

**3 ST ANDREW SQUARE APARTMENTS LIMITED**  
**(formerly Whiteleys of Bayswater Limited)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

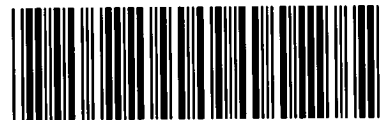
**REGISTERED NUMBER: SC108543**

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EDINBURGH**

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### **3 ST ANDREW SQUARE APARTMENTS LIMITED**

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### **3 ST ANDREW SQUARE APARTMENTS LIMITED**

#### **Statutory Information**

##### **Directors**

M B Watt	
M A Blyth	(appointed on 14 February 2018)
D A Stewart	(appointed on 14 February 2018)
R M Hannigan	(resigned on 14 February 2018)
D G Paine	(resigned on 14 February 2018)
D McHugh	(resigned on 15 December 2017)

##### **Secretary**

D E Thomas	(resigned on 14 February 2018)
H S Kidd	(appointed on 14 February 2018)

##### **Independent Auditor**

KPMG LLP  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2EG

##### **Registered Office**

1 George Street  
Edinburgh  
EH2 2LL

### **3 ST ANDREW SQUARE APARTMENTS LIMITED**

#### **Strategic and Directors' Report**

The Directors submit their audited annual report and Financial Statements of 3 St Andrew Square Apartments Limited ("the Company"), registered number SC108543, for the year ended 31 December 2017.

#### **Incorporation**

The Company was incorporated on 6 January 1988 and is a private company limited by shares, incorporated, registered and domiciled in the United Kingdom.

#### **Principal activities**

On 19 December 2017 the Company entered into a 125 year lease from Standard Life Assurance Limited ("SLAL") relating to residential apartments at 3 St Andrew Square, Edinburgh. On 23 February 2018 the company changed its name from Whiteleys of Bayswater Limited to 3 St Andrew Square Apartments Limited.

#### **Business review**

The Company made a profit for the year ended 31 December 2017 (2016: £nil). The Directors do not recommend the payment of a dividend for the year (2016: £nil). No cash flows have occurred during the year (2016: nil), accordingly a Statement of Cash Flows has not been prepared for the year.

Given the uncomplicated nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

The principal risks to which the Company is most specifically exposed are credit risk, liquidity risk and operational risk. From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed in the Group's annual report and financial statements which does not form part of this report. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern.

#### **Independent Auditor**

KPMG LLP have been appointed as auditors for the year ended 31 December 2017.

#### **Financial risk management**

The Company manages its various financial risks as outlined in note 7 of the Financial Statements.

#### **Directors**

The names of the current Directors are shown on page 2, the Directors are not subject to retirement by rotation.

#### **Going concern**

The Financial Statements have been prepared on a going concern basis as the Directors expect that the Company will continue in business for at least 12 months from the date of signing these Financial Statements.

#### **Statement on disclosure of information to the auditor**

So far as each Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware. Having made enquiries of the Company's auditors, each of the Directors has taken all the steps that ought to have been taken as a Director in order to make them aware of any relevant audit information and to establish that the auditors are aware of that information.

### 3 ST ANDREW SQUARE APARTMENTS LIMITED

#### Strategic and Directors' Report (continued)

##### Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable IFRS issued by the IASB as adopted by the EU;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

  
\_\_\_\_\_  
Director MARK WATT

24 September 2018  
Date

### **3 ST ANDREW SQUARE APARTMENTS LIMITED**

#### **Independent auditor's report to the members of 3 St Andrew Square Apartments Limited**

##### **Opinion**

We have audited the Financial Statements of 3 St Andrew Square Apartments ("the Company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

##### **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the Financial Statements. We have nothing to report in these respects.

##### **Strategic and Directors' Report**

The Directors are responsible for the Strategic and Directors' Report. Our opinion on the Financial Statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic and Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in that report;
- in our opinion the information given in that report for the financial year is consistent with the Financial Statements; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

##### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required 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 company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

### **3 ST ANDREW SQUARE APARTMENTS LIMITED**

#### **Independent auditor's report to the members of 3 St Andrew Square Apartments Limited**

##### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the Directors are responsible for: the preparation of the Financial Statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

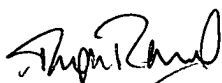
##### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

##### **The purpose of our audit work and to whom we owe our responsibilities**

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.



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**Hugh Harvie (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
Saltire Court  
20 Castle Terrace  
Edinburgh  
United Kingdom  
EH1 2EG

24 September 2018  
Date

### 3 ST ANDREW SQUARE APARTMENTS LIMITED

#### Statement of Comprehensive Income for the year ended 31 December 2017

	Note	2017 £	2016 £
<b>Revenue</b>			
Turnover	3	2,411	-
<b>Expenses</b>			
Management fee		(289)	-
Insurance		(176)	-
Service charge		(1,533)	-
Total expenses		<u>(1,998)</u>	<u>-</u>
<b>Profit before interest and taxation</b>		<u>413</u>	<u>-</u>
<b>Turnover rent cost</b>		(372)	-
<b>Profit before taxation</b>		41	-
Taxation	4	(8)	-
<b>Total comprehensive income for the year</b>		<u><u>33</u></u>	<u><u>-</u></u>

The notes on pages 10 to 15 form an integral part of these Financial Statements




### 3 ST ANDREW SQUARE APARTMENTS LIMITED

#### Statement of Financial Position as at 31 December 2017

	Note	2017 £	2016 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Leasehold asset	7	36	-
<b>Current assets</b>			
Trade and other receivables	9	11,027	100
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Leasehold obligation	7	(35)	-
<b>Current liabilities</b>			
Trade and other payables	10	(10,895)	-
<b>Net Assets</b>		<u>133</u>	<u>100</u>
<b>EQUITY</b>			
Share capital	11	100	100
Retained earnings		33	-
<b>Total equity</b>		<u>133</u>	<u>100</u>

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

  
\_\_\_\_\_  
Director **MARK WATT**

24 September 2