

Company Registered No: SC044073

**KUC PROPERTIES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2016**

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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:**

H D Lincoln  
J M Rowney

**COMPANY SECRETARY:**

RBS Secretarial Services Limited

**REGISTERED OFFICE:**

24/25 St Andrew Square  
Edinburgh  
Scotland  
EH2 1AF

**INDEPENDENT AUDITOR:**

Ernst & Young LLP  
Chartered Accountants and Statutory Auditor  
25 Churchill Place  
Canary Wharf  
London  
E14 5EY

**Registered in Scotland**

**DIRECTORS' REPORT**

The directors of KUC Properties Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 2016.

**ACTIVITIES AND BUSINESS REVIEW**

The Directors' Report has been prepared in accordance with the special provisions applicable to companies entitled to the small companies' exemption and therefore does not include a Strategic Report.

**Principal activity**

The principal activity of the Company continues to be the assessment and execution of opportunities to acquire and dispose of properties and investments.

**Business review**

The directors are satisfied with the Company's performance in the year. The Company will be guided by its shareholders in seeking further opportunities for growth.

**FINANCIAL PERFORMANCE**

The Company's financial performance is presented on page 6. The profit before taxation for the year was £3,788,560 (2015: loss of £1,897,220). The retained profit for the year was £5,949,828 (2015: loss of £1,480,135).

At the end of the year total assets were £20,979,187 (2015: £18,723,245).

**Dividends**

The directors do not recommend payment of dividend (2015: £nil).

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company seeks to minimise its exposure to financial risks.

Management focuses on both the overall balance sheet structure and the control, within prudent limits, of risk arising from mismatches, including currency, maturity, interest rate and liquidity. It is undertaken within limits and other policy parameters set by the RBS Asset and Liability Management Committee (RBS ALCO).

The Company is funded by facilities from The Royal Bank of Scotland plc. These are denominated in the functional currency and carry no significant financial risk.

The principal risks associated with the Company's businesses are as follows:

**Market risk**

Market risk is the potential for loss as a result of adverse changes in risk factors including interest rates, foreign currency and equity prices together with related parameters such as market volatilities.

**Interest rate risk**

Interest rate risk arises where assets and liabilities have different repricing maturities.

The Company manages interest rate risk by monitoring the consistency in the interest rate profile of its assets and liabilities, and limiting any repricing mismatches. The only interest bearing financial assets or liabilities are in relation to balances held with group companies where the risks are not considered significant.

**Operational risk**

Operational risk is the risk of unexpected losses attributable to human error, systems failures, fraud or inadequate internal financial controls and procedures. The Company manages this risk, in line with The Royal Bank of Scotland Group plc framework, through systems and procedures to monitor transactions and positions, the documentation of transactions and periodic review by internal audit. The group also maintains contingency facilities to support operations in the event of disasters.

**DIRECTORS' REPORT****GOING CONCERN**

The directors, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, have prepared the financial statements on a going concern basis.

**DIRECTORS AND SECRETARY**

The present directors and secretary, who have served throughout the year, are listed on page 1.

From 1 January 2016 to date no change has taken place.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare a Directors' Report and financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS) 101, and must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs at the end of the year and 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 judgements and estimates that are reasonable and prudent;
- state whether FRS 101 has been followed; and
- make an assessment of the Company's ability to continue as a going concern.

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 to enable them to ensure that the Directors' Report and financial statements comply with the requirements of 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.

**DISCLOSURE OF INFORMATION TO AUDITOR**

Each of the directors at the date of approval of this report confirms that:

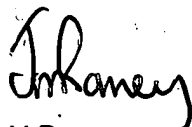
- so far as they are aware there is no relevant audit information of which the Company's auditor is unaware; and
- directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

**INDEPENDENT AUDITOR**

The auditors, Ernst & Young LLP, Chartered Accountants and Statutory Audit firm, have taken up in office.

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



J M Rowney  
Director

Date: 11<sup>th</sup> September 2017

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KUC PROPERTIES LIMITED**

We have audited the financial statements of KUC Properties Limited ("the Company") for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

### **Respective responsibilities of directors and auditor**

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on 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 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

The Directors' Report has been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KUC PROPERTIES LIMITED

### Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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.

