

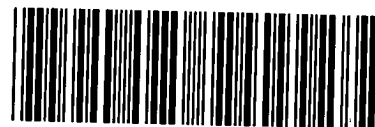
Company Registered No: 04216794

RBS SPECIALISED PROPERTY INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2016

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

R D Hook
A D Potter
G S Young

SECRETARY:

RBS Secretarial Services Limited

REGISTERED OFFICE:

250 Bishopsgate
London
England
EC2M 4AA

INDEPENDENT AUDITOR:

Ernst & Young LLP
Statutory Auditors
10 George Street
Edinburgh
EH2 2DZ

Registered in England and Wales

DIRECTORS' REPORT

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

CHANGE OF REGISTERED OFFICE

On 23 March 2017, the Registered Office of the Company changed from 135 Bishopsgate, London, England, EC2M 3UR to 250 Bishopsgate, London, England, EC2M 4AA.

ACTIVITIES AND BUSINESS REVIEW

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

Activity

The principal activity of the Company was that of investment in property owning companies.

The directors do not anticipate any material change in either the type or level of activities of the Company.

Review of the year**Business review**

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

Financial performance

The Company's financial performance is presented on pages 7 to 10.

Operating income decreased by £18k (2015: increased by £95k) and expenses decreased by £ nil (2015: £55k). Profit for the year was £168k (2015: £56k), an increase of 197.9% over 2015.

The directors do not recommend the payment of dividend for 2016 (2015: £nil).

At the end of the year, the balance sheet showed total assets of £823k (2015: £813k) an increase of 1%. Total shareholders' funds were £781k (2015: £613k).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company seeks to minimise its exposure to financial risks other than equity and credit risk.

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

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

The principal risks associated with the Company are as follows:

Operational risk

Operational risks are inherent in the Company's business. Operational risk losses occur as the result of fraud, human error, missing or inadequately designed processes, failed systems, damage to physical assets, improper behaviour or from external events. The key mitigating processes and controls include risk and control assessment, scenario analysis, loss data collection, new product approval process, key risk indicators, notifiable events process and the self certification process. The implementation of these processes and controls is facilitated and overseen by operational risk teams, with internal audit providing independent evaluation of the control framework.

DIRECTORS' REPORT**PRINCIPAL RISKS AND UNCERTAINTIES (continued)****Currency risk**

The Company is exposed to currency risk as its investments in available-for-sale investments and amounts due to Group undertakings are denominated in Euros.

The Company's policy is normally to match foreign currency investments with borrowings in the same currency. Any open position would be as a result of fair value adjustments to the financial assets. This exposure would not be hedged as it is not structural in nature.

Market risk

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

The Company has no material market risk.

Interest rate risk

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

The Company manages interest rate risk by monitoring the consistency in the interest rate profile of its assets and liabilities, and limiting any re-pricing mismatches.

Going concern

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

DIRECTORS AND SECRETARY

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

From 1 January 2016 to date there has been no change in the directors and secretary of the Company.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare a Directors' Report and financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework and must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs at the end of the year and the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether FRS 101 has been followed; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Directors' Report and financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' REPORT

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

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

AUDITOR

Ernst & Young LLP was appointed as auditor on 8 September 2016 and has expressed its willingness to continue in office as auditor.

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



R D Hook
Director
3rd August 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS SPECIALISED PROPERTY INVESTMENTS LIMITED

We have audited the financial statements of RBS Specialised Property Investments Limited ("the Company") for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

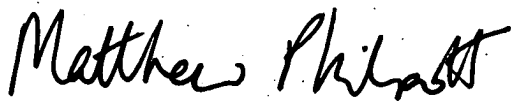
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS SPECIALISED PROPERTY INVESTMENTS LIMITED

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from preparing the Strategic Report.



