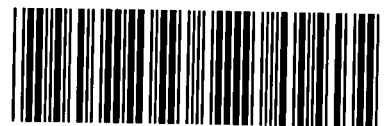


R.G.L. Realty Limited

(Registered number: 03653256)

Annual Report and Financial Statements Year Ended 31 December 2017

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R.G.L. Realty Limited

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R.G.L. Realty Limited

Director's Report For The Year Ended 31 December 2017

The director presents the annual report and the audited financial statements of the Company for the year ended 31 December 2017.

Business review and future developments

The director is satisfied with the prospects of the Company and expects the Company's parent company will continue to provide necessary funds, and does not foresee any changes in the principal activity of the Company.

Results and Dividends

The Company's loss for the financial year amounted to £24,516 (2016: £36,713). The director does not recommend the payment of a dividend. No dividends were paid during the financial year (2016: £nil).

Director

The director listed below held office during the whole of the period from 1 January 2017 to the date of signing these financial statements, unless stated below:

R Jones

Going concern

CBS Corporation, the ultimate parent of R.G.L Realty Limited, has indicated its current intention to continue to support the activities of the Company, including providing the means to enable it to meet its liabilities as they fall due, for a period of at least 12 months from the date of signing the financial statements. Based on this undertaking the director believes that it remains appropriate to prepare the financial statements on a going concern basis.

Key Performance Indicators (KPIs)

Given the straightforward nature of the business, the Company's director is of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Director's indemnities

CBS Corporation purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of the Company and the Company's director.

R.G.L. Realty Limited

Director's Report

For The Year Ended 31 December 2017 (continued)

Statement of directors responsibilities in respect of the financial statements

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 director is 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

The report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006 and accordingly the disclosures given reflect these requirements.

On behalf of the Board

R Jones
Director

26 September 2018

Cannon Place
78 Cannon Street
London
EC4N 6AF

Independent auditors' report to the members of R.G.L. Realty Limited

Report on the audit of the financial statements

- **Opinion**

In our opinion, R.G.L. Realty Limited's financial statements:

give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and

have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the profit and loss account and other comprehensive income, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

- **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

- **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

the directors' use of the going concern basis of accounting in the 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

- **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

R.G.L. Realty Limited

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of director's responsibilities in respect of the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the 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.

• Other required reporting

• Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Philip Stokes (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

26 September 2018

R.G.L. Realty Limited

Profit and Loss Account and Other Comprehensive Income For the Year Ended 31 December 2017

	Note	2017 £	2016 £
Turnover		970,982	958,015
Cost of sales		(972,048)	(965,450)
Gross loss		(1,066)	(7,435)
Administrative expenses		(23,446)	(29,305)
Finance (expense)/income		(4)	27
Loss before taxation	4	(24,516)	(36,713)
Income tax expense	6	-	-
Loss for the financial year		(24,516)	(36,713)
Capital Contributions		110,000	-
Total comprehensive income for the year		85,484	(36,713)

The loss for the financial year relates solely to continuing activities.

The notes on pages 9 to 18 form part of these financial statements.

R.G.L. Realty Limited

Registered number: 03653256

Balance Sheet as at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Debtors	7	247,026	259,311
Total non-current assets		247,026	259,311
Current assets			
Debtors	8	344,012	460,602
Cash at bank and in hand		31,732	64,061
Total current assets		375,744	524,663
Total assets		622,770	783,974
Capital and reserves			
Called up share capital	9	1	1
Other reserves		3,498,036	3,388,036
Profit and loss account		(3,805,422)	(3,780,906)
Total equity		(307,385)	(392,869)
Creditors: amounts falling due within a year	10	285,685	342,261
Provisions for liabilities	11	644,470	834,582
Total liabilities		930,155	1,176,843
Total capital, reserves and liabilities		622,770	783,974

The notes on pages 8 to 18 form part of these financial statements.

The financial statements on pages 6 to 18 were approved by the director on 26 September 2018 and were signed on its behalf by:

R Jones
Director

26 September 2018

R.G.L. Realty Limited

Statement of Changes in Equity for the year ended 31 December 2017

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
Balance as at 1 January 2016,	1	3,388,036	(3,744,193)	(356,156)
Loss for the financial year	-	-	(36,713)	(36,713)
Other comprehensive income	-	-	-	-
Total comprehensive expense for the year	-	-	(36,713)	(36,713)
Balance as at 31 December 2016	1	3,388,036	(3,780,906)	(392,869)
Loss for the financial year	-	-	(24,516)	(24,516)
Capital contributions	-	110,000	-	110,000
Total comprehensive income for the year	-	110,000	(24,516)	85,484
Balance as at 31 December 2017	1	3,498,036	(3,805,422)	(307,385)

The other reserves represent capital contributions received from the Company's parent undertaking.