*Ernst & Young LLP*

**Helen Joseph** (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London, United Kingdom

Date: *19 September 2017*

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2016

		2016 £	2015 £
<b>Continuing operations</b>	<b>Notes</b>		
Revenue	3	50,610	659,856
<b>Gross profit</b>		<b>50,610</b>	<b>659,856</b>
Fair value losses	11	-	(335,000)
Other operating income	4	4,354,722	3,526,362
Operating expenses	5	(568,098)	(829,398)
Impairment loss	6	-	(2,755,658)
<b>Operating profit</b>		<b>3,837,234</b>	<b>266,162</b>
Net interest expense	7	(48,674)	(541,214)
Fees and commission payable	8	-	(1,622,168)
<b>Profit/(loss) on ordinary activities before tax</b>		<b>3,788,560</b>	<b>(1,897,220)</b>
Tax credit	9	2,161,268	417,085
<b>Profit/(loss) for the financial year</b>		<b>5,949,828</b>	<b>(1,480,135)</b>

The Company had no recognised income or expenses in the financial year or preceding financial year other than those dealt with in the Profit and Loss Account.

The accompanying notes form an integral part of these financial statements.

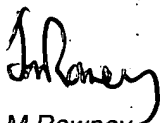


**BALANCE SHEET**  
**as at 31 December 2016**

	Notes	2016 £	2015 £
<b>Fixed assets</b>			
Investment properties	11	-	999,999
Investments in group undertakings	12	105	100
Investments in joint ventures	13	500	550
		<u>605</u>	<u>1,000,649</u>
<b>Current assets</b>			
Amounts due from group undertakings	14	341,826	-
Trade and other receivables	15	-	798
Current tax assets		2,161,266	417,085
Prepayments, accrued income and other assets	16	4,044,891	3,787,405
Cash at bank	17	14,430,599	13,517,308
		<u>20,978,582</u>	<u>17,722,596</u>
<b>Total assets</b>		<u>20,979,187</u>	<u>18,723,245</u>
<b>Creditors: amounts falling due within one year</b>			
Amounts due to group undertakings	19	371,775	-
Accruals, deferred income and other liabilities	20	3,872,605	3,808,588
Overdrafts	18	3,218,758	7,348,436
		<u>7,463,138</u>	<u>11,157,024</u>
<b>Total liabilities</b>		<u>7,463,138</u>	<u>11,157,024</u>
<b>Equity: capital and reserves</b>			
Called up share capital	21	200	200
Profit and loss account		13,515,849	7,566,021
<b>Total shareholders' funds</b>		<u>13,516,049</u>	<u>7,566,221</u>
<b>Total liabilities and shareholders' funds</b>		<u>20,979,187</u>	<u>18,723,245</u>

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 11<sup>th</sup> September 2017 signed on its behalf by:

  
J M Rowney  
Director

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2016

	Called up share capital	Profit and loss account	Total
	£	£	£
<b>At 1 January 2015</b>	200	9,046,156	9,046,356
Loss for the year	-	(1,480,135)	(1,480,135)
<b>At 31 December 2015</b>	200	7,566,021	7,566,221
Profit for the year	-	5,949,831	5,949,831
<b>At 31 December 2016</b>	<b>200</b>	<b>13,515,852</b>	<b>13,516,052</b>

Total comprehensive profit for the year of £5,949,831 (2015: loss of £1,480,135) was wholly attributable to the equity holders of the Company.

The accompanying notes form an integral part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS****1. Accounting policies****a) Preparation and presentation of accounts**

These financial statements are prepared:

- on a going concern basis;
- under Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework in accordance with the recognition and measurement principles of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU (together IFRS); and
- on the historical cost basis.

The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the Financial Reporting Council.

The Company is incorporated in the UK and registered in Scotland and the financial statements are presented:

- in accordance with the Companies Act 2006;
- in Sterling which is the functional currency of the Company; and
- with the benefit of the disclosure exemptions permitted by FRS 101 with regard to:
  - cash-flow statement;
  - standards not yet effective; and
  - related party transactions.

Where required, equivalent disclosures are given in the group accounts of The Royal Bank of Scotland Group plc, these accounts are available to the public and can be obtained as set out in note 22.

The few changes to IFRS that were effective from 1 January 2016 have had no material effect on the Company's Financial Statements for the year ended 31 December 2016.

