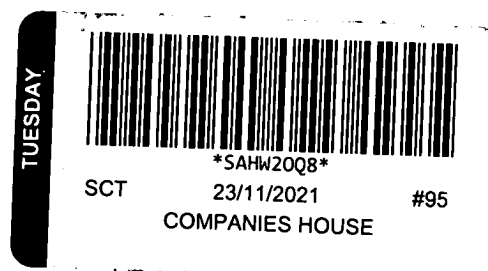


Registered number: SC113202

**Dunfermline BS Nominees Limited**

**Unaudited Annual Report and Financial Statements  
for the year ended 31 March 2021**



**DUNFERMLINE BS NOMINEES LIMITED**

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**Directors and company information**

**Directors**

M Mathieson

R Sinclair

J Wright

**Company secretary**

NBS CoSec Limited

**Registered office**

Caledonia House

Carnegie Avenue

Dunfermline

KY11 8PJ

**Registered number**

SC113202

## **DUNFERMLINE BS NOMINEES LIMITED**

### **Directors' report for the year ended 31 March 2021**

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The directors present their annual report and the unaudited financial statements for the year ended 31 March 2021.

As set out in the statement of accounting policies, the annual report and financial statements have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101).

The directors have opted to take advantage of the audit exemption available to the Company under Section 479A of the Companies Act 2006, as a subsidiary of Nationwide Building Society.

#### **Principal activities**

Dunfermline BS Nominees Limited ('the Company') is a wholly owned subsidiary of Nationwide Building Society ('the Society'). Nationwide Building Society prepares consolidated financial statements, which include the Company and other controlled undertakings of the Society (herein 'the Group').

The principal activity of the Company continues to be the management of property. The Company leases its asset, Caledonia House, to its parent undertaking. The duration of the lease, which was renewed on 28 August 2019, is 10 years at an annual rent of £210,000. Rent reviews are carried out at 5 yearly intervals. The Company has a 999 year ground lease in relation to Carnegie Campus upon which Caledonia House resides.

#### **Results and dividends**

The loss after tax was £803,681 (2020: profit after tax £908,590). No dividends were proposed or paid during the year (2020: £nil). The retained earnings carried forward are £2,428,043 (2020: £3,231,724).

#### **Future developments**

It is the directors' intention for the Company to continue to generate rental income from the investment property for the foreseeable future.

#### **Employees**

The Company has no employees (2020: none). All staff, including the Company's directors, are employed by Nationwide Building Society.

#### **Environment**

The Company's environmental policy is set at a Group level. The Group remains committed to managing its environmental impacts and its ambition is to lead the greening of UK homes and ensure that business operations, suppliers and commuting will be carbon neutral by 2030.

Further details of the Group's activities can be found in the Directors' Report in its Annual Report and Accounts and on Nationwide Building Society's website at [nationwide.co.uk](https://www.nationwide.co.uk)

#### **Directors and directors' interests**

The directors who held office during the period were:

M Mathieson  
A Robb (resigned 31 December 2020)  
R Sinclair (appointed 31 December 2020)  
J Tibbles (resigned 31 December 2020)  
J Wright (appointed 31 December 2020)

At no time during the year have the directors, or connected persons, had any beneficial interest in the shares of the Company. None of the directors had a material interest in any contract significant to the Company's business.

#### **Company secretary**

NBS CoSec Limited.

## **DUNFERMLINE BS NOMINEES LIMITED**

### **Directors' report for the year ended 31 March 2021 (continued)**

#### **Domicile**

The Company is a private company limited by shares. It is incorporated, registered, domiciled and operates in Scotland. The registered office is Caledonia House, Carnegie Avenue, Dunfermline KY11 8PJ.

#### **Going concern**

The Company is fully funded by its parent undertaking, Nationwide Building Society. Nationwide Building Society has confirmed that it will continue to fund the Company's activities for the foreseeable future. The foreseeable future is considered for this purpose to be a period of at least 12 months from the date of approval of the financial statements and it is therefore appropriate to continue to adopt the going concern basis in preparing these financial statements.

#### **Risk overview**

The Company's principal exposure to risk is credit risk on the amounts due from the parent undertaking. This risk is considered to be low.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Directors' report and 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 applicable law and United Kingdom Accounting Standards (UK GAAP), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK GAAP standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Approved by the Board of directors and signed on its behalf by

DocuSigned by:  
  
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**Director**  
Jason Wright

10 November  
2021

**DUNFERMLINE BS NOMINEES LIMITED****Statement of comprehensive expense/income for the year ended 31 March 2021 (unaudited)**

	Notes	2021 £	2020 £
Rental income		<b>210,000</b>	310,000
(Decrease)/increase in fair value of investment property	4	<b>(50,000)</b>	675,000
<b>Profit before tax</b>		<b>160,000</b>	985,000
Taxation	3	<b>(963,681)</b>	(76,410)
<b>(Loss)/profit after tax, being total comprehensive (expense)/income for the year</b>		<b>(803,681)</b>	908,590

The notes on pages 7 to 10 form part of these financial statements.