R.G.L. Realty Limited

Notes to the Financial Statements

For The Year Ended 31 December 2017 (continued)

1) General information

R.G.L. Realty Limited is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Cannon Place, 78 Cannon Street, London, EC4N 6AF. The registered number of the company is 03653256.

The Company's principal activity is to hold a property lease expiring on 24 December 2019 and to sublease this property to third parties.

2) Statement of compliance

The individual financial statements of R.G.L. Realty Limited have been prepared in compliance with the United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. The company has also early adopted the Amendments to FRS 102 (issued in July 2015).

3) Summary of significant accounting policies

A summary of the principal accounting policies, which have been applied consistently throughout the year, is set out below.

a) Basis of Preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The financial year 2015 was the first year in which the financial statements have been prepared under FRS 102.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3(m).

b) Going concern

The financial statements have been prepared on the going concern basis as the ultimate parent undertaking, CBS Corporation has formally indicated that it will provide sufficient funding to RGL Realty Limited to enable it to meet its liabilities as they fall due for at least the twelve months following the approval of the financial statements and for the foreseeable future.

c) Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated.

R.G.L. Realty Limited

Notes to the Financial Statements

For The Year Ended 31 December 2017 (continued)

d) Exemptions for qualifying entities under FRS 102 (continued)

R.G.L. Realty Limited is a qualifying entity as its results are consolidated into the financial statements of CBS Corporation which are publicly available.

As a qualifying entity, the company has taken advantage of the following exemptions:

- i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;
- iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and
- iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

e) Foreign currencies

(i) Functional and presentation currency

The company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

f) Revenue

Revenue represents rental and service charge income from subleases in United Kingdom. It is taken to the statement of comprehensive income as it is earned.

R.G.L. Realty Limited

Notes to the Financial Statements For The Year Ended 31 December 2017 (continued)

g) Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

h) Leased assets

At inception the Company assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Operating lease rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease. Where the expected future benefits to be received under a lease are less than the future unavoidable costs, a provision is made and released over the relevant lease period.

(ii) Lease incentives

Incentives received to enter into an operating lease are credited to the statement of comprehensive income, to reduce the lease expense, on a straight-line basis over the period of the lease.

The company has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS 102 (1 January 2014) and continues to credit such lease incentives to the statement of comprehensive income over the period to the first review date on which the rent is adjusted to market rates.

R.G.L. Realty Limited

Notes to the Financial Statements

For The Year Ended 31 December 2017 (continued)

i) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

j) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

k) Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in statement of comprehensive income.

R.G.L. Realty Limited

Notes to the Financial Statements For The Year Ended 31 December 2017 (continued)

k) Financial instruments (continued)

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

(ii) Financial liabilities (continued)

Trade payable are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payable are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

The company does not hold or issue derivative financial instruments.

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

l) Related party transactions

The company has taken the exemption as provided by paragraph 33.1A of FRS 102 and does not disclose related party transactions with group companies which are wholly owned subsidiaries

m) Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

R.G.L. Realty Limited

Notes to the Financial Statements For The Year Ended 31 December 2017 (continued)

4) Loss Before Taxation

	2017 £	2016 £
This is stated after (crediting)/charging:		
Rental income	(695,938)	(683,271)
Service charge income	(275,044)	(274,744)
Operating lease rental - land and buildings	835,736	839,529
Service charge and insurance expense	326,424	303,598
Release of provision for onerous lease contracts – Note 11	(190,112)	(177,677)

The audit fees payable by the Company amounted to £10,911 (2016: £10,593)

Finance income includes bank interest income.

5) Director's Remuneration and Employee Information

The director did not receive any remuneration for any qualifying services provided to the Company (2016: £nil).

The director has no beneficial interest in the share capital of the Company or an interest in any transaction or arrangement with the Company, which requires disclosure (2016: £nil).

No staff were employed by the Company during the year and therefore no staff costs were incurred (2016: nil).

R.G.L. Realty Limited

Notes to the Financial Statements For The Year Ended 31 December 2017 (continued)

6) Income Tax Expense

Current tax	2017	2016
	£	£
UK Corporation tax on loss for the year	-	-
<hr/>		
The tax assessed for the year differs (2016: differs) from the amount computed by applying the standard rate of corporation tax in the UK (19.25%) (2016: 20.0%) to the loss before taxation. The differences were attributed to the following factors:		
	2017	2016
	£	£
<hr/>		
Loss before taxation	(24,515)	(36,713)
Loss before taxation multiplied by standard rate in the UK 19.25% (2016:20.0%)	(4,719)	(7,343)
Effect of:		
Un-recognised tax losses carried forward	4,719	7,343
<hr/>		
Total tax charge for the year	-	-

A number of changes to the UK Corporation tax system were announced in March 2016. Finance Bill 2016 became substantively enacted on 6 September 2016 and provided to reduce the main rate of corporation tax to 19% with effect from 1 April 2017 and 17% with effect from 1 April 2020.

