THE MILITARY MUTUAL LIMITED

Annual Report and Financial Statements

for the year ended 30 June 2017

Company Registration No. 07147130

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Company Information

Directors	Sir Sebastian Roberts Anne Baxter Michael Harwood Paul Koronka Sir Nicholas Parker Sir William Rollo Bruce Williams
Registered office & business address	7 Maltings Place 169 Tower Bridge Road London SE1 3JB
Company number	07147130
Financial Conduct Authority Firm Reference Number	623886
Bankers	**Clydesdale Bank** South Customer Service Centre 2nd Floor 35 Regent Street London SW1Y 4ND **NatWest Bank** Mayfair Commercial Banking Centre, 1st Floor 65 Piccadilly London W1A 2PP
Managers	Regis Mutual Management Limited 7 Maltings Place 169 Tower Bridge Road London SE1 3JB

Report of the Directors
for the year ended 30 June 2017

The Directors present their annual report and financial statements for the year ended 30 June 2017.

Principal activities and review of the business
The Military Mutual Limited was established to provide insurance solutions and other financial services to military personnel and their families ("The Military Family"). The principal activity is the provision of discretionary indemnities and third-party insurance policies to its members on a mutual basis. It aims to provide a range of products and services catering for the needs of serving members of the military, reservists, veterans of the Royal Navy, Royal Air Force and the Army and also for their families. The Mutual offers cover for household, landlord, kit and motor risks.

Results
The deficit for the year is £9,908,480 (2016: £12,149,046).

Future developments
The Mutual plans to continue to grow its membership base through continuing to provide suitable products and services to members of "The Military Family". It is expected that the existing home, kit and commercial covers will continue to be adapted in response to members needs and that new products and services will also be introduced over time.

Financial risk management objectives and policies
The Company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk.

Market risk
Market risk exists because interest rates and foreign exchange rates may change. The interest rate on the subordinated loan is fixed. Apart from this, the Company has no material exposure to interest rate risk. The Company is exposed to foreign currency exchange rate risk in relation to its subordinated loan and related interest. Currently the Company does not hedge this risk, however this exposure is kept under constant review by the Board and a policy with respect to mitigating foreign exchange rate risk may be introduced if the Board consider it appropriate to do so.

Credit risk
The Company's principal financial assets are bank balances. The bank balances are held with highly rated financial institutions.

Liquidity risk
In order to maintain liquidity and ensure that sufficient funds are available for ongoing operations and future developments, the Company is financed by subordinated loans. The level of funding is kept under constant review by the managers and the Board who ensure that available funding is more than adequate for the liquidity needs of the Company and the protection of its members in all circumstances.

Going concern
The Military Mutual Limited is currently funded by way of subordinated debt. Cash flow forecasts for the Company have been prepared covering a period of not less than 12 months from the date of approval of these financial statements. These indicate that, although further funding will be required by the business, the amount required is within the amounts expected to be provided by the subordinated debt investors. Should the cash flow forecasts not be achieved, additional funding will be required. The Directors expect to raise such additional funding from the current subordinated debt investors. The Directors have therefore deemed it appropriate to prepare the accounts on a going concern basis. Going concern is also discussed in Note 1(b) to the financial statements.

Report of the Directors
for the year ended 30 June 2017

Directors
The Directors who held office during the year and up to the date of signing the financial statements are shown on page 1.

Independent auditor
The auditor, Deloitte LLP, is deemed to be re-appointed under s487 of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf:

Sir Sebastian Roberts
17 January 2018

Statement of Directors' Responsibilities
for the year ended 30 June 2017

The Directors are responsible for preparing the Report of the Directors 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 prepared 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 surplus or deficit of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on a 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, 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.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Statement of disclosure to auditor
So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware. They have taken all the 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.