Matthew Philpott (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor,
London, United Kingdom

16 Aug 2017

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2016

		2016 £	2015 £
Income from continuing operations	Notes		
Investment income		-	58,472
Profit on sale of investments	7	139,019	91,282
Administrative expenses	3	-	6,925
Operating profit before tax		139,019	156,679
Gain/(loss) on foreign exchange		71,312	(11,187)
Interest payable	4	-	(89,507)
Profit on ordinary activities before tax		210,331	55,985
Tax (charge)/credit	5	(42,066)	503
Profit for the financial year		168,265	56,488

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

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2016

	2016 £	2015 £
Profit for the financial year	168,265	56,488
Other comprehensive income: subject to reclassification		
Release from AFS	-	674,717
Fair value adjustment for available-for-sale investments	-	(58,847)
Foreign exchange on available-for-sale investments	-	(59,191)
Other comprehensive income before and after tax	-	556,679
Total comprehensive income for the year	168,265	613,167

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

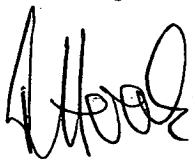
BALANCE SHEET

as at 31 December 2016

	Notes	2016 £	2015 £
Fixed and non current assets			
Investments in group companies	6	1	1
		<u>1</u>	<u>1</u>
Current assets			
Current tax asset		-	504
Amounts due from group companies	8	-	791,917
Cash at bank		823,498	20,746
		<u>823,498</u>	<u>813,167</u>
Total assets		<u>823,499</u>	<u>813,168</u>
Creditors: amounts falling due within one year			
Current tax liabilities		42,066	-
Amounts due to group companies	9	1	200,001
		<u>42,067</u>	<u>200,001</u>
Total assets less current liabilities		<u>781,432</u>	<u>613,167</u>
Total liabilities		<u>42,067</u>	<u>200,001</u>
Equity: capital and reserves			
Called up share capital	11	2,055,984	2,055,984
Share premium account		5,143,657	5,143,657
Profit and loss account		(6,418,209)	(6,586,474)
Total shareholders' funds		<u>781,432</u>	<u>613,167</u>
Total liabilities and shareholders' funds		<u>823,499</u>	<u>813,168</u>

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

The financial statements of the Company were approved by the Board of Directors on 3rd August 2017 and signed on its behalf by:



R D Hook
Director

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

	Called up Share capital £	Share Premium account* £	Revaluation reserve £	Profit and loss account £	Total £
At 1 January 2015	2,055,984	5,143,657	(556,679)	(22,972,260)	(16,329,298)
Capital contribution by parent	-	-	-	16,329,298	16,329,298
Release from AFS	-	-	674,717	-	674,717
Profit for the year	-	-	-	56,488	56,488
Decrease in fair value of AFS investments	-	-	(58,847)	-	(58,847)
Foreign exchange on AFS investments	-	-	(59,191)	-	(59,191)
At 31 December 2015	2,055,984	5,143,657	-	(6,586,474)	613,167
Profit for the year	-	-	-	168,265	168,265
At 31 December 2016	2,055,984	5,143,657	-	(6,418,209)	781,432

*Management now presents the share premium account separately from share capital, prior period comparatives have been adjusted to reflect this

Total comprehensive income for the year of £168,265 (2015: £613,167) was wholly attributable to the equity holders of the Company.

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

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

These financial statements are prepared:

- on a going concern basis;
- under Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework in accordance with the recognition and measurement principles of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU (together IFRS); and
- on the historical cost basis except for available-for-sale financial assets that are stated at their fair value.

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

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

- in accordance with the Companies Act 2006;
- in Sterling which is the functional currency of the Company; and
- with the benefit of the disclosure exemptions permitted by FRS 101 with regard to:
 - comparative information in respect of certain assets;
 - cash-flow statement;
 - standards not yet effective;
 - related party transactions; and
 - disclosure requirements of IFRS 7 "Financial Instruments: Disclosure and IFRS 13 "Fair value measurement".

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

b) Consolidated financial statements

The financial statements contain information about RBS Specialised Property Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under IFRS 10 Consolidated Financial Statements and section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the Company and its subsidiaries are included by full consolidation in the IFRS consolidated financial statements of its parent, The Royal Bank of Scotland Group plc, a public company registered in Scotland.

c) Foreign currencies

Transactions in foreign currencies are translated into Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising on translation are reported in the Profit and Loss Account.

