

UKAR CORPORATE SERVICES LIMITED

Annual Report and Financial Statements

for the period from 20 June 2013 to 31 March 2014

Registered Number: 08578384

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UKAR Corporate Services Limited

Annual Report and Financial Statements for the period from 20 June 2013 to 31 March 2014

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UKAR Corporate Services Limited

Strategic Report for the period from 20 June 2013 to 31 March 2014

The Directors present their Annual Report and Financial Statements of UKAR Corporate Services Limited ('the Company') for the period from incorporation to 31 March 2014. The Company is a private limited liability company incorporated on 20 June 2013 and is domiciled in the United Kingdom.

The Company's accounting reference date has been changed to 31 March to align to the year end of the Company's controlling party, HM Treasury.

Principal activities

The Company's principal activity is to provide administrative support to the UK government's Help To Buy: mortgage guarantee scheme ('the Scheme') which launched on 8 October 2013. The Scheme aims to increase the supply of higher loan-to-value mortgages to credit-worthy borrowers by giving lenders the option to purchase a government guarantee on mortgage borrowings of between 80% and 95% of the property value. The Company is responsible for reviewing guarantee application documentation from lenders, processing claims (claim eligibility, loss assessment and payments), making any adjustments to claims as required by the Scheme rules and monitoring activity in the Scheme on behalf of HM Treasury. The Scheme is fully funded by HM Treasury and the Company's services are provided on a nil-gain nil-loss basis.

Controlling party

The Company's immediate and ultimate parent undertaking is UK Asset Resolution Limited ('UKAR') a private limited company incorporated and domiciled in the United Kingdom, which is wholly owned by the Treasury Solicitor as nominee for HM Treasury.

The Company considers Her Majesty's Government to be its ultimate controlling party.

Review of the business

During the period UKAR successfully launched the Company; implementing a core system to hold scheme records, a lender-facing website as an information portal which enables lenders to submit data, and a lender relationship management team. In total 7 lenders were successfully 'onboarded' into the scheme during the period. The results for the period are shown in the Statement of Comprehensive Income on page 9; as intended, the profit for the period from incorporation was £nil.

Key Performance Indicators ('KPIs')

All KPIs as set out in the Service Schedule agreed with HM Treasury were achieved during the period without exception.

UKAR Corporate Services Limited

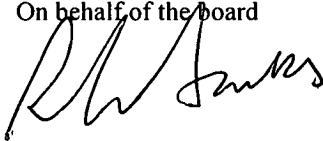
Strategic Report for the period from 20 June 2013 to 31 March 2014 (continued)

Principal risks and uncertainties

In the ordinary course of business the Company is exposed to and manages, a variety of risks, with credit risk being of particular significance. The Directors have responsibility for the overall system of internal control and for reviewing its effectiveness. Details of the Company's risk management and control are provided in note 10, and further discussion in the context of the UKAR Group as a whole is provided on pages 52 to 55 of that Group's 2014 Annual Report & Accounts, which do not form part of this Report and Financial Statements.

The Company's operations are subject to periodic review by the UKAR internal audit department.

On behalf of the board



Richard Banks

Director

26 September 2014

Registered office:

Croft Road

Crossflatts

Bingley

West Yorkshire

BD16 2UA

UKAR Corporate Services Limited

Directors' Report for the period from 20 June 2013 to 31 March 2014

Dividends

No dividends were paid during the period ended 31 March and the Directors do not recommend the payment of a final dividend.

Future outlook

The Directors expect that during 2014 and 2015 the Company will continue to provide administrative support to the Scheme. At the present time the Directors do not foresee any changes in the Company's activities.

Financial risk management objectives and policies

Information regarding the financial risk management objectives and policies is given in note 10. A description of the principal risks to which the Company is exposed is provided on page 4.

Corporate governance

In 2013, UKAR was appointed by HM Treasury to be the administrator of the Scheme on its behalf. The administration of the Scheme is kept separate from UKAR's core responsibilities.

Directors

The Directors who served during the period and up to the date of signing the Financial Statements were as follows:

Phillip McLelland (appointed 20 June 2013, resigned 25 November 2013)

Richard Banks (appointed 20 June 2013)

Mathew Jackson (appointed 20 June 2013)

Mr McLelland was from appointment until 25 November 2013 a Director of UKAR.

Mr Banks is a Director of UKAR.

