

Bradford & Bingley Investments

Annual Report and Financial Statements

for the 12 months to 31 March 2016

Registered number: 03326913

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Bradford & Bingley Investments

Annual Report and Financial Statements for the 12 months to 31 March 2016

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Bradford & Bingley Investments

Company Information

Directors

Ian John Hares
John Gornall

Company Secretary

Claire Louise Craigie

Registered Office

Croft Road
Crossflatts
Bingley
West Yorkshire
BD16 2UA

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Benson House
33 Wellington Street
Leeds
LS1 4JP

Bradford & Bingley Investments

Strategic Report for the 12 months to 31 March 2016

The Directors present the Strategic Report of Bradford & Bingley Investments ('the Company') for the year to 31 March 2016.

Principal activities

The Company is an unlimited company incorporated and domiciled in the United Kingdom. The Company's principal activity during the year was that of a holding company.

Controlling party

The Company's immediate parent undertaking is Bradford & Bingley plc ('B&B'), a public company incorporated and domiciled in the United Kingdom. B&B and its subsidiary undertakings are collectively referred to as the 'B&B Group'.

B&B heads the smallest group of companies into which the Financial Statements of the Company are consolidated.

B&B's ultimate parent undertaking is UK Asset Resolution Limited ('UKAR'), a private limited company incorporated and domiciled in the United Kingdom, which is wholly owned by the Treasury Solicitor as nominee for HM Treasury. The Company considers Her Majesty's Government to remain its ultimate controlling party.

Review of the business

The results for the year are shown in the Statement of Comprehensive Income on page 9. The Company made neither a profit nor loss during the year (2015: £1,000 profit). During the year, the Company received no dividends (2015: £nil) from its subsidiary undertakings. The Company made no dividend payments (2015: £nil) during the year to B&B. The Directors do not foresee any change to the activities of the Company.

Principal risks and uncertainties

In the ordinary course of business the Company is exposed to, and manages, a variety of risks, with credit risk, liquidity risk and market risk (interest rate risk) being of particular significance. The Directors have responsibility for the overall system of internal control and for reviewing its effectiveness. The effectiveness of risk management is then monitored on an ongoing basis. Details of the Company's risks and their management and control are provided in note 13, and further discussion in the context of the B&B Group as a whole is provided on pages 8-10 of that Group's Annual Report & Accounts which do not form part of this Report and Financial Statements.

Key performance indicators

The Company has not made a loss in the current or previous year.

On behalf of the Board



John Gornall

Director

19 September 2016

Bradford & Bingley Investments

Directors' Report for the 12 months to 31 March 2016

Dividends

During the year to 31 March 2016 the Company paid no dividends (March 2015: £nil). The Directors do not recommend the payment of a final dividend for the year (2015: £nil).

Future Outlook

The Directors do not foresee any change in the company's activities.

Directors and their interests

The Directors who served during the year and up to the date of signing the Financial Statements were as follows:

Ian Hares

John Gornall

Mr Hares is a Director of B&B and UKAR.

Directors' indemnities

Qualifying third party indemnity provision for the benefit of all Directors was in force during the year under review and remains in force as at the date of approval of the Directors' Report and Financial Statements.

B&B has arranged Directors' and Officers' Insurance on behalf of the Directors in accordance with the provisions of the Companies Act 2006.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, 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 prepared the Financial Statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. Under company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these Financial Statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable IFRS as adopted by the European Union 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.

Bradford & Bingley Investments

Directors' Report for the 12 months to 31 March 2016 (continued)

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

Independent auditors

A resolution to appoint the National Audit Office as the Company's auditors will be obtained from the Company's shareholder following the resignation of PricewaterhouseCoopers LLP on the 19 September 2016.

Financial Risk Management objectives and policies

Information regarding the financial risk management objectives is given in note 13. A description of the principal risks to which the Company is exposed is provided on page 4.

On behalf of the Board



John Gornall

Director

19 September 2016

Bradford & Bingley Investments

Independent Auditors' report to the Members of Bradford & Bingley Investments

Report on the Financial Statements

Our opinion

In our opinion, Bradford & Bingley Investments' Financial Statements (the 'Financial Statements'):

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its result and cash flows for the year then ended;
 - have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the 'Annual Report'), comprise:

- the Balance Sheet as at 31 March 2016;
- the Statement of Comprehensive Income for the year then ended;
- the Cash Flow Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion 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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Bradford & Bingley Investments

Independent Auditors' report to the Members of Bradford & Bingley Investments

(continued)

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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) ('ISAs (UK & Ireland)'). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Parent Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of Financial Statements involves

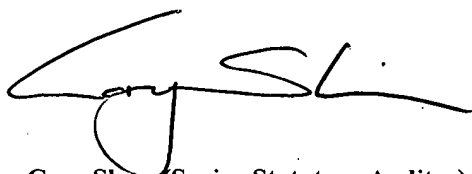
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the Financial Statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

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.