Independent Auditor's Report
To the Members of The Military Mutual Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its deficit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 and 103 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Military Mutual Limited (the 'Company') which comprise:

- the statement of comprehensive income;
- the statement of financial position; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 and 103 "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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Andrew Downes (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK

17 January 2018

Statement of Comprehensive Income
for the year ended 30 June 2017

	Note	2017	2016
		£	£
Income			
Gross written contributions		1,433,963	305,948
Movement on unearned contributions		(601,552)	(196,659)
Gross earned contributions	1 (c)	832,411	109,289
Insurance premiums	1 (d)	(145,100)	(18,457)
Net earned contributions		687,311	90,832
Mutual fee income	1 (e)	57,396	9,008
Total income	3	**744,707**	**99,840**
Expenditure			
Incurred claims	1 (f)	(372,708)	(46,123)
Net contributions and claims		371,999	53,717
Administrative expenses	1 (h)	(7,672,426)	(7,397,664)
Acquisition costs		41,975	10,237
Operating deficit	4	(7,258,452)	(7,333,710)
Bank interest	5	16	29
Finance costs	6	(2,650,041)	(4,815,359)
Deficit on ordinary activities before taxation		(9,908,477)	(12,149,040)
Taxation	7	(3)	(6)
Deficit on ordinary activities for the financial year	13	**(9,908,480)**	**(12,149,046)**
Comprehensive income		**(9,908,480)**	**(12,149,046)**

All activities are derived from continuing operations.

The notes on pages 10 to 16 form part of these financial statements.

There are no items of other comprehensive income.

The Company has not presented a Statement of Changes in Equity because there are no equity holders in the Company as it is a mutual organisation.

Statement of Financial Position
as at 30 June 2017

	Note	2017	2016
		£	£
Current assets			
Receivables	8	609,924	525,848
Prepaid insurance premiums		161,190	35,812
Deferred acquisition costs	9	61,564	19,589
Cash at bank	10	1,055,946	1,571,417
		1,888,624	2,152,666
Current liabilities			
Unearned contributions reserve		(823,759)	(222,208)
Claims liabilities		(143,694)	(8,534)
Creditors: amounts falling due within one year	11	(1,103,120)	(821,362)
		(2,070,573)	(1,052,104)
Net current assets		(181,949)	1,100,562
Creditors: amounts falling due after more than one year	12	(33,298,712)	(24,672,743)
Net liabilities		**(33,480,661)**	**(23,572,181)**
Members' funds	13	**(33,480,661)**	**(23,572,181)**

The notes on pages 10 to 16 form part of these financial statements.

The financial statements of The Military Mutual Limited (registered number 07147130) were approved by the Board of Directors and authorised for issue on 17 January 2018. They were signed on its behalf by:

Sir Sebastian Roberts

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

(a) General information and basis of accounting

The Military Mutual Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Report of the Directors on pages 2 to 3.

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and with the Financial Reporting Standard 102 (FRS 102) section 1A issued by the Financial Reporting Council. The exemptions under section 1A regarding cashflow statement and under s414B of the Companies Act regarding the strategic report have been taken this year. The discretionary protection covers provided by the Company are not contracts of insurance as the Company has absolute discretion as to whether any benefit is provided to its members, however for accounting purposes, the discretionary protection provided by the Company operates in a similar way to insurance and so the accounting principles in Financial Reporting Standard 103 (FRS 103) have been applied in the preparation of the financial statements.

The financial statements are presented in pounds sterling, which is also the Company's functional currency.

(b) Going concern

The Company meets its day to day working capital requirements through subordinated debt facilities.

Cash flow forecasts for the Company have been prepared covering a period of not less than 12 months from the date of approval of these financial statements. These indicate that, although further funding will be required by the business, the amount required is within the amounts expected to be provided by the subordinated debt investors. Should the cash flow forecasts not be achieved, additional funding will be required. The Directors expect to raise such additional funding from the current subordinated debt investors. The Directors therefore have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future given the funding arrangements that are currently in place and the amounts that are expected to be provided by the subordinated debt investors going forward. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

(c) Contributions

Gross written contributions are the revenue due from members in respect of discretionary protection policies incepted during the year. Gross earned contributions are the gross written contributions adjusted for unearned contributions. Unearned contributions are the proportion of a contribution incepted during the year that relates to periods of risk after the year end. Unearned contributions are calculated on a time apportionment basis. The proportion attributable to subsequent periods is deferred as an unearned contributions reserve.

(d) Insurance premiums

The Company purchases excess and stop loss insurance in order to protect its reserves against single high value claims and an accumulation of claims. Insurance premiums are recognised as written at the date of inception of the policy. Insurance premiums are the written premiums adjusted for unearned insurance premiums. Unearned insurance premiums are expensed in periods of risk after the year end in line with the underlying discretionary protection policies to which they relate.

(e) Mutual fee income
This comprises fees receivable from members where the Company arranges insurance for risks which are not covered by the discretionary protection arrangements. Fees are recognised in full at inception of cover.