Directors' indemnities

The Company has provided Mr Jackson with a Deed of Indemnity, which constituted 'qualifying third party indemnity provision' in accordance with the provisions of the Companies Act 2006. The Deed was in force during the financial period ended 31 March 2014 and remains in force as at the date of approval of the Directors' Report.

The Deed indemnifies Mr Jackson to the fullest extent permitted by law against all losses suffered or incurred in respect of acts and omissions arising as a result of holding office. The indemnities also extend to the reimbursement of the costs of defending all claims, actions and proceedings including regulatory investigation arising out of or connected with the exercise of, or failure to exercise, any of his powers, duties or responsibilities as an officer, director, trustee, agent or employee of the Company and any of its subsidiaries. Reimbursement is subject to the Director's obligation to repay the Company in accordance with the provisions of the Companies Act 2006.

UKAR has arranged Directors' and Officers' Insurance on behalf of the Directors in accordance with the provisions of the Companies Act 2006.

UKAR Corporate Services Limited

Directors' Report for the period from 20 June 2013 to 31 March 2014 (continued)

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, 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 period. Under that law the Directors have prepared the Financial Statements in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. 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 judgements and accounting estimates that are reasonable and prudent;
- State whether applicable IFRS as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- 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 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.

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418(2) of the Companies Act 2006.

Independent auditors

PricewaterhouseCoopers LLP were appointed as the first auditors of the Company and have indicated their willingness to continue in office. A resolution that they be reappointed will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board.



Richard Banks

Director

26 September 2014

UKAR Corporate Services Limited

Independent Auditors' Report to the Members of UKAR Corporate Services Limited

Report on the Financial Statements

Our Opinion

In our opinion the Financial Statements, defined below:

- give a true and fair view of the state of the Company's affairs as at 31 March 2014 and of its result and cash flows for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The Financial Statements, which are prepared by UKAR Corporate Services Limited, comprise:

- the Balance Sheet as at 31 March 2014;
- the Statement of Comprehensive Income for the period then ended;
- the Cash Flow Statement for the period then ended;
- the Statement of Changes in Equity for the period then ended; and
- the notes to the Financial Statements, which include a summary of principal accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and IFRS as adopted by the European Union.

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.

What an audit of Financial Statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ('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.

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.

UKAR Corporate Services Limited

Independent Auditors' Report to the Members of UKAR Corporate Services Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the Financial Statements are prepared is consistent with the Financial Statements.

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

Responsibilities for the Financial Statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, 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 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.



Gary Shaw (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Leeds

26 September 2014

UKAR Corporate Services Limited

Statement of Comprehensive Income for the period from 20 June 2013 to 31 March 2014

	Note	20 June 2013 to 31 Mar 2014 £000
Fee income		1,824
Net fee income		1,824
Administrative expenses	3	(1,806)
Profit before taxation		18
Taxation	4	(18)
Result for the period		-
Other comprehensive income		-
Total comprehensive income for the period		-

The results above arise from continuing activities.

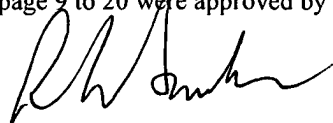
The notes on pages 13 to 20 form an integral part of these Financial Statements.

UKAR Corporate Services Limited

Balance Sheet as at 31 March 2014

	Note	At 31 March 2014 £000
Assets		
Intangible fixed assets	5	1,757
Total non-current assets		1,757
Cash and cash equivalents		2,974
Total current assets		2,974
Total assets		4,731
Liabilities		
Amounts owed to Group undertakings	6	275
Current tax liabilities		18
Other liabilities	7	4,438
Total current liabilities		4,731
Total liabilities		4,731
Equity		
Issued capital and reserves attributable to owners of the parent:		
Share capital	12	-
Total equity		-
Total equity and liabilities		4,731

The notes on pages 13 to 20 form an integral part of these Financial Statements. The Financial Statements on page 9 to 20 were approved by the Board of Directors on 26 September 2014 and signed on its behalf by:



Richard Banks
Director

26 September 2014

UKAR Corporate Services Limited is registered in England and Wales under Company Number 08578384.