Gary Shaw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
19 September 2016

Bradford & Bingley Investments

Statement of Comprehensive Income for the 12 months to 31 March 2016

	Note	12 months to 31 Mar 2016 £000	12 months to 31 Mar 2015 £000
Interest receivable and similar income	3	-	-
Dividend income from investments in subsidiary undertakings	7	-	-
Result before taxation		-	-
Taxation	6	-	1
Result/Profit for the year		-	1
Other comprehensive income		-	-
Total comprehensive income for the year		-	1

The results above arise from continuing activities and are attributable to the equity shareholder.

The notes on pages 13 to 21 form an integral part of these Financial Statements.

Bradford & Bingley Investments

Balance Sheet as at 31 March 2016

Registered number: 03326913

	Note	At 31 March 2016 £000	At 31 March 2015 £000
Assets			
Non-current assets			
Investments in subsidiary undertakings	7	4	4
Total non-current assets		4	4
Current assets			
Loans to Group undertakings	8	8	8
Total current assets		8	8
Total assets		12	12
Equity and liabilities			
Liabilities			
Current liabilities			
Loans from Group undertakings	9	4	4
Total current liabilities		4	4
Total liabilities		4	4
Equity			
Capital and reserves attributable to owners of the parent:			
Share capital	10	-	-
Retained earnings		8	8
Total equity		8	8
Total equity and liabilities		12	12

The notes on pages 13 to 21 form an integral part of these Financial Statements.

The Financial Statements on pages 9 to 21 were approved by the Board of Directors and authorised for issue on 19 September 2016 and signed on its behalf by:



John Gornall

Director

19 September 2016

Bradford & Bingley Investments

Statement of Changes in Equity for the 12 months to 31 March 2016

For the 12 months to 31 March 2016

	Share capital	Retained earnings	Total equity
	£000	£000	£000
Balance at 1 April 2015	-	8	8
Total comprehensive result for the year	-	-	-
Balance at 31 March 2016	-	8	8

For the 12 months to 31 March 2015

	Share capital	Retained earnings	Total equity
	£000	£000	£000
Balance at 1 April 2014	-	7	7
Total comprehensive income for the year	-	1	1
Balance at 31 March 2015	-	8	8

Bradford & Bingley Investments

Cash Flow Statement for the 12 months to 31 March 2016

	12 months to 31 Mar 2016 £000	12 months to 31 Mar 2015 £000
Cash flows from operating activities:		
Result before taxation for the financial year	-	-
Net decrease in operating assets:		
- loans to Group undertakings	-	3
Cash generated from operations	-	3
Income tax paid	-	(3)
Net cash generated from operating activities	-	-
 Net change in cash and cash equivalents	-	-
Cash and cash equivalents at beginning and end of year	-	-

Bradford & Bingley Investments

Notes to the Financial Statements for the 12 months to 31 March 2016

1 Principal accounting policies

The Bradford & Bingley Investments ('the Company') is an unlimited company incorporated and domiciled in the United Kingdom.

(a) Statement of compliance

The Company's Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ('adopted IFRS').

For these 2016 Financial Statements, including the 2015 comparative financial information where applicable, the Company has adopted the following statements for the first time:

- The Annual Improvements to IFRSs 2010-2012 Cycle, issued in December 2013. These changes are mandatory for the Company's Financial Statements for the year to 31 March 2016; these changes had no material impact on the Company.
- The Annual Improvements to IFRSs 2011-2013 Cycle, issued in December 2013. These changes are mandatory for the Company's Financial Statements for the year to 31 March 2016; these changes had no material impact on the Company.