**b) Consolidated financial statements**

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under IFRS 10 Consolidated Financial Statements and section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the Company and its subsidiaries are included by full consolidation in the IFRS consolidated financial statements of its parent, The Royal Bank of Scotland Group plc, a public company registered in Scotland whose registered address is 36 St Andrew Square, Edinburgh, EH2 2YB.

**c) Revenue recognition**

Revenue, arising in the UK from continuing activities, is measured at the fair value of the consideration received or receivable and represents amounts receivable from rentals earned and development properties sold in the normal course of business, net of discounts, VAT and other sales-related taxes. Sale of development properties are recognised when legal title has passed to the purchaser.

Rental income, excluding charges for services such as insurance and maintenance, is recognised on a straight-line basis over the lease term even if the payments are not made on that basis, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished or unless there is significant doubt that it can be collected. Lease incentives granted are recognised as an integral part of the total rental income.

Gains and losses on realisation of investments are recognised in profit or loss on the date of disposal.

Dividend income is recognised when the paying company is obliged to make the payment.

**d) Leases**

Contracts to lease assets are classified as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the customer. Other contracts to lease assets are classified as operating leases.

Operating lease assets are included within investment and development properties (see note 10).

**NOTES TO THE FINANCIAL STATEMENTS****1. Accounting policies (continued)****e) Taxation**

Income tax expense or income, comprising current tax and deferred tax, is recorded in the Profit and Loss Account except income tax on items recognised outside profit or loss which is credited or charged to other comprehensive income or to equity as appropriate.

Current tax is income tax payable or recoverable in respect of the taxable profit or loss for the year arising in income or in equity. Provision is made for current tax at rates enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable in respect of temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered. Deferred tax is not recognised on temporary differences that arise from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is calculated using tax rates expected to apply in the periods when the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date.

**f) Investment properties**

Investment property comprises freehold and leasehold properties that are held to earn rentals or for capital appreciation or both. Investment property is not depreciated but is stated at fair value based on valuations by independent registered valuers. Fair value is based on current prices for similar properties in the same location and condition. Any gain or loss arising from a change in fair value is recognised in profit or loss.

**g) Investments in group undertakings**

Investments in group undertakings are stated at cost less any impairment.

**h) Investments in joint ventures**

Investments in joint ventures are stated at cost less any impairment.

**i) Financial assets**

On initial recognition, financial assets are classified into loans and receivables.

**Loans and receivables**

Loans and receivables are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment losses. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability.

All financial assets are classified as loans and receivables unless otherwise indicated.

**j) Impairment of financial assets**

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

**k) Financial liabilities**

On initial recognition financial liabilities are classified into held for trading at amortised cost.

**Amortised cost**

Other than derivatives which are recognised and measured at fair value, all financial liabilities are measured at amortised cost using the effective interest method (see accounting policy 1(i)).

## NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting policies (continued)

## I) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or when it has been transferred and the transfer qualifies for derecognition.

A financial liability is removed from the Balance Sheet when the obligation is discharged, cancelled, or expires.

## 2. Critical accounting policies and key sources of estimation uncertainty

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. UK company law and IFRS require the directors, in preparing the Company's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. In the absence of an applicable standard or interpretation, IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', requires management to develop and apply an accounting policy that results in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the IASB's Framework for the Preparation and Presentation of Financial Statements. The judgements and assumptions involved in the Company's accounting policies that are considered by the directors to be the most important to the portrayal of its financial condition are discussed below. The use of estimates, assumptions or models that differ from those adopted by the Company would affect its reported results.

**Investment properties**

Subsequent to initial recognition, investment properties are measured at fair value. Fair value is based on current prices in an active market for similar properties in the same location and condition using internal valuation models based on yield comparables and any available recent market transactions taking cognisance of the principles of Royal Institute of Chartered Surveyors (RICS) valuation methodology. Fair value of the investment properties is determined on at least an annual basis by officers of the Company who hold the appropriate qualifications for valuing real estate assets e.g. RICS certification. A selection of properties may be valued by external appointed surveyors from time to time as the commercial need arises.

