

KAUPTHING HOLDINGS UK LIMITED
Strategic Report, Director's Report and
Financial Statements
for the Year Ended 31 December 2016

TUESDAY



L69HDCVN

LD2

27/06/2017

#103

COMPANIES HOUSE

KAUPTHING HOLDINGS UK LIMITED

**Contents of the Financial Statements
for the year ended 31 December 2016**

	Page
Company Information	1
Strategic Report	2
Director's Report	3
Independent Auditors' Report	4
Income Statement	5
Other Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Cash Flow Statement	9
Notes to the Financial Statements	10
Profit and Loss Account	13

KAUPTHING HOLDINGS UK LIMITED

**Company Information
for the year ended 31 December 2016**

Director: F L Oskarsdottir

Registered office: 43-44 New Bond Street
London
W1S 2SA

Registered number: 05370063

Senior statutory auditor: Gary Staunton

Auditors: Haines Watts
Chartered Accountants & Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

KAUPTHING HOLDINGS UK LIMITED

**Strategic Report
for the year ended 31 December 2016**

The director presents her strategic report for the year ended 31 December 2016.

Review of business

The principle risks and uncertainties affecting an investment holding company are that the value of its investments may be adversely affected by a variety of factors.

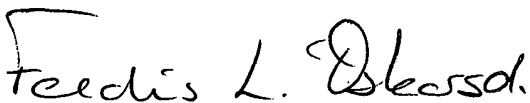
In 2015 the company sold its remaining assets and completed the restructuring of its debts towards its largest creditor, Kaupthing Finance ehf., Zurich Branch. Following the repayment of its restructured debt in January 2016 the company has no further debt toward group companies.

The purpose of the company is to preserve its current assets for the benefit of its shareholder and creditors, if any.

The director believes that the company will remain a going concern for the next twelve months from the date of this report.

This report was approved by the board on 21 June 17 and signed on its behalf.

On behalf of the board:



F L Oskarsdottir - Director

Date: 21 June 2017

KAUPTHING HOLDINGS UK LIMITED

**Director's Report
for the year ended 31 December 2016**

The director presents her report with the financial statements of the company for the year ended 31 December 2016.

Dividends

No dividends will be distributed for the year ended 31 December 2016.

Director

F L Oskarsdottir held office during the whole of the period from 1 January 2016 to the date of this report.

Statement of director's responsibilities

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless she 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 these financial statements, the director is required to:

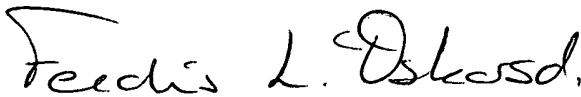
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She 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.

Statement as to disclosure of information to auditors

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and she has taken all the steps that she ought to have taken as a director in order to make herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board:



F L Oskarsdottir - Director

Date:

21 June 2017

**Independent Auditors' Report to the Members of
Kaupthing Holdings UK Limited**

We have audited the financial statements of Kaupthing Holdings UK Limited for the year ended 31 December 2016 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes. 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities, the director is 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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Director's 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

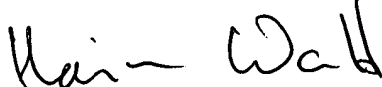
Opinion on other matter prescribed by the Companies Act 2006

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

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Gary Staunton (Senior Statutory Auditor)
For and on behalf of Haines Watts
Chartered Accountants & Statutory Auditor
New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

21 June 2017

KAUPTHING HOLDINGS UK LIMITED

**Income Statement
for the year ended 31 December 2016**

	Notes	2016 £'000	2015 £'000
Turnover		-	-
Administrative expenses		(27)	(27)
Operating loss		(27)	(27)
Exceptional item	3	-	292,385
		(27)	292,358
Income from participating interests		-	13,320
Interest receivable and similar income		7	26
		(20)	305,704
Interest payable and similar expenses	4	-	(6,863)
Other finance costs		(2)	(12,234)
(Loss)/profit before taxation	5	(22)	286,607
Tax on (loss)/profit	6	-	-
(Loss)/profit for the financial year		(22)	286,607

The notes form part of these financial statements

KAUPTHING HOLDINGS UK LIMITED

**Other Comprehensive Income
for the year ended 31 December 2016**

	Notes	2016 £'000	2015 £'000
(Loss)/profit for the year		(22)	286,607
Other comprehensive income		-	-
Total comprehensive income for the year		<u>(22)</u>	<u>286,607</u>

The notes form part of these financial statements

Balance Sheet
31 December 2016

	Notes	£'000	2016 £'000	2015 £'000
Fixed assets				
Investments	7		-	120
Current assets				
Cash at bank		118		13,869
Creditors				
Amounts falling due within one year	8	15		13,864
Net current assets			103	5
Total assets less current liabilities			103	125
Capital and reserves				
Called up share capital	9		308,500	308,500
Retained earnings	10		(308,397)	(308,375)
Shareholders' funds			103	125

The financial statements were approved by the director on 21 June 2017 and were signed by:

Fredrick L. Oskarsdottir

F L Oskarsdottir - Director

KAUPTHING HOLDINGS UK LIMITED

**Statement of Changes in Equity
for the year ended 31 December 2016**

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 January 2015	308,500	(594,982)	(286,482)
Changes in equity			
Total comprehensive income	-	286,607	286,607
Balance at 31 December 2015	<u>308,500</u>	<u>(308,375)</u>	<u>125</u>
Changes in equity			
Total comprehensive income	-	(22)	(22)
Balance at 31 December 2016	<u><u>308,500</u></u>	<u><u>(308,397)</u></u>	<u><u>103</u></u>

The notes form part of these financial statements

KAUPTHING HOLDINGS UK LIMITED

**Cash Flow Statement
for the year ended 31 December 2016**

		2016	2015
	Notes	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	12	<u>(13,876)</u>	<u>(4,000)</u>
Net cash from operating activities		<u>(13,876)</u>	<u>(4,000)</u>
 Cash flows from investing activities			
Interest received		7	26
Dividends received		-	13,320
Distributions from investments		<u>118</u>	<u>-</u>
Net cash from investing activities		<u>125</u>	<u>13,346</u>
 (Decrease)/increase in cash and cash equivalents		 <u>(13,751)</u>	 <u>9,346</u>
Cash and cash equivalents at beginning of year	13	13,869	4,523
 Cash and cash equivalents at end of year	13	 <u><u>118</u></u>	 <u><u>13,869</u></u>

The notes form part of these financial statements

KAUPTHING HOLDINGS UK LIMITED

Notes to the Financial Statements for the year ended 31 December 2016

1. Statutory information

Kaupthing Holdings UK Limited is a private company, limited by shares, registered in Not specified/Other. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

2.1 Basis of preparing the financial statements

These financial statements are prepared in accordance with FRS 102 "the Financial Reporting Standard applicable in the UK and republic of Ireland".

The financial statements are drawn up in accordance with the Companies Act 2006. The financial statements are prepared on a going concern basis. The director does not believe that the company will have significant imminent liabilities and therefore believes that the company will remain a going concern for the next twelve months from the date of signing these financial statements. The company, in respect of its claims relating to cash deposits and tax, has been accepted as a non preferential unsecured creditor in the administration of Kaupthing Singer & Friedlander Limited. Kaupthing Singer & Friedlander Limited has now been dissolved. All claims were recovered from the administration of Kaupthing Singer & Friedlander Limited.

The company ceased trading on the date of the administration to Kaupthing Singer & Friedlander Limited, and the director is not incurring any new liabilities on behalf of the company other than those required as a result of the company's continuing registration. The director is of the opinion that such small term costs should be incurred to preserve the total assets for the benefit of the company's creditors.

2.2 Investments

Investments in subsidiaries are accounted for by equity method where value is derived from subsidiaries' net assets. The investments are impaired to the amounts to be receivable.

The company will perform an impairment review on the investment if events or changes in circumstances indicate that the carrying amount of the investments may not be recoverable. The company compares the carrying amount of the investment with its recoverable amount.

2.3 Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

3. Exceptional items

In 2015 an intercompany loan of £292,384,597 was forgiven by a group undertaking to the company.

4. Interest payable and similar expenses

	2016 £'000	2015 £'000
Loan interest	-	6,863

5. (Loss)/profit before taxation

The loss on ordinary activities (2015 - profit on ordinary activities) is stated after charging:

	2016 £'000	2015 £'000
Auditors' remuneration	13	10

KAUPTHING HOLDINGS UK LIMITED

**Notes to the Financial Statements - continued
for the year ended 31 December 2016**

6. Taxation

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2016 nor for the year ended 31 December 2015.

7. Fixed asset investments

	Loans to group undertakings £'000
At 1 January 2016	120
Revaluations - Group shares	(2)
Distributions	(118)
At 31 December 2016	<u>-</u>

8. Creditors: amounts falling due within one year

	2016 £'000	2015 £'000
Amounts owed to group undertakings	-	13,854
Accruals and deferred income	15	10
	<u>15</u>	<u>13,864</u>

9. Called up share capital

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £'000	2015 £'000
308,500	Ordinary shares	£1	<u>308,500</u>	<u>308,500</u>

10. Reserves

	Retained earnings £'000
At 1 January 2016	(308,375)
Deficit for the year	(22)
At 31 December 2016	<u>(308,397)</u>

11. Ultimate controlling party

The company's ultimate parent company is Kaupthing ehf., a company resident and incorporated in Iceland.

KAUPTHING HOLDINGS UK LIMITED

Notes to the Financial Statements - continued
for the year ended 31 December 2016

12. Reconciliation of (loss)/profit before taxation to cash generated from operations

	2016 £'000	2015 £'000
(Loss)/profit before taxation	(22)	286,607
Intercompany loan forgiven	-	(97,462)
Intercompany loan forgiven	-	(97,462)
Intercompany loan forgiven	-	(97,462)
Repayment of intercompany loan	(13,854)	-
Finance costs	2	19,097
Finance income	(7)	(13,346)
	(13,881)	(28)
Decrease in trade and other debtors	-	165
Increase/(decrease) in trade and other creditors	5	(4,137)
Cash generated from operations	(13,876)	(4,000)

13. Cash and cash equivalents

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2016

	31/12/16 £'000	1/1/16 £'000
Cash and cash equivalents	118	13,869

Year ended 31 December 2015

	31/12/15 £'000	1/1/15 £'000
Cash and cash equivalents	13,869	4,523