For these 2016 Financial Statements the Company has not adopted the following statements; the Company is assessing the impacts of these statements on its Financial Statements:

- IFRS 9 'Financial Instruments'; in July 2014 the IASB published the final version (excluding macro-hedging), replacing most of the requirements of IAS 39. The IASB intends that IFRS 9 will be effective for annual periods beginning on or after 1 January 2018, but the timing of EU endorsement is yet to be determined. The Company is undertaking an assessment of these impacts.
- IFRS 15 'Revenue from Contracts with Customers', issued May 2014, effective for periods beginning on or after 1 January 2018, yet to be endorsed by the EU. No material impacts are expected for the Company.
- The Annual improvements to IFRS 2012-2014 Cycle, issued in September 2014. These changes are mandatory for the Company's Financial Statements for the year to 31 March 2017. No material impacts are expected for the Company.
- Amendments to IAS 12 'Income Taxes' relating to 'Recognition of Deferred Tax Assets for Unrealised Losses', issued in January 2016, effective for periods beginning on or after 1 January 2017 and yet to be endorsed by the EU. The Company is assessing the impacts of this statement.

All other new standards, amendments to standards and interpretations are not considered relevant to, and have no impact upon, the Financial Statements of the Company.

Bradford & Bingley Investments

Notes to the Financial Statements for the 12 months to 31 March 2016 (continued)

1 Principal accounting policies (continued)

(b) Basis of preparation

The Financial Statements are prepared on the historical cost basis. The Financial Statements are presented in pounds sterling, which is the currency of the Company's primary operating environment, and on a going concern basis.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group Financial Statements. These Financial Statements present information about the Company as an individual undertaking and not about its group.

The Directors consider that the accounting policies set out in this note are the most appropriate to the Company's circumstances, have been consistently applied by the Company in dealing with items which are considered material, and are supported by reasonable and prudent estimates and judgements.

The Financial Statements have been prepared in accordance with EU adopted IFRS, interpretations issued by the IFRS Interpretations Committee and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. A summary of accounting policies is set out below. The preparation of the Financial Statements in conformity with these accounting policies and generally accepted accounting principles requires the use of estimates and assumptions that affect the reported values of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, event or actions, actual results ultimately may differ from those estimates (see note 2).

(c) Interest receivable

For all interest bearing financial instruments, interest income is recognised in the Statement of Comprehensive Income on an effective interest rate ('EIR') basis. The EIR basis spreads the interest income or interest expense over the expected life of the asset. The EIR is the rate that at the inception of the asset exactly discounts expected future cash receipts through the expected life of the asset back to the initial carrying amount. When calculating the EIR, future cash flows are estimated, considering all contractual terms of the asset. The calculation includes all directly attributable incremental fees and costs, and all other premia and discounts as well as interest.

(d) Financial instruments

In accordance with IAS 39 each financial asset is classified at initial recognition into one of the following categories:

- (i) Financial assets at fair value through profit or loss; or
- (ii) Loans and receivables;

and each financial liability into one of two categories:

- (iii) Financial liabilities at fair value through profit or loss; or
- (iv) Other liabilities.

Measurement of financial instruments is either at amortised cost (category (ii) and (iv) above) or at fair value (categories (i) and (iii) above), depending on the category of financial instrument. The Fair Value Option amendment to IAS 39 has been used to designate certain financial instruments as being 'at fair value through profit or loss'.

Amortised cost is the amount measured at initial recognition, adjusted for subsequent principal and other payments, less cumulative amortisation calculated using the EIR method; the amortisation is taken to interest income or expense depending on whether the instrument is an asset or liability. The amortised cost balance is reduced where appropriate by an allowance for amounts which are considered to be impaired or uncollectible.

Any profit or loss on sale of an instrument carried at amortised cost is recognised immediately in the Statement of Comprehensive Income in interest income or expense depending on whether the instrument is an asset or a liability.

Bradford & Bingley Investments

Notes to the Financial Statements for the 12 months to 31 March 2016 (continued)

1 Principal accounting policies (continued)

(d) Financial instruments (continued)

Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where a market exists, fair values are based on quoted market prices. For instruments which do not have active markets, fair value is calculated using present value models which take individual cash flows together with assumptions based on market conditions and credit spreads and are consistent with accepted economic methodologies for pricing financial instruments. Any net movements in fair value that occur are included in the Statement of Comprehensive Income as 'fair value movements'.

(e) Income from investments in subsidiary undertakings

Dividends receivable are recognised by the Company once the right to receive payment is established, in accordance with IAS 18 'Revenue Recognition'.

(f) Taxation

(i) Current tax

The charge for taxation is based on the result for the year and takes into account taxation deferred or accelerated arising from temporary differences between the carrying amounts of certain items for taxation and for accounting purposes. Tax relating to items which are taken directly to reserves is also taken directly to reserves.