**Loan impairment provisions**

The Company's loan impairment provisions are established to recognise incurred impairment losses in its portfolio of loans classified as loans and receivables and carried at amortised cost. A loan is impaired when there is objective evidence that events since the loan was granted have affected expected cash flows from the loan. The impairment loss is the difference between the carrying value of the loan and the present value of estimated future cash flows at the loan's original effective interest rate.

## 3. Revenue

	2016 £	2015 £
Rental income	50,610	659,856

## 4. Other operating income

	2016 £	2015 £
Dividend income from group undertakings and joint ventures	1,167,827	3,000,000
Gain on disposal of investments in group undertakings and joint ventures – from sale of Omega Warrington joint venture	3,099,950	1
Profit on disposal of investment and development properties	85,000	389,001
Other income	1,945	137,360
	4,354,722	3,526,362

## NOTES TO THE FINANCIAL STATEMENTS

## 5. Operating expenses

	2016 £	2015 £
Legal and professional fees	112,198	357,005
Management charges	133,670	39,969
Rental expenses	149,472	91,250
Property management fees	59,071	141,324
Repairs and maintenance	32,279	134,910
Audit fees	13,450	3,922
Rates	1,633	28,958
Other	66,325	32,060
	<b>568,098</b>	<b>829,398</b>

Other than the audit fees disclosed above, no additional remuneration was payable to the auditors for any other services.

**Staff costs, number of employees and directors' emoluments**

All staff and directors were employed by The Royal Bank of Scotland plc, the financial statements for which contain full disclosure of employee benefit expenses incurred in the period including share based payments and pensions. The Company has no employees and pays a management charge for services provided by other group companies. The Company does not remunerate directors nor can remuneration from elsewhere in the group be apportioned meaningfully in respect of their services to the Company.

**Management charge**

Management charge relates to the Company's share of group resources such as the use of IT platforms, staff and a share of central resources. These are re-charged on an annual basis by KUC Properties Limited, a fellow group undertaking.

## 6. Impairment loss

	2016 £	2015 £
Impairment loss on joint ventures	-	306,158
Impairment loss on loans and advances to customers	-	2,449,500
	<b>-</b>	<b>2,755,658</b>

## 7. Net interest expense

	2016 £	2015 £
Interest receivable from group undertakings	-	43,279
Interest payable to group undertakings	(48,674)	(584,493)
	<b>(48,674)</b>	<b>(541,214)</b>

## 8. Fees and commission payable

	2016 £	2015 £
Swap breakage cost	-	1,622,168

## NOTES TO THE FINANCIAL STATEMENTS

## 9. Tax

	2016 £	2015 £
<b>Current tax:</b>		
UK corporation tax credit for the year	(49,330)	(411,116)
Over provision in respect of prior periods	(2,111,938)	(5,969)
Tax credit for the year	<u>(2,161,268)</u>	<u>(417,085)</u>

The actual tax credit differs from the expected tax charge/(credit) computed by applying the UK corporation tax rate of 20% (2015: 20.25%) as follows:

	2016 £	2015 £
Profit/(loss) before tax for the year	3,788,560	(1,897,220)
Expected tax charge/(credit)	757,713	(384,122)
Non-deductible items	63,513	639,726
Non-taxable items	(870,556)	(666,720)
Adjustments in respect of prior years	(2,111,938)	(5,969)
Actual tax credit for the year	<u>(2,161,268)</u>	<u>(417,085)</u>

## 10. Operating lease arrangements

At the balance sheet date, the Company had contracted with customers for the following future minimum lease rentals payable under non-cancellable operating leases:

	Within 1 year £	Between 1 and 5 years £	After 5 years £	Total £
2016	-	-	-	-
2015	96,481	117,430	45,255	259,166

	2016 £	2015 £
<b>Nature of operating lease assets in the balance sheet:</b>		
Investment properties	-	999,999
	<u>-</u>	<u>999,999</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 11. Investment properties

	2016 £	2015 £
At 1 January	999,999	1,894,999
Fair value losses	-	(335,000)
Disposals	(999,999)	(560,000)
At 31 December	-	999,999

In 2016, the Company sold the investment for a consideration of £999,999 being market value at that time.

The property rental income earned by the Company from its investment properties, amounted to £50,610 (2015: £659,856). Direct operating expenses arising on the investment properties amounted to £149,472 (2015: £91,250).

