

Capital Residential Fund Nominee No.2 Limited

(Registered Number: 04089236)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2016



CAPITAL RESIDENTIAL FUND NOMINEE NO.2 LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2016

The Directors present their report and the financial statements of Capital Residential Fund Nominee No.2 Limited ("the Company") for the year ended 31 December 2016.

Principal activities and business review

During the period the Company acted as a bare nominee for Citibank Europe plc ("CEP") in relation to property investments of which the parent is a trustee.

On 1 January 2016, the parent company has changed as a result of a merger of CEP and CIL, with CEP remaining as the surviving entity. Due to this merger, CEP replaced CIL as the Company's immediate parent undertaking.

The Company did not earn any revenues nor incur any expenses during the year or in the preceding year and, as a consequence, the Company has made neither a profit nor a loss in respect of the year or preceding year. The state of affairs of the Company as at the year end are detailed in the balance sheet.

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. The Directors have no plans to change the Company's principal activities.

Strategic Report

The Financial Reporting Council (FRC) Bulletin 2014/4 (April 2014) highlights that a company is entitled to the small companies exemption in relation to the strategic report for the financial year if it would be so entitled but for being a member of an ineligible group. As such, the Company has elected to exercise this exemption in relation to the preparation of a Strategic Report for this financial year.

Dividends

The Company did not pay an interim dividend during the year (2015: £nil) and the Directors do not recommend the payment of a final dividend in respect of the year (2015: £nil).

Directors

The Directors who held office during the year ended 31 December 2016 were:

F A Bailey (resigned 20 January 2017)
S L Clark
I J Davis
I J Lyall
A C Newson (resigned 20 January 2017)

A M Murphy was appointed as a Director on 20 January 2017.

Directors' indemnity

The Directors benefit from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

CAPITAL RESIDENTIAL FUND NOMINEE NO.2 LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2016

Statement of Directors' responsibilities in respect of the Annual Report and Financial Statements

The Directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Environment

The Company recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company's impact on the environment include safe disposal of waste, recycling and reducing energy consumption.

Employees

There were no persons employed by the Company during the year and no persons have been employed by the Company since the year end.

Charitable donations and political contributions

Charitable donations and political contributions of £nil were made during the year (2015: £nil).

Disclosure of information to auditor

In accordance with section 418, Companies Act 2006 and subject to all the provisions of section 418, it is stated by the Directors who held office at the date of approval of this Directors' Report that:

- so far as each is aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each Director has taken all the steps that he/ she ought to have taken as a Director to make himself/ herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

CAPITAL RESIDENTIAL FUND NOMINEE NO.2 LIMITED

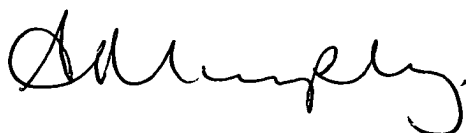
DIRECTORS' REPORT

for the year ended 31 December 2016

Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

A handwritten signature in black ink, appearing to read 'A M Murphy', is written over a horizontal line.

A M Murphy
Director
4 July 2017

Incorporated in England and Wales

Registered Office: Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB

Registered Number: 04089236

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CAPITAL RESIDENTIAL FUND NOMINEE NO.2 LIMITED

We have audited the financial statements of Capital Residential Fund Nominee No.2 Limited ("the Company") for the year ended 31 December 2016, set out on pages 5 to 7. 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 FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the Company's member, 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 member those matters we are required to state to them in an auditor 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 member, 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 set out on page 2, 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 our 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 result for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; 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 is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Namrata Basker (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

15 Canada Square
London
E14 5GL
4 July 2017

CAPITAL RESIDENTIAL FUND NOMINEE NO.2 LIMITED

INCOME STATEMENT

for the year ended 31 December 2016

During the financial year and the preceding financial year the Company did not trade and received no income and incurred no expenditure. Consequently, during those years the Company made neither a profit nor a loss and has not recognised any other comprehensive income. As such, no separate statement of changes in equity is prepared.

BALANCE SHEET

as at 31 December 2016

	Note	2016 £	2015 £
Current assets			
Debtors	4	1	1
Net assets		<u>1</u>	<u>1</u>
Capital and reserves			
Called up share capital	5	1	1
Shareholders' funds		<u>1</u>	<u>1</u>

The accompanying notes on pages 6 to 7 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4 July 2017



I J Davis
Director

Registered Number: 04089236

CAPITAL RESIDENTIAL FUND NOMINEE NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

The Directors have satisfied themselves that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The financial statements are prepared under the historical cost accounting rules.

The financial statements have been prepared in Pounds Sterling ("£"), which is the presentational and functional currency of the Company.

The financial statements of the Company have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) from the beginning of the prior accounting period. The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

The Company has taken exemption available under FRS 101 not to disclose all transactions with other group companies and investees of the group qualifying as related parties. It has also taken the exemption available under FRS 101 not to prepare a cash flow statement and the effects of new but not yet effective IFRSs.

2. Directors' remuneration

None of the Directors received any emoluments during the year in respect of their services to the Company (2015: £nil).

3. Auditor's remuneration

The auditor's remuneration of £1,500 (2015: £1,784) for these financial statements is borne and paid by Citibank Europe Plc.

4. Debtors

	2016	2015
	£	£
Amounts owed by group undertakings	1	1

Debtors represent called up share capital not paid and is consequently owed by group undertakings.

CAPITAL RESIDENTIAL FUND NOMINEE NO.2 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

5. Share capital

	2016 £	2015 £
Allotted, called up but not paid		
1 ordinary shares of £ 1 each	<u>1</u>	<u>1</u>

6. Parent companies

The Company's immediate parent undertaking is Citibank Europe Plc., registered in 1 North Wall Quay, Dublin 1, Ireland. The Company's ultimate parent company and ultimate controlling party is Citigroup Inc., registered at 1209 Orange Street, Wilmington, New Castle, DE, 19810, United States of America.

The audited financial statements of the parent are made available to the public annually and may be obtained from its registered office at 1 North Wall Quay, Dublin 1, Ireland.

The audited consolidated financial statements of the ultimate parent are available to the public annually in accordance with Securities and Exchange Commission regulations and may be obtained from www.citigroup.com/citi/corporategovernance/ar.htm.