(ii) Deferred tax

Deferred tax is calculated 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 substantially enacted by the Balance Sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

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

(g) Investments in subsidiary undertakings

Shares in subsidiary undertakings are carried at cost less any impairment. Shares are reviewed at each Balance Sheet date for any indication of impairment. If there is indication of impairment of any investment, the carrying value of the investment is reviewed, and any impairment identified is charged immediately in the Statement of Comprehensive Income.

(h) Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise balances which had an original maturity of three months or less.

(i) Currency

The functional and presentation currency of the Company is pounds sterling

2 Critical accounting judgements and estimates

In preparation of the Company's Financial Statements judgements and estimates are made which affect the reported amounts of assets and liabilities; judgements and estimates are kept under continuous evaluation. Judgements and estimates are based on historical experience, expectations of future events and other factors. At 31 March 2016 and 31 March 2015 there were no critical accounting judgements or estimates.

Bradford & Bingley Investments

Notes to the Financial Statements for the 12 months to 31 March 2016 (continued)

3 Interest receivable and similar income

	12 months to 31 Mar 2016 £000	12 months to 31 Mar 2015 £000
Interest on amounts due from B&B	-	-

4 Employees and Directors' emoluments

There were no employees during the year (2015: none) and none of the Directors received emoluments in respect of their services to the Company.

5 Operating expenses

Auditors' remuneration of £500 (2015: £500) was borne by the Company's parent undertaking B&B.

6 Taxation

	12 months to 31 Mar 2016 £000	12 months to 31 Mar 2015 £000
Current taxation credit:		
- UK Corporation tax on result for the year	-	-
- Adjustments in respect of previous periods	-	(1)
Total taxation credit per the Statement of Comprehensive Income	-	(1)

	12 months to 31 Mar 2016 £000	12 months to 31 Mar 2015 £000
Result before taxation	-	-
UK Corporation tax at 20% (2015: 21%)	-	-
Effects of:		
- Adjustments in respect of previous periods	-	(1)
Total taxation credit per the Statement of Comprehensive Income	-	(1)

Bradford & Bingley Investments

Notes to the Financial Statements for the 12 months to 31 March 2016 (continued)

7 Investments in subsidiary undertakings

	2016 £000	2015 £000
Cost		
At beginning of year	4	8
Disposal	-	(4)
At end of year	4	4
Impairment		
At beginning of year	-	4
Disposal	-	(4)
At end of year	-	-
Net book value		
At beginning of year	4	4
At end of year	4	4

Company	Equity at 31 March 2016 £000	Profit after tax - 12 months to 31 March 2016 £000	Principal activity	Class of shares	% held
Direct Holdings					
Mortgage Express (No. 2)	-	-	a	Ordinary	100%
Mortgage Express Holdings	-	-	a	Ordinary	100%
Bradford & Bingley Homeloans Limited	-	-	b	Ordinary	100%
Leamington Mortgage Corporation Limited	-	-	b	Ordinary	100%
Bradford & Bingley Mortgage Management Limited	-	-	b	Ordinary	100%
Finance for Mortgages Limited	1	-	b	Ordinary	100%
Silhouette Mortgages Limited	1	-	b	Ordinary	100%
Scotlife Homeloans (No.2) Limited	1	-	b	Ordinary	100%
HSMS	1	-	b	Ordinary	100%

a) Non-trading

b) Dormant

All of these companies are incorporated in the UK.

Bradford & Bingley Investments

Notes to the Financial Statements for the 12 months to 31 March 2016 (continued)

7 Investments in subsidiary undertakings (continued)

During the financial year, the Company received no dividends (2015: £nil) from its subsidiary undertakings.

8 Loans to Group undertakings

	At 31 Mar 2016 £000	At 31 Mar 2015 £000
Loan to parent undertaking B&B	8	8
Total	8	8

The loans to Group undertakings are interest free, repayable on demand and are not considered to be impaired.

9 Loans from Group undertakings

	At 31 Mar 2016 £000	At 31 Mar 2015 £000
Loan from subsidiary undertakings	4	4
Total	4	4

The loans from subsidiary undertakings are repayable on demand.

10 Share capital

	£	At 31 Mar 2016 Number	£	At 31 Mar 2015 Number
Issued and fully paid:				
Ordinary shares of £1 each	1	1	1	1
At end of year	1	1	1	1

These shares rank equally in respect of rights attached to voting, dividends and in the event of a winding up.