## Balance sheet as at 31 March 2021 (unaudited)

	Notes	2021 £	2020 £
<b>Assets</b>			
<b>Non current assets</b>			
Investment property	4	1,400,000	1,450,000
Deferred tax asset	3	-	923,780
<b>Current assets</b>			
Amounts due from parent undertaking	5	1,028,045	857,946
<b>Total assets</b>		<b>2,428,045</b>	<b>3,231,726</b>
<b>Equity</b>			
Share capital	6	2	2
Retained earnings		2,428,043	3,231,724
<b>Total equity</b>		<b>2,428,045</b>	<b>3,231,726</b>

The notes on pages 7 to 10 form part of these financial statements.


For the year ending 31 March 2021, the Company was entitled to an exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements on pages 4 to 10 were approved by the board of directors on 10 November 2021.

DocuSigned by:



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**Director**

Jason Wright

**DUNFERMLINE BS NOMINEES LIMITED****Statement of changes in equity for the year ended 31 March 2021 (unaudited)**

	Share capital £	2021 Retained earnings £	Total £	Share capital £	2020 Retained earnings £	Total £
At 1 April	2	3,231,724	3,231,726	2	2,323,134	2,323,136
<b>Total comprehensive (expense)/ income</b>		<b>(803,681)</b>	<b>(803,681)</b>	-	908,590	908,590
<b>At 31 March</b>	<b>2</b>	<b>2,428,043</b>	<b>2,428,045</b>	<b>2</b>	<b>3,231,724</b>	<b>3,231,726</b>

The notes on pages 7 to 10 form part of these financial statements.

## **DUNFERMLINE BS NOMINEES LIMITED**

### **Notes to the financial statements for the year ended 31 March 2021 (unaudited)**

#### **1 Statement of accounting policies**

##### **Basis of preparation**

The financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006, and in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). The financial statements have been prepared under the historical cost convention. As stated in the Directors' report, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. Accounting policies have been consistently applied throughout the period when preparing these financial statements.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of International Accounting Standard (IAS) 7 'Statement of Cash Flows';
- the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'; and
- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of IFRS 7 'Financial Instruments: Disclosures'; and
- the requirements of paragraphs 91 to 99 of IFRS 13 'Fair Value Measurement'.

Further information about judgements in applying accounting policies and critical accounting estimates is provided in note 2.

##### **Adoption of new and revised standards**

No new or revised standards became effective in the year which were applicable to the Company.

##### **a) Rental income**

Revenue derived from investment property is recognised in the statement of comprehensive income on an accruals basis as services are provided. Rental income, together with any incentives, is recognised on a straight line basis over the lease term. Provision is made for any rents due but not considered collectable.

##### **b) Taxation including deferred tax**

Current tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. Current tax assets and liabilities are measured at the amount expected to be recovered from, or paid to, the taxation authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax is realised or the deferred tax liability is settled.

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and where the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle on a net basis.

##### **c) Investment property**

The investment property, which comprises property held for rental, is stated at fair value. The property is revalued annually by an external qualified valuer, in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Professional Standards (incorporating the International Valuation Standards). Changes in fair value are included in the statement of comprehensive income. Depreciation is not charged on the investment property.



**DUNFERMLINE BS NOMINEES LIMITED****Notes to the financial statements for the year ended 31 March 2021 (unaudited) (continued)****1 Statement of accounting policies (continued)****d) Financial assets**

Financial assets comprise amounts due from the parent undertaking.

**Recognition and derecognition**

All financial assets are recognised initially at fair value. Financial assets are derecognised when the rights to receive cash flows have expired or where the assets have been transferred and substantially all the risks and rewards of ownership have been transferred.

The fair value of a financial asset on initial recognition is the transaction price.

**Classification and measurement**

The classification and subsequent measurement of financial assets is based on an assessment of the Company's business models for managing the assets and their contractual cash flow characteristics. All of the Company's financial assets are held at amortised cost.

**Amortised cost**

Financial assets held to collect contractual cash flows and where contractual terms comprise solely payments of principal and interest (SPPI) are classified as amortised cost. This category of financial assets includes amounts due from the parent undertaking.

Financial assets within this category are recognised when the funds are advanced to the parent. After initial recognition, the assets are measured at amortised cost using the effective interest rate method, less provisions for expected credit losses.

**e) Impairment of financial assets**

The Company assesses all financial instruments within scope of IFRS 9 expected credit loss (ECL) requirements and where appropriate recognises an impairment provision. Financial assets within the scope of IFRS 9 are amounts due from the parent undertaking.

**f) Share capital**

Ordinary shares, net of directly attributable issue costs, are classified as equity. Dividends paid on ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the directors.