The fair value of available-for-sale assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the balance sheet date. Other foreign exchange gains and losses are recognised in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies (continued)****d) Revenue recognition**

Interest incomes on financial assets that are classified as loans and receivables or available-for-sale are determined using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount. Calculation of the effective interest rate takes into account fees payable or receivable, that are an integral part of the instrument's yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

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

e) Taxation

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

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

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

f) Investment in Group undertakings

Investments in Group undertakings are stated at cost less any accumulated impairment losses.

g) Financial assets

On initial recognition, financial assets are classified into loans and receivables or available-for-sale financial assets.

Loans and receivables

Non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market are classified as loans and receivables, except those that are classified as available-for-sale or as held-for-trading, or designated as at fair value through profit or loss. Loans and receivables are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method (see accounting policy (d)) less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies (continued)****g) Financial assets (continued)****Available-for-sale**

Financial assets that are not classified as held-to-maturity, held-for-trading, designated as at fair value through profit or loss, or loans and receivables, are classified as available-for-sale. Financial assets can be designated as available-for-sale on initial recognition. Available-for-sale financial assets are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at fair value.

Unquoted equity investments whose fair value cannot be measured reliably are carried at cost and classified as available-for-sale financial assets.

Impairment losses and exchange differences resulting from retranslating the amortised cost of foreign currency monetary available-for-sale financial assets are recognised in profit or loss together with interest calculated using the effective interest method (see accounting policy 1(d)). Other changes in the fair value of available-for-sale financial assets and related tax are reported in other comprehensive income until disposal, when the cumulative gain or loss is reclassified from equity to profit or loss.

h) Impairment of financial assets

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

i) Financial liabilities

On initial recognition financial liabilities are classified into amortised cost.

Amortised cost

All financial liabilities are measured at amortised cost using the effective interest method (see accounting policy 1(d)).

j) Cash at bank

Cash at bank comprises non-interest bearing deposits held with banks.

2. Critical accounting policies and key sources of estimation uncertainty

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

Fair value - financial instruments

Financial instruments classified as available-for-sale are recognised in the financial statements at fair value. Unrealised gains and losses on available-for-sale financial assets are recognised directly in equity unless an impairment loss is recognised.

Investments in Group undertakings

The Company has reviewed the carrying value of investments in subsidiaries and has impaired its investments based on the discounted future cash flows of those subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

3. Administrative expenses

	2016 £	2015 £
Bank charges	-	55
Management fees	-	(6,980)
	-	(6,925)

Staff costs, number of employees and directors' emoluments

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

The auditor's remuneration for statutory audit work of £12,156 was borne by The Royal Bank of Scotland Group plc (2015: £12,156).

4. Interest payable

	2016 £	2015 £
Interest on loan from parent company	-	89,507

5. Taxation

	2016 £	2015 £
Current tax:		
UK corporation tax charge/(credit) for the year	42,066	(504)
Over provision in respect of prior year	-	1
Tax credit for the year	42,066	(503)

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

	2016 £	2015 £
Profit on ordinary activities before tax	210,331	55,985
Expected tax charge	42,066	11,335
Non taxable income	-	(11,839)
Adjustments in respect of prior periods	-	1
Actual tax charge/(credit) for the year	42,066	(503)

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted at the balance sheet date standing at 20% with effect from 1 April 2015, 19% from 1 April 2017 and 17% from 1 April 2020. The closing deferred tax assets and liabilities have been calculated taking into account that existing temporary differences may unwind in periods subject to the reduced rates.

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in group companies

Investments in Group undertakings are carried at cost less accumulated impairment to date. Movements during the year were as follows:

	2016 £	2015 £
Investments in subsidiaries		
As at 1 January and 31 December	1	1

7. Investments - available for sale

	2016 £	2015 £
As at 1 January	-	852,090
Additions	-	-
Fair value adjustment	-	(58,847)
Foreign exchange adjustment	-	(59,191)
Disposal of investment	-	(734,052)
As at 31 December	-	-

The investments above were all denominated in Euros and translated at the ruling spot rate at the year end. The investments were all unlisted equity securities. All investments were sold off in 2015.