The Company made no dividend payments (2015: £nil) during the year.

Bradford & Bingley Investments

Notes to the Financial Statements for the 12 months to 31 March 2016 (continued)

11 Related party disclosures

The Company's key management personnel are its Directors. The Company had no transactions or balances with its key management personnel during the current or previous financial year.

The Company had no transactions with companies within the B&B Group during the current or previous financial year.

Auditors' remuneration of £500 (2015: £500) was borne by the Company's parent undertaking B&B.

Details of the Company's amounts due from and investments with Group undertakings are provided in notes 7 and 8. The Company owed £4,000 to Group undertakings at 31 March 2016 (2015: £4,000).

The Company considers the UK government to be its ultimate controlling party. The Company has transactions with numerous government bodies on an arm's length basis in relation to the payment of corporation tax and regulatory fees and levies.

12 Capital structure

The Company's capital is represented by the capital and reserves attributable to equity holders. The Company is not subject to externally imposed capital requirements other than the minimum share capital required by the Companies Act, with which it complies. The Company manages its capital and reserves in order that there is sufficient capital to meet the needs of the Company in its operations.

13 Financial Instruments

(a) Categories of financial assets and financial liabilities: carrying value compared to fair value

At 31 March 2016

	Loans and receivables	Total carrying value	Fair value
	£000	£000	£000
Financial assets			
Loans to Group undertakings	8	8	8
Total financial assets	8	8	8
	Liabilities measured at amortised cost	Total carrying value	Fair value
	£000	£000	£000
Financial liabilities			
Loans from Group undertakings	4	4	4
Total financial liabilities	4	4	4

Bradford & Bingley Investments

Notes to the Financial Statements for the 12 months to 31 March 2016 (continued)

13 Financial Instruments (continued)

(a) Categories of financial assets and financial liabilities: carrying value compared to fair value (continued)

At 31 March 2015

	Loans and receivables £000	Total carrying value £000	Fair value £000
Financial assets			
Loans to Group undertakings	8	8	8
Total financial assets	8	8	8

	Liabilities measured at amortised cost £000	Total carrying value £000	Fair value £000
Financial liabilities			
Loans from Group undertakings	4	4	4
Total financial liabilities	4	4	4

No financial assets or financial liabilities were carried at fair value during the current or previous year; their fair values are considered approximate to their carrying values.

14 Financial Risk Management

The Company does not enter into transactions involving financial assets or liabilities which are listed or publicly traded or for which a liquid market exists. The main financial risk arising from the Company's activities is credit risk.

(a) Credit risk

Credit risk is the risk that a counterparty of the Company will be unable or unwilling to meet a commitment that it has entered into with the Company. The Company is exposed to credit risk via amounts due from connected undertakings and deposits with third party banks. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, as set out in the table below.

	At 31 Mar 2016 £000	At 31 Mar 2015 £000
Loans to Group undertakings	8	8
Total maximum exposure to credit risk	8	8

(b) Market risk

At the current and previous year end the Company had no other material exposure to market risks.

Bradford & Bingley Investments

Notes to the Financial Statements for the 12 months to 31 March 2016 (continued)

15 Ultimate parent undertaking

The Company's immediate parent undertaking is B&B, a public limited company incorporated and domiciled in the United Kingdom. B&B heads the smallest group of companies into which the Financial Statements of the Company are consolidated. Copies of the financial statements of B&B may be obtained from the Company Secretary at Croft Road, Crossflatts, Bingley, West Yorkshire, BD16 2UA.

On 1 October 2010 all shares in B&B were acquired via a share-for-share exchange by UKAR, a private limited company incorporated and domiciled in the United Kingdom, which is wholly owned by the Treasury Solicitor as nominee for HM Treasury. The Company considers Her Majesty's Government to remain its ultimate controlling party. UKAR heads the largest group of companies into which the Financial Statements of the Company are consolidated. Copies of the financial statements of UKAR may be obtained from the Company Secretary at Croft Road, Crossflatts, Bingley, West Yorkshire, BD16 2UA. The results of the UKAR Group are consolidated into those of HM Treasury as presented in HM Treasury's Annual Reports and Accounts.

16 Events after the reporting period

The Directors are of the opinion that there have been no significant events which have occurred since 1 April 2016 to the date of this report that are likely to have a material effect on the Company's financial position as disclosed in these Financial Statements.