UKAR Corporate Services Limited

Statement of Changes in Equity for the period from 20 June 2013 to 31 March 2014

	Share capital £000	Retained earnings £000	Total equity £000
Balance at incorporation on 20 June 2013	-	-	-
Result and total comprehensive income for the period	-	-	-
Balance at 31 March 2014	-	-	-

UKAR Corporate Services Limited

Cash Flow Statement for the period from 20 June 2013 to 31 March 2014

	20 June 2013 to 31 Mar 2014 £000
Cash flows from operating activities:	
Profit before taxation for the period	18
<i>Adjustments to reconcile profit to cash generated operating activities:</i>	
-amortisation	160
Cash flows from operating activities before changes in operating assets and liabilities	178
Net increase in operating liabilities:	
- amounts owed to Group undertakings	275
- other liabilities	4,438
Net cash generated from operating activities	4,891
Cash flows used in investing activities	
- purchase of intangible assets	(1,917)
Net cash used in investing activities	(1,917)
Net increase in cash and cash equivalents	2,974
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period, comprising:	
Cash at bank	2,974

UKAR Corporate Services Limited

Notes to the Financial Statements for the period from 20 June 2013 to 31 March 2014

1. Principal accounting policies

The Company is a private limited company incorporated on 20 June 2013 and domiciled in the United Kingdom. The Company's accounting reference date has been changed to 31 March to align to the year end of the Company's ultimate controlling party, HM Treasury.

(a) Statement of compliance

The Company's Financial Statements have been prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the EU ('adopted IFRS').

For these Financial Statements the Company has not adopted the following statements; the Company is assessing the impacts of these statements on its Financial Statements:

- IFRS 9 'Financial Instruments'; this statement has not yet been adopted for use in the EU. The Company continues to monitor developments.
- The Annual Improvements to IFRSs 2010-2012 Cycle, issued in December 2013. These changes are mandatory for the Company's Financial Statements for the year to 31 March 2016.
- The Annual Improvements to IFRSs 2011-2013 Cycle, issued in December 2013. These changes are mandatory for the Company's Financial Statements for the year to 31 March 2016.

All other new standards, amendments to standards and interpretations are not considered relevant to, and have no impact upon, the Financial Statements of the Company.

(b) Basis of preparation

The Financial Statements are prepared on the historical cost basis.

The Financial Statements are presented in pounds sterling, which is the currency of the Company's primary operating environment, and on a going concern basis.

The Directors consider that the accounting policies set out in this note are the most appropriate to the Company's circumstances, have been consistently applied by the Company in dealing with items which are considered material, and are supported by reasonable and prudent estimates and judgements.

The Financial Statements have been prepared in accordance with EU adopted IFRS, IFRIC interpretations issued by the IFRS Interpretations Committee and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. A summary of accounting policies is set out below. The preparation of the Financial Statements in conformity with these accounting policies and generally accepted accounting principles requires the use of estimates and assumptions that affect the reported values of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amounts, event or actions, actual results ultimately may differ from those estimates (see note 2).

UKAR Corporate Services Limited

Notes to the Financial Statements for the period from 20 June 2013 to 31 March 2014 (continued)

1. Principal accounting policies (continued)

(c) Revenue recognition

Fee income comprises administrative support services provided to HM Treasury, and is accounted for on an accruals basis as the services are performed.

(d) Amounts owed to Group undertakings

Amounts owed to Group undertakings are measured at amortised cost.

(e) Cash and cash equivalents

Cash and cash equivalents comprise balances which are highly liquid and have an original maturity of three months or less.

(f) Taxation

(i) Current tax

The charge for taxation is based on the result for the period and takes into account taxation deferred or accelerated arising from temporary differences between the carrying amounts of certain items for taxation and for accounting purposes.

(ii) Deferred tax

Deferred tax is calculated using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

(g) Intangible assets

Intangible assets comprise capitalised computer software systems and licences. Purchased computer software licences are capitalised as intangible assets where it is probable that future benefits will flow to the Group. Thereafter they are carried at cost less accumulated amortisation. Amortisation is provided on a straight line basis over their useful economic lives which may be up to five years. Those which have a life expectancy at the outset of less than two years are not capitalised but instead their costs are charged to the Income Statement as they arise.

Costs that are directly associated with developing identifiable computer software systems are capitalised if the criteria in IAS 38 'Intangible Assets' are satisfied; the main criteria are that the successful completion of the development project is reasonably certain and that the software is expected to generate future economic benefits. Each item of capitalised developed computer software is carried at cost less accumulated amortisation; amortisation is provided on a straight line basis over its estimated useful life. Costs that do not qualify for capitalisation or are associated with maintaining software are charged to the Income Statement as they arise.