(f) Incurred claims
Incurred claims comprise claims and related claims handling costs paid in the year and provisions for outstanding claims, including provisions for claims incurred but not reported (IBNR) and related claims handling costs, net of insurance recoveries. Liability for reported claims is recognised upon notification at the discretion of the Board. The Mutual engages professional loss adjustors and legal advisors to advise on the estimated reserves in respect of significant claims.

(g) Liability adequacy tests
Liability adequacy tests are performed to ensure the adequacy of claims reserves. In performing these tests, current best estimates of future contractual cash flows and claims handling and administration expenses are used. Any deficiency is immediately charged to the income statement by establishing an unexpired risk reserve.

(h) Administrative expenses
Administrative expenses are accounted for on an accruals basis.

(i) Investment income
Investment income derives from cash on short-term bank deposits. Interest is accrued using the effective interest method.

(j) Foreign currency translation
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Exchange differences are recognised in the statement of comprehensive income in the period in which they arise.

(k) Cash at bank and in hand
Cash at bank includes bank balances and other short-term, highly liquid investments with original maturities of three months or less. The carrying amount approximates to fair value because of the short-term maturity of these investments.

(l) Taxation
Current tax is provided at amounts expected to be paid (or recovered) on non-mutual income using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

(m) Subordinated loan and finance costs
The subordinated loan is held at amortised cost. Interest is charged at an interest rate of 8% per annum. Compound interest will be due for payment from 9 January 2018.

(n) The advance to Regis Mutual Management Limited is measured at the amount receivable, because it is interest free.

(o) Trade debtors comprise contributions and fees due from members and a premium finance company. They are recognised at the date of inception of policies and are measured at the amounts receivable unless they are no longer considered recoverable, in which case they are written off immediately and any future cover cancelled.

(p) Prepaid insurance premiums are the proportion of insurance premiums which are deferred as an asset to subsequent accounting periods in proportion to the underlying policies to which they relate.

(q) Deferred acquisition costs
Deferred acquisition costs are the costs of acquiring new business during the financial year where the benefit of those costs will be obtained in future accounting periods. The costs are deferred and recognised as an asset to the extent that they are considered to be recoverable from margins of future matching income. Recoverability is reviewed at the balance sheet date and any impairment charged to the profit and loss account. Other acquisition costs are recognised as expenses when incurred.

(r) Trade creditors, accruals and other tax and social security creditors are classified according to the substance of the contractual arrangements entered into. They are recognised when incurred and subsequently measured on an accruals basis.

(s) Unearned contributions are that proportion of the contributions incepted during the year which are deferred to subsequent accounting periods (see c) above.

2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on all factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies
No critical judgements, apart from those involving estimations (which are dealt with separately below) that have a significant effect on the amounts recognised in the financial statements were made by the Directors in the process of applying the Company's accounting policies.

Key source of estimation uncertainty – claims reserving
Provision is made at the year-end for the estimated cost of claims incurred but not settled at the reporting date, including the cost of claims incurred but not yet reported (IBNR) net of insurance recoveries. The estimate of the cost of claims includes direct expenses to be incurred in settling claims. The Company takes all reasonable steps to ensure that it has appropriate information regarding its claims exposures, including the reported claims' circumstances, any information available from loss adjustors and legal advisors and information on the cost of settling similar claims in previous periods. The estimate of IBNR is generally subject to a greater degree of uncertainty than the estimate of the cost of settling claims already notified to the Company, because more information about the claim event is usually available. Given the uncertainty in establishing claims provisions, it is likely that the final outcome will prove to be different from the estimated liability initially provided.

Key source of estimation uncertainty – deferred acquisition costs
The proportion of costs arising from the conclusion of discretionary protection policies which can be deferred and earned in line with earned contributions has been estimated based on a review of the nature of the underlying costs and an assessment as to whether they have arisen as a result of the conclusion of discretionary protection. All relevant factors have been taken into account.

3 Total income

Total income comprises contributions for discretionary protection and fees for arranging non-discretionary policies as analysed in the Statement of Comprehensive Income.

Income is derived entirely from activities in the United Kingdom.

4 Operating deficit

	Note	2017	2016
		£	£
The operating deficit is stated after charging:			
Auditor's remuneration (including irrecoverable VAT)			
Audit-related assurance services		30,000	30,000
		30,000	30,000

Staff numbers and costs

The Company has no employees. The day-to-day management of the Company is carried out by the managers, Regis Mutual Management Limited. There are seven non-executive directors.

