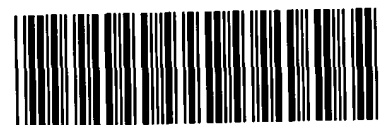


COMPANY REGISTRATION NUMBER: 05067884

THE HOME & CAPITAL TRUST GROUP LIMITED
Financial Statements
31st December 2016

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THE HOME & CAPITAL TRUST GROUP LIMITED

Financial Statements

Year ended 31st December 2016

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THE HOME & CAPITAL TRUST GROUP LIMITED

Officers and Professional Advisers

The board of directors

Robert J Calnan
Neal Morar

Company secretary

Neal Morar

Registered office

17 Dominion Street
London
EC2M 2EF

Auditor

PricewaterhouseCoopers LLP
Chartered accountant & statutory auditor
Central Square South
Orchard Street
Newcastle upon Tyne
NE1 3AZ

THE HOME & CAPITAL TRUST GROUP LIMITED

Directors' Report

Year ended 31st December 2016

The directors present their report and the financial statements of the company for the year ended 31st December 2016.

Directors

The directors who served the company during the year were as follows:

Robert J Calnan
Neal Morar

Events after the end of the reporting period

Particulars of events after the reporting date are detailed in note 9 to the financial statements.

Statement of directors' responsibilities in respect of the financial statements

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

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 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" Section 1A, and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, 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 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.

The directors 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.

THE HOME & CAPITAL TRUST GROUP LIMITED

Directors' Report *(continued)*

Year ended 31st December 2016

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

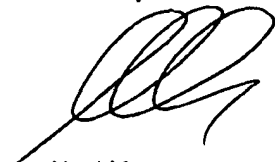
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of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

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 12/11/2017 and signed on behalf of the board by:



Neal Morar
Director

THE HOME & CAPITAL TRUST GROUP LIMITED

Independent Auditor's Report to the Members of The Home & Capital Trust Group Limited

Year ended 31st December 2016

Report on the financial statements

Our opinion

In our opinion, The Home & Capital Trust Group Limited's financial statements (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 loss for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

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

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income 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 United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law (United Kingdom Generally Accepted Accounting Practice), applicable to Smaller Entities.

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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

THE HOME & CAPITAL TRUST GROUP LIMITED

Independent Auditor's Report to the Members of The Home & Capital Trust Group Limited *(continued)*

Year ended 31st December 2016

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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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) ("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 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.

THE HOME & CAPITAL TRUST GROUP LIMITED

Independent Auditor's Report to the Members of The Home & Capital Trust Group Limited *(continued)*

Year ended 31st December 2016

What an audit of financial statements involves

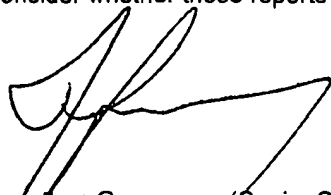
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. 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. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Jonathan Greenaway (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne

13/4/17

THE HOME & CAPITAL TRUST GROUP LIMITED

Statement of Comprehensive Income

Year ended 31st December 2016

	Note	Year to 31 Dec 16 £000	Period from 1 Oct 14 to 31 Dec 15 £000
Administrative expenses		—	(1)
Operating loss		—	(1)
Amounts written off investments		(540)	2,487
Interest payable and similar expenses		(21)	(27)
(Loss)/profit before taxation	6	(561)	2,459
Tax on (loss)/profit		—	—
(Loss)/profit for the financial year/period and total comprehensive income		(561)	2,459

All the activities of the company are from continuing operations.

The notes on pages 10 to 13 form part of these financial statements.

THE HOME & CAPITAL TRUST GROUP LIMITED

Statement of Financial Position

31st December 2016

	Note	2016 £000	2015 £000
Fixed assets			
Investments	7	7,366	7,906
Creditors: amounts falling due within one year	8	(2,071)	(2,050)
Net current liabilities		(2,071)	(2,050)
Total assets less current liabilities		<u>5,295</u>	<u>5,856</u>
Net assets		<u>5,295</u>	<u>5,856</u>
Capital and reserves			
Called up share capital		3,535	3,535
Profit and loss account		<u>1,760</u>	<u>2,321</u>
Shareholders funds		<u>5,295</u>	<u>5,856</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 12-14-2017, and are signed on behalf of the board by:



Neal Morar
Director

Company registration number: 05067884

The notes on pages 10 to 13 form part of these financial statements.