Intangible assets in the course of construction are not amortised until they have been completed. The costs of financing intangible assets in the course of construction are not included in the costs of the assets. Intangible assets in the course of construction are included in the impairment test referred to below where appropriate.

UKAR Corporate Services Limited

Notes to the Financial Statements for the period from 20 June 2013 to 31 March 2014 (continued)

1. Principal accounting policies (continued)

(g) Intangible assets (continued)

All items of intangible assets are reviewed at each published Balance Sheet date for any indication of impairment. If there is indication of impairment, the carrying value is reviewed. If any impairment is identified, the asset is written down to the impaired value, being the higher of value in use and estimated net proceeds of sale, with the impairment being charged immediately to the Income Statement. In addition, the estimated useful lives are also reassessed annually and if they are judged to have changed then the rate of amortisation charged in periods after the date of the change reflects the revised estimates.

(h) Financial instruments

In accordance with IAS 39 each financial asset is classified at initial recognition into one of the following categories:

- (i) Financial assets at fair value through profit or loss; or
- (ii) Loans and receivables;

and each financial liability into one of two categories:

- (iii) Financial liabilities at fair value through profit or loss; or
- (iv) Other liabilities.

Measurement of financial instruments is either at amortised cost (categories (ii) and (iv) above) or at fair value (categories (i) and (iii) above), depending on the category of financial instrument. The Company does not carry any financial instruments at fair value.

2. Critical accounting judgements and estimates

In preparation of the Company's Financial Statements judgements and estimates may be made which may affect the reported amounts of assets and liabilities; judgements and estimates are kept under continuous evaluation. Judgements and estimates are based on historical experience, expectations of future events and other factors. The Directors are of the opinion that the intangible fixed assets are not impaired. At 31 March 2014 there were no other critical accounting judgements and estimates.

UKAR Corporate Services Limited

Notes to the Financial Statements for the period from 20 June 2013 to 31 March 2014 (continued)

3. Administrative expenses

The Company had no employees during the period. Services were provided to the Company by employees of Bradford and Bingley plc ('B&B') a fellow subsidiary of UKAR. Employee costs recharged by B&B are shown below as 'recharged staff costs'.

	20 June 2013 to 31 March 2014 £000
Recharged staff costs	470
Temporary staff costs	781
IT costs	9
Outsourced and professional services	254
Auditors' remuneration	30
Amortisation	160
Other administrative expenses	102
Total administrative expenses	1,806

4. Taxation

The taxation charge relates to the profit for the period as follows:

	20 June 2013 to 31 March 2014 £000
Profit before taxation	18
UK Corporation tax at 23%	(4)
Effects of:	
- expenses not deductible for tax purposes	(14)
Total taxation charge per the Statement of Comprehensive Income	(18)

There was no unprovided deferred tax at 31 March 2014.

UKAR Corporate Services Limited

Notes to the Financial Statements for the period from 20 June 2013 to 31 March 2014 (continued)

5. Intangible assets

	31 March 2014
	£000
Cost	
At 20 June 2013	-
Additions	1,917
At 31 March 2014	1,917
Accumulated amortisation	
At 20 June 2013	-
Amortisation charged in the period	160
At 31 March 2014	160
Net book amount:	
At 20 June 2013	-
At 31 March 2014	1,757

6. Amounts owed to Group undertakings

	At 31 March 2014 £000
Amounts owed to B&B	275

7. Other liabilities

	At 31 March 2014 £000
Accruals	326
Deferred income	1,775
Amounts owed to HM Treasury	2,337
Total	4,438

UKAR Corporate Services Limited

Notes to the Financial Statements for the period from 20 June 2013 to 31 March 2014 (continued)

8. Related party disclosures

The Company considers the Directors to be the key management personnel. The Company made no payments to the Directors during the period.

(a) HM Treasury

As described in note 13, the Company considers HM Treasury to be its ultimate controlling party. The Company's material balances with departments and bodies of the UK Government comprise amounts owed to and from HM Treasury (see note 7).

Fee income during the period amounted to £1,824,000.