Directors' remuneration		2017	2016
		£	£
Emoluments	14	200,000	187,500

Remuneration disclosed above includes the following amounts paid to the highest paid Director:

50,000	50,000

The Company has no pension schemes.

5 Bank interest

	2017	2016
	£	£
Bank interest	16	29
	16	29

6 Finance Costs

	2017	2016
	£	£
8% subordinated loan interest	(2,358,070)	(1,473,585)
Exchange loss on US dollar subordinated loan	(291,971)	(3,341,774)
	(2,650,041)	(4,815,359)

7 Taxation

	2017	2016
	£	£
The tax charge comprises:		
UK Corporation tax	3	6

The Company is subject to UK corporation tax on its non-mutual income, which comprises entirely investment income. The Company is not subject to UK corporation tax on mutual income earned from its members.

The tax charge for the financial year is higher than that resulting from applying the standard rate of corporation tax. The differences are explained below.

	2017	2016
	£	£
Deficit on ordinary activities before tax	9,908,477	12,149,040
Tax credit at 20%	1,486,272	2,429,808
Tax credit at 19%	470,653	-
Effect of income and expenses not subject to corporation tax	(1,956,928)	(2,429,814)
Tax for the year	(3)	(6)

8 Receivables

	2017	2016
	£	£
Advance of management fee to Regis Mutual Management Limited	500,000	500,000
Trade receivables	109,924	25,848
	609,924	525,848

9 Deferred acquisition costs

Deferred acquisition costs are the costs of acquiring new business during the financial year where the benefit of those costs will be obtained in future accounting periods. The costs are deferred and recognised as an asset to the extent that they are considered to be recoverable from margins of future matching income. Recoverability is reviewed at the balance sheet date and any impairment charged to the profit and loss account. Other acquisition costs are recognised as expenses when incurred.

10 Cash at bank

Cash at bank includes £110,604 (2016: £41,222) which is not available for use by the Company. It is held in a separate account on behalf of insurers.

11 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade payables	933,845	745,982
Accruals and deferred income	121,781	61,885
Corporation tax	3	6
Other taxation and social security	17,287	7,356
Other creditors	30,204	6,133
	1,103,120	821,362

12 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Subordinated loans	28,372,958	22,074,049
Accrued interest on subordinated loan	4,925,754	2,598,694
	33,298,712	24,672,743

The subordinated loans are held at amortised cost at an interest rate of 8% per annum, due to be fully repaid in January 2024. Compound interest will be due for payment from January 2018.

13 Members' funds

	£
At 1 July 2016	(23,572,181)
Deficit for the financial year	(9,908,480)
At 30 June 2017	(33,480,661)

14 Transactions with related parties

During the year there were two Directors in office on both the boards of The Military Mutual Limited and Regis Mutual Management Limited. One of these Directors received fees which are included in Directors' remuneration in note 4. These transactions were carried out on an arm's length basis.

During the year Regis Mutual Management Limited charged the Company management fees of £7,371,301 (2016: £7,107,462). At 30 June 2017 the Company owed Regis Mutual Management Limited £813,204 (2016: £703,186) in respect of unpaid management fees. The amount outstanding was unsecured, carried or bore no interest and has subsequently been settled in cash.

As at 30 June 2017 the Company has an outstanding subordinated loan payable to Regis Management Limited of £6,600,000 (2016: £600,000).

As at 30 June 2017 the Company has an outstanding payable to Regis Broking Limited of £40,000. Regis Broking Limited is a 100% owned subsidiary of Regis Mutual Management Limited.

The rolling advance to Regis Mutual Management of £500,000 intended to cover management fees has remained in place throughout the year and is intended to be an ongoing arrangement.

There was no expense during the year in respect of bad or doubtful debts due from related parties.

15 Members' limited liability

The Military Mutual Limited is a company limited by guarantee. In accordance with the Articles of Association, each member's liability in the event of the Company being wound up is restricted to no more than £10.

16 Events after the reporting period

On 17 November 2017 the existing loan with Regis Mutual Management Limited was novated and is now provided directly from Hollenfels Re.

From 1 December 2017 the loan agreements with both Hollenfels and Builders were restructured to incorporate the interest to date into the principal. The interest rate of 8% is due to increase to 8.5% from 9 January 2019. Interest is due to be paid from June 2020 and the subordinated loans will be fully repaid in December 2025.