis.

Going Concern

Within the Abri Group a programme of Group Optimisation has continued in the year, with the aim of arriving at an appropriate structure from an operational, regulatory, governance, finance and tax perspective. The Board subsequently expects the entity to continue to operate within this structure for the foreseeable future.

The entity operates as a funding vehicle by on-lending proceeds from bond sales to fellow Group members. The appropriateness of preparing the accounts of the entity on a going concern basis is therefore intrinsically linked to the going concern of the Group as a whole.

Prior to lending funds to third parties, the directors also ensure the borrowing entity can meet its contractual obligations as they fall due via a review of past involvement with the borrower, updating credit checks and liquidity assessments. The Treasury committee also monitors all lending, including intercompany loans, with delegation from the ultimate parent under Group Standing Orders for effective governance and operations across all Group subsidiaries. They receive assurance at each meeting that financial commitments can be met and are provided with oversight of key financial risks.

All bonds issued by the entity carry a fixed coupon and are not subject to covenants or exposed to macro-economic factors such as changes in interest rates.

The Board, therefore, consider it appropriate for the accounts to be prepared on a going concern basis for the 12 months from the signing date.

Disclosure Exemptions

In preparing the financial statements of the Company, advantage has been taken of the disclosure exemption under FRS 102 paragraph 1.12(b) in not preparing a Statement of Cash Flows on the basis that this is included in the consolidated financial statements.

Related Parties

As a subsidiary of its parent, Abri Group Limited, whose results and balances are included in the consolidated financial statements, the Company has not disclosed all transactions and balances with entities which form part of the Group.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (continued)

2. ACCOUNTING POLICIES (continued)

Finance Income

Interest is earned from loans to other entities in the Group.

Finance Costs

Interest costs, issue costs, premiums, and discounts are charged to finance costs over the term of debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount.

Included within finance costs are ongoing servicing fees of loans and borrowings, which are charged to the Statement of Comprehensive Income over the review cycle of each facility.

Tax

Current tax is recognised for tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash at bank and in hand, deposits, and short-term investments with an original maturity date of three months or less.

Receivables and Payables

Receivables and payables with no stated interest rate, and receivable and payable within one year, are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Comprehensive Income within operating income and expense.

Recoverable Amount of Other Trade Receivables

The Company estimates the recoverable amount of receivables and provides for the balance based on the value and class of the debt.

Receivable balances are reviewed quarterly to determine recoverability; balances deemed irrecoverable are subsequently written off.

Financial Instruments

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument and are classified according to their substance.

For the deferred elements of the Radian Capital 2049 bond, the liability is recognised when security is in place and the funds are received by the Company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (continued)

2. ACCOUNTING POLICIES (continued)

Financial Assets and Liabilities

Loans and borrowings

The Company's loans and borrowings meet the definition of, and are classified as, basic financial instruments under FRS 102. These instruments are initially recorded at the transaction price. They are subsequently recorded at amortised costs using the effective interest method.

3. FINANCE INCOME

	2022 £'000	2021 £'000
On intercompany loans at amortised cost		
Interest receivable from intercompany loans	16,722	16,699
Intercompany loan arrangement fees and associated costs	99	72
	<u>16,821</u>	<u>16,771</u>

4. FINANCE COSTS

	2022 £'000	2021 £'000
On bonds at amortised cost		
Interest costs	16,722	16,699
Loan arrangement fees and associated costs	99	72
	<u>16,821</u>	<u>16,771</u>

5. RESULT ON ORDINARY ACTIVITIES BEFORE TAX

Result on ordinary activities before taxation is stated after charging:

	2022 £'000	2021 £'000
Fees payable to the Company's auditor for:		
Audit of the annual financial statements (excluding VAT)	<u>7</u>	<u>7</u>

The audit fees for the Company have been borne by The Swaythling Housing Society Limited.

6. TAX

The Company made no profit or loss in the year and delivered a taxable result of £nil (2021: £nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (continued)

7. DIRECTORS' EMOLUMENTS

The Directors of the Company are defined as the board members and the Executive Board.

Executive Board members receive no incremental remuneration for their role as Directors of individual legal entities. All Directors are remunerated by The Swaythling Housing Society Limited.

Name	Appointed	Resigned	Annual Fee
<i>John Gary Orr</i>	<i>15/10/2018</i>	-	<i>N/A</i>
<i>Caroline Moore</i>	<i>04/11/2019</i>	-	<i>N/A</i>
<i>Ralph Facey</i>	<i>19/09/2019</i>	-	<i>N/A</i>
<i>Stephen Lodge</i>	<i>04/11/2019</i>	-	<i>N/A</i>

8. STAFF COSTS

The Company had no employees in the year (2021: none).

9. RECEIVABLES

	2022 £'000	2021 £'000
Intercompany loans	776	753
Short-term non-liquid assets	-	6,250
Called up share capital	37	37
Amounts due from group undertakings	2,994	-
Amounts due within one year	3,807	7,040
Intercompany loans	359,526	360,303
Amounts due after one year	359,526	360,303
	363,333	367,343

Short-term non-liquid assets comprise cash held in liquidity funds.

10. PAYABLES: AMOUNTS DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Loans and borrowings	5,531	5,509
Amounts owed to group undertakings	-	3,286
	5,531	8,795

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (continued)

11. PAYABLES: AMOUNTS DUE AFTER ONE YEAR

	2022 £'000	2021 £'000
Loans and borrowings	<u>357,765</u>	<u>358,511</u>

Loans and borrowings are repayable or will be released to the Statement of Comprehensive Income as follows:

Own-named bonds	2022 £'000	2021 £'000
In multiple instalments		
In five years or more	30,000	30,000
In a single instalment		
In five years or more	300,000	300,000
	<u>330,000</u>	<u>330,000</u>

The total value of all loans and borrowings includes a further £33.3m (2021: £34.0m) of capitalised fees, premiums, and interest accrued.

The fair value of the bond liability, excluding retained balances, as at 31 March 2022 was £430.0m (31 March 2021: £461.5m).

The bonds have been allocated to the Level 1 fair value hierarchy. Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

A summary of the interest rates charged on loans and borrowings is included within the Capital and Treasury Management section, commencing on page 4.

12. SHARE CAPITAL

	2022 £'000	2021 £'000
Shares of £1 each		
Issued and fully paid	13	13
Called up (not paid)	37	37
Share capital at 31 March	<u>50</u>	<u>50</u>

The Company was incorporated on 22 December 2011 with an issued share capital of £50k of which £13k was fully paid.

13. RELATED PARTY TRANSACTIONS

The Company, a subsidiary of Abri Group Limited, has taken advantage of the exemption contained in FRS 102 paragraph 33.1A not to disclose transactions or balances with entities which are wholly owned by the Group.

There were no other related party transactions during the period or balances at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022 (continued)

14. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

At 31 March 2022 the Company's ultimate parent and ultimate controlling party was Abri Group Limited, a Co-operative and Community Benefits Society registered with the Financial Conduct Authority.

Abri Group Limited is a registered provider and is the parent of both the largest and smallest Group into which the Company is consolidated.

Group financial statements can be obtained from Abri Group Limited, Collins House, Bishopstoke Road, Eastleigh, Hampshire, SO50 6AD.