The Company received a deferred consideration from sale of Drago Real Estate Partners Limited shares of £139k in 2016.

8. Amounts due from group companies

	2016 £	2015 £
Amount due from parent company	-	791,917

9. Amounts due to group companies

	2016 £	2015 £
Loan from group company	1	200,001

NOTES TO THE FINANCIAL STATEMENTS

10. Financial instruments

The following tables analyse the Company's financial assets and liabilities in accordance with the categories of financial instruments in IAS 39 "Financial Instruments, Recognition and Measurement". Assets and liabilities outside the scope of IAS 39 are shown separately.

2016	Loans and receivables £	At amortised cost £	Non financial assets/ liabilities £	Total £
Assets				
Investment in Group undertakings	-	-	1	1
Cash at bank	823,498	-	-	823,498
	823,498	-	1	823,499
Liabilities				
Current tax liabilities			42,066	42,066
Amounts due to Group undertakings	-	1	-	1
	-	1	42,066	42,067
Equity				781,432
				823,499

2015	Loans and receivables £	At amortised cost £	Non financial assets/ liabilities £	Total £
Assets				
Investment in Group undertakings	-	-	1	1
Current tax asset		-	504	504
Amounts due from Group undertakings	791,917	-	-	791,917
Cash at bank	20,746	-	-	20,746
	812,663	-	505	813,168
Liabilities				
Amounts due to Group undertakings	-	200,001	-	200,001
	-	200,001	-	200,001
Equity				613,167
				813,168

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate to their fair values.

Valuation hierarchy

Financial assets and liabilities have been classified above according to a valuation hierarchy that reflects the valuation techniques used to determine fair value

Level 1: valued by reference to unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: valued by reference to observable market data, other than quoted market prices.

Level 3: valuation is based on inputs other than observable market data.

NOTES TO THE FINANCIAL STATEMENTS

10. Financial instruments (continued)

Financial Liabilities

The following table shows by contractual maturity the undiscounted cash flows payable from the balance sheet date including future interest payments.

	0-3 months £	3-12 months £	1-3 years £	3-5 years £	5-10 years £	10-20 years £
2016						
Amounts due to Group undertakings	1	-	-	-	-	-
	0-3 months £	3-12 months £	1-3 years £	3-5 years £	5-10 years £	10-20 years £
2015						
Amounts due to Group undertakings	200,001	-	-	-	-	-

11. Share capital

	2016 £	2015 £
Authorised:		
5,000,000 Preference Shares of €1 each	3,530,024	3,530,024
4,000,000 Ordinary Shares of £1 each	4,000,000	4,000,000
	7,530,024	7,530,024
Allotted, called up and fully paid:		
1,035,000 Preference Shares of €1 each	730,777	730,777
2,000,000 Preference Shares of €1 each	1,325,206	1,325,206
1 Ordinary Share of £1 each	1	1
	2,055,984	2,055,984

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

On 12 November 2003, the Company issued 1,035,000 zero-coupon redeemable preference shares of €1. These have been translated at 31 December 2003 at the year end exchange rate of 1.4163/£1. The nature of the consideration was cash.

On 31 July 2004, the Company issued 2,000,000 zero-coupon redeemable preference shares with a nominal value of €1, at a premium value of €4.8814. These have been translated at 31 July 2004 at the exchange rate of €1.5092/£1. The nature of the consideration was cash.

The 5,000,000 preference shares of €1 each entitle the holder to receive distributions on a pro-rata basis in respect of their shareholding percentage. There is no set redemption date on these preference shares. The preference shares also entitle the holder to one vote per share.

NOTES TO THE FINANCIAL STATEMENTS**12. Related parties****UK Government**

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

The Company enters into transactions with these bodies on an arms' length basis; they consisted solely of corporation tax which is separately disclosed in note 5.

Group Companies

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

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