**2 Judgements in applying accounting policies and critical accounting estimates**

The preparation of the Company's financial statements involves management making judgements and estimates when applying those accounting policies that affect the reported amounts of assets, liabilities, income and expense. Actual results may differ from those on which management's estimates are based. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable. For the year ended 31 March 2021, this evaluation has considered the potential impacts of Covid-19.

**3 Taxation**

<b>Tax charge in the statement of comprehensive income</b>	<b>2021 £</b>	<b>2020 £</b>
Current tax:		
UK corporation tax	<b>39,901</b>	58,900
<b>Total current tax</b>	<b>39,901</b>	58,900
Deferred tax:		
Current year	-	128,250
Effect of tax rate change	-	(110,740)
Write down of deferred tax asset no longer recognised	<b>923,780</b>	-
<b>Total deferred tax</b>	<b>923,780</b>	17,510
<b>Taxation</b>	<b>963,681</b>	76,410

**DUNFERMLINE BS NOMINEES LIMITED****Notes to the financial statements for the year ended 31 March 2021 (unaudited) (continued)****3 Taxation (continued)**

The actual tax charge differs from to the theoretical amount that would arise using the standard rate of corporation tax in the UK as follows:

	2021 £	2020 £
<b>Profit before tax</b>	<b>160,000</b>	985,000
Tax calculated at a rate of 19%	<b>30,400</b>	187,150
Timing differences for which deferred tax is not provided on property valuations	<b>9,501</b>	-
Remeasurement of deferred tax for changes in tax rates	-	(110,740)
Write down of deferred tax asset no longer recognised	<b>923,780</b>	-
<b>Taxation</b>	<b>963,681</b>	76,410

**Deferred taxation**

Deferred tax is determined using tax rates and laws that are expected to apply in the period when the deferred tax asset is realised or deferred tax liability is settled based on rates enacted or substantively enacted at the balance sheet date.

The movements on the deferred tax account are as follows:

	2021 £	2020 £
At 1 April	923,870	941,290
Deferred tax charge in statement of comprehensive income		
Investment property revaluation	-	(17,510)
Write down of deferred tax asset no longer recognised	<b>(923,780)</b>	
<b>At 31 March</b>	-	923,780

The deferred tax asset is attributable to the following items:

	2021 £	2020 £
Investment property revaluation	-	923,780

The deferred tax asset on the investment property fair value movements recognised at 31 March 2020 has been written off in the year as it is not considered probable that future capital gains will be available against which the unrealised losses can be utilised.

**4 Investment property**

	2021 £	2020 £
Valuation:		
At 1 April	1,450,000	775,000
(Decrease)/increase in fair value	<b>(50,000)</b>	675,000
<b>At 31 March</b>	<b>1,400,000</b>	1,450,000

The investment property is leased by the Company's parent undertaking for 10 years at an annual rent of £210,000 (2020: £210,000) until August 2029.

**5 Amounts due from parent undertaking**

Amounts due from parent undertaking of £1,028,045 (2020: £857,946) are held on deposit with Nationwide Building Society and are repayable on demand.

**DUNFERMLINE BS NOMINEES LIMITED****Notes to the financial statements for the year ended 31 March 2021 (unaudited) (continued)****6 Share capital**

	2021 £	2020 £
Authorised:		
Ordinary shares of £1 each	100	100
Issued and fully paid:		
Ordinary shares of £1 each	2	2

**7 Leasing**

The Company leases its principal asset, Caledonia House, to its parent undertaking. The duration of the lease, which was extended in 2019, is 10 years at an annual rent of £210,000 (2020: 10 years, £210,000).

	2021 £	2020 £
Payments receivable under non-cancellable leases	1,732,500	1,942,500

At the balance sheet date, total future minimum lease payments receivable under non-cancellable leases were as follows:

	2021 £	2020 £
Amounts falling due:		
Within one year	210,000	210,000
Between one and two years	210,000	210,000
Between two and three years	210,000	210,000
Between three and four years	210,000	210,000
Between four and five years	210,000	210,000
After five years	682,500	892,500
<b>Total</b>	<b>1,732,500</b>	<b>1,942,500</b>

**8 Capital management**

Capital comprises retained earnings and share capital. Capital is managed on a Group basis.

Further details about the Group's capital position can be found in the Solvency risk section of the Risk report in its Annual Report and Accounts.

**9 Parent undertaking and ultimate controlling party**

The Company is a wholly owned subsidiary of Nationwide Building Society, its immediate and ultimate parent and controlling party, which is a building society incorporated and registered in England and Wales.

The results of Dunfermline BS Nominees Limited are included in the consolidated financial statements of Nationwide Building Society, which is the parent undertaking of the smallest and largest group to consolidate these financial statements.

Nationwide Building Society is registered at Nationwide House, Pipers Way, Swindon, SN38 1NW. The Group Annual Report and Accounts can be obtained from this address or at [nationwide.co.uk](http://nationwide.co.uk)