The deferred tax asset not recognised as at 31 December 2016 and 2017 has been stated at the enacted rate of 17% in accordance with FRS 19. The future proposed changes to the tax rates are not considered to have a material effect on the Company's reported tax position at the balance sheet date.

Deferred tax is measured on a non discounted basis at the tax rate which is expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date. No allowance has been made in the accounts for the potential value of losses carried forward and accelerated capital allowances which equate to £609,740 (2016: £585,362). The director does not consider recoverability of this asset to be probable.

7) Fixed assets

	2017	2016
	£	£
Other debtors	247,026	259,311

The Company has recognised an asset for the amounts to be reimbursed by the sub-tenants for their restoration obligations as per the sublease agreements.

R.G.L. Realty Limited

Notes to the Financial Statements For The Year Ended 31 December 2017 (continued)

8) Debtors

	2017 £	2016 £
Amounts owed by group undertakings	912	17,154
Prepayments and accrued income	343,100	443,448
	344,012	460,602

The amounts owed by group undertakings is an unsecured, non-interest bearing balance, which the Company considers to be fully recoverable and which is repayable on demand.

9) Called up share capital

	2017 £	2016 £
Authorised		
100 (2016:100) ordinary shares of £1 each	100	100
Issued, called up and fully paid		
1 (2016: 1) ordinary share of £1 each	1	1

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

10) Creditors

	2017 £	2016 £
Accruals and deferred income	285,685	342,261

R.G.L. Realty Limited

Notes to the Financial Statements For The Year Ended 31 December 2017 (continued)

11) Provisions for liabilities

	2017 £	2016 £
As at 1 January	834,582	1,013,291
Additions	-	-
Utilised	-	(1,032)
Released to the statement of comprehensive income in year	(190,112)	(177,677)
As at 31 December	644,470	834,582

	Onerous Lease £	Dilapidation £	Total £
As at 1 January 2016	762,559	250,732	1,013,291
Additions	-	-	-
Utilised	-	(1,032)	(1,032)
Released to statement of comprehensive income in year	(177,677)	-	(177,677)
At 31 December 2016	584,882	249,700	834,582
Additions	-	-	-
Utilised	-	-	-
Released to statement of comprehensive income in year	(190,112)	-	(190,112)
At 31 December 2017	394,770	249,700	644,470

The Company has recognised a provision for an onerous lease as the sub-lease rental received is less than the rental paid on the head lease. The increase of rent expense due to the review of the Company's head lease in 2015 exceeded the Company's increase of rental income from rent renewals, thereby requiring the Company to increase its provisions for onerous sub-leases. The provision is calculated as the net present value of the future rental income and expenses streams, discounted at the risk free rate of 2.5%. The provision will be released against the future operating costs on the onerous contract.

The Company has also recognised a provision for dilapidation to reflect the Company's restoration obligations to its landlord as per the building lease agreement. The provision is calculated as the net present value of the future restoration expenses streams, discounted at the risk free rate. The provision will be released against the future necessary costs of repairs and reinstatements.

R.G.L. Realty Limited

Notes to the Financial Statements For The Year Ended 31 December 2017 (continued)

12) Operating lease commitments

At 31 December the Company had commitments under non-cancellable operating leases to make the following payments in the next financial years:

Lessor	2017 £	2016 £
Not later than one year	850,000	850,000
Later than one year and not later than five years	850,000	1,700,000
Later than five years	-	-
	<hr/> 1,700,000	<hr/> 2,550,000

The Company's headlease will end in December 2019, with no intent by the Company to renew. The Company's under-lease income agreements will also end in December 2019.

13) Director's indemnities

CBS Corporation purchased and maintained throughout the financial year Director's and Officers' liability insurance in respect of the Company and the Company's Director.

14) Ultimate Parent Undertaking and Financial Support

The Company's immediate parent company is CBS Operations Inc., a Company incorporated in the USA. Its ultimate parent Company is CBS Corporation, also incorporated in the USA. The smallest and largest group in which the results of the Company are consolidated is CBS Corporation. The consolidated financial statements of this Company can be obtained from 51 West 52 Street, New York, N.Y., 10036, USA. The ultimate controlling party is National Amusements Inc, the beneficial owner of the majority of CBS Corporation voting shares.