THE HOME & CAPITAL TRUST GROUP LIMITED

Statement of Changes in Equity

Year ended 31st December 2016

	Called up share capital £000	Profit and loss account £000	Total £000
At 1st October 2014	3,535	(138)	3,397
Profit for the period	—	2,459	2,459
Total comprehensive income for the year	—	2,459	2,459
At 31st December 2015	3,535	2,321	5,856
Loss for the year	—	(561)	(561)
Total comprehensive income for the year	—	(561)	(561)
At 31st December 2016	<u>3,535</u>	<u>1,760</u>	<u>5,295</u>

The notes on pages 10 to 13 form part of these financial statements.

THE HOME & CAPITAL TRUST GROUP LIMITED

Notes to the Financial Statements

Year ended 31st December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 17 Dominion Street, London, EC2M 2EF.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1st October 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In determining that the value of trading properties are not carried at more than their recoverable amount an external valuation has been applied. There are no other areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

THE HOME & CAPITAL TRUST GROUP LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st December 2016

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Auditor's remuneration

	Year to 31 Dec 16 £000	Period from 1 Oct 14 to 31 Dec 15 £000
Fees payable for the audit of the financial statements	-	2

5. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to Nil (2015: Nil).

6. Profit before taxation

(Loss)/profit before taxation is stated after charging:

	Year to 31 Dec 16 £000	Period from 1 Oct 14 to 31 Dec 15 £000
Impairment of investments	540	(2,487)

THE HOME & CAPITAL TRUST GROUP LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st December 2016

7. Investments

	Shares in group undertakings £000
Cost	
At 1 Jan 2016 and 31 Dec 2016	<u>8,718</u>
Impairment	
At 1st January 2016	812
Impairment losses	<u>540</u>
At 31st December 2016	<u>1,352</u>
Carrying amount	
At 31st December 2016	<u>7,366</u>
At 31st December 2015	<u>7,906</u>

The company directly owns 100% of the issued share capital of Home & Capital Trust Ltd, a company registered in England and Wales which arranges and manages home reversion plans.

The company indirectly owns 100% of the issued share capital of Home & Capital Trustee Company Limited, a company registered in England and Wales which holds property investments in trust.

The company directly owns 100% of the issued share capital of the following companies incorporated in England and Wales which are dormant:

- Home & Capital Nominees Limited
- Home Equity Limited
- Home & Capital Advisors Limited
- Home & Capital Trust Partners Limited

The company indirectly owns 100% of the issued share capital of the following companies incorporated in England and Wales which are dormant:

- Hinton & Wild Limited

The directors believe that the carrying value of the investments is supported by their underlying net assets.

8. Creditors: amounts falling due within one year

	2016 £000	2015 £000
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>2,054</u>	2,033
Other creditors	<u>17</u>	<u>17</u>
	<u>2,071</u>	<u>2,050</u>

THE HOME & CAPITAL TRUST GROUP LIMITED

Notes to the Financial Statements *(continued)*

Year ended 31st December 2016

8. Creditors: amounts falling due within one year *(continued)*

Included within amounts owed to group undertakings is an unsecured loan with a year end balance of £767,849 (2015: £746,817). The loan bears interest at LIBOR plus margin, which averaged 2.75% during the year (2015: 2.91%) and is repayable on demand. All other amounts owed to group undertakings are unsecured, bear no interest, and are repayable on demand.

9. Events after the end of the reporting period

There were no subsequent events which required disclosure in, or adjustments to the financial statements.

10. Related party transactions

The company is exempt from disclosing related party transactions that are with other companies that are wholly owned within the Group.

11. Controlling party

Sovereign Reversions Holdings Limited is the immediate controlling party and parent company by virtue of its 100% shareholding in the company.

New Sovereign Reversions Limited is the smallest group for which consolidated financial statements are drawn up of which the company is a member. The parent's registered office is 17 Dominion Street, London, EC2M 2EF.

The directors consider there to be no ultimate controlling party.

12. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1st October 2014.

No transitional adjustments were required in equity or profit or loss for the period.