## 12. Investments in group undertakings

Investments in group undertakings are carried at cost less impairment. Carrying value at the year end was as follows:

	2016 £	2015 £
At 1 January	100	100
Additions: 100% transfer of shares of:		
- Gatehouse Way Developments Limited	3	-
- Walton Lake Developments Limited	2	-
At 31 December	105	100

The subsidiary undertakings of the Company, which have an accounting reference date of 31 December, are:

Name of subsidiary	Registered address	Country of incorporation and operation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
Property Ventures (B&M) Limited	1 Princes Street, London, EC2R 8PB	England	100	100	Holding company
Gatehouse Way Developments Limited	1 Princes Street, London, EC2R 8PB	England	100	100	Property development
Walton Lake Developments Limited	1 Princes Street, London, EC2R 8PB	England	100	100	Property development



## NOTES TO THE FINANCIAL STATEMENTS

## 13. Investments in joint ventures

Investments in joint ventures are carried at cost less impairment. Movements during the year were as follows:

	2016 £	2015 £
At 1 January	550	306,708
Disposals	(50)	(306,158)
At 31 December	500	550

Omega Warrington Limited was disposed of by the Company in June 2016.

Name of joint ventures	Country of incorporation and operation	Proportion of ownership interest %	Proportion of voting power held %	Carrying value	Principal activity
Cala Campus Limited	Great Britain	50%	50%	500	Property development

## 14. Amounts due from group undertakings

	2016 £	2015 £
Priority Sites Investments Limited	68,365	-
Priority Sites Limited	68,365	-
Gatehouse Way Developments Limited	68,365	-
Walton Lake Developments Limited	68,365	-
West Register Project Developments Limited	68,366	-
	341,826	-

## 15. Trade and other receivables

	2016 £	2015 £
Rents receivable	-	798

## 16. Prepayments, accrued income and other assets

	2016 £	2015 £
Value added tax	39,182	23,642
Property management receivables	4,005,709	3,763,763
	4,044,891	3,787,405

## 17. Cash at bank

	2016 £	2015 £
Cash at bank	14,430,599	13,517,308

## 18. Overdrafts

	2016 £	2015 £
Amounts owed to group banks	3,218,758	7,348,436

## NOTES TO THE FINANCIAL STATEMENTS

## 19. Amounts due to group undertakings

	2016 £	2015 £
The Royal Bank of Scotland Plc	371,775	-

## 20. Accruals, deferred income and other liabilities

	2016 £	2015 £
Accruals	422,604	93,505
Property management payables	3,450,001	3,710,582
Other liabilities	-	4,501
	<b>3,872,605</b>	<b>3,808,588</b>

## 21. Called up share capital

	2016 £	2015 £
<b>Authorised:</b>		
200 ordinary shares of £1	200	200
<b>Allotted, called up and fully paid:</b>		
200 ordinary shares of £1	200	200

The Company has one class of ordinary shares which carry no right to fixed income.

## 22. Related parties

**UK Government**

The UK Government through HM Treasury is the ultimate controlling party of The Royal Bank of Scotland Group plc. Its shareholding is managed by UK Financial Investments Limited, a company it wholly owns and as a result, the UK Government and UK Government controlled bodies are related parties of the Company.

The Company enters into transactions with these bodies on an arms' length basis; they include the payment of taxes including UK corporation tax and value added tax.

**Group Undertakings**

The Company's immediate parent company is KUC Holdings Limited, a company incorporated in the UK. As at 31 December 2016, The Royal Bank of Scotland plc, a company incorporated in the UK, heads the smallest group in which the Company is consolidated. Copies of the consolidated accounts may be obtained from Corporate Governance and Regulatory Affairs, The Royal Bank of Scotland plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

The Company's ultimate holding company, The Royal Bank of Scotland Group plc, which is incorporated in the UK, heads the largest group in which the Company is consolidated. Copies of the consolidated accounts may be obtained from Corporate Governance and Regulatory Affairs, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

## 23. Post balance sheet events

During March 2017 the Company provided capital injections totalling £26.3m to subsidiaries detailed below:

- West Register Project Developments Limited £10.6m
- Gatehouse Way Developments Limited £8.8m
- Walton Lake Developments Limited £6.9m