(b) B&B

The Company's material balances with B&B comprise amounts owed to Group undertakings (see note 6). The Company was recharged staff costs of £470,000 during the period by B&B (see note 3)

9. Financial instruments

(a) Categories of financial assets and financial liabilities: carrying value compared to fair value

The following table summarises the carrying amounts and fair values of financial assets and liabilities. Assets are generally presented at bid prices, whereas offer prices are used for liabilities. The accounting policy note 1(h) sets out the key principles used for estimating the fair values of financial instruments. This note provides some additional information in respect of the methodologies used.

At 31 March 2014

	Assets at fair value through profit or loss	Loans and receivables	Total carrying value	Fair value
	£000	£000	£000	£000
Financial assets				
Cash and cash equivalents	-	2,974	2,974	2,974
Total financial assets	-	2,974	2,974	2,974

	Liabilities at fair value through profit or loss	Liabilities measured at amortised cost	Total carrying value	Fair value
	£000	£000	£000	£000
Financial liabilities				
Amounts due to Group undertakings	-	275	275	275
Accruals	-	326	326	326
Amounts owed to HM Treasury	-	2,337	2,337	2,337
Total financial liabilities	-	2,938	2,938	2,938

UKAR Corporate Services Limited

Notes to the Financial Statements for the period from 20 June 2013 to 31 March 2014 (continued)

9. Financial instruments (continued)

(a) Categories of financial assets and financial liabilities: carrying value compared to fair value (continued)

No financial assets or liabilities were reclassified during the period between amortised cost and fair value categories.

Valuations methods for calculations of fair values in the table above are set out in note 9 (b).

(b) Fair value measurement

For financial assets and liabilities which are not carried at fair value, the fair values disclosed in note 9(a) are calculated on the following bases:

At 31 March 2014	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Cash and cash equivalents	2,974	-	-	2,974
Financial liabilities				
Amounts owed to Group undertakings	275	-	-	275
Accruals	326	-	-	326
Amounts owed to HM Treasury	2,337	-	-	2,337
	2,938	-	-	2,938

Valuation methods for calculations of fair values in the table above are as follows:

Cash and cash equivalents

Fair value is estimated by using discounted cash flows applying either market rates where practicable or rates offered by other financial institutions for accounts with similar characteristics.

Amounts owed to Group undertakings

Amounts owed to Group undertakings are held in sterling and are at variable rates of interest. Therefore the carrying value of these is approximate to fair value.

Other financial liabilities

Fair value approximates to carrying value because the balances are short term in nature.

(c) Offsetting

No financial assets have been offset against financial liabilities.

UKAR Corporate Services Limited

Notes to the Financial Statements for the period from 20 June 2013 to 31 March 2014 (continued)

10. Financial risk management

The Company's exposure to credit risk, i.e. the risk that a counterparty of the Company will be unable or unwilling to meet a commitment that it has entered into with the Company, is the carrying value of the Company's cash and cash equivalents and other assets.

The Directors consider that the Company has no other material exposures to market risks.

11. Capital structure

The Company's capital is represented by the capital and reserves attributable to owners of the parent. The Company is not subject to externally imposed capital requirements other than the minimum share capital required by the Companies Act, with which it complies. The Company manages its capital and reserves in order that there is sufficient capital to meet the needs of the Company in its operations.

12. Share capital

	At 31 March 2014 Number	At 31 March 2014 £
Authorised		
Ordinary shares of £1 each		
At beginning and end of period	2	2
Issued and fully paid		
Ordinary shares of £1 each fully paid	2	2

The shares rank equally in respect of rights attaching to voting, dividends and in the event of a winding up.

13. Ultimate controlling party

The Company's immediate and ultimate parent undertaking is UKAR, a private limited liability company incorporated and domiciled in the United Kingdom.

Under IFRS, the Company's controlling party during the period was UKAR. UKAR heads the smallest and largest group of companies into which the Financial Statements of the Company are consolidated. Copies of the financial statements of UKAR may be obtained from the Company Secretary at Croft Road, Crossflatts, Bingley, BD16 2UA.

UKAR is wholly owned by the Treasury Solicitor as nominee for HM Treasury.

The Company considers Her Majesty's Government to be its ultimate controlling party.

14. Events after the reporting period

The Directors are of the opinion that there have been no significant events which have occurred since 1 April 2014 to the date of this report that are likely to have a material effect on the Company's financial position as disclosed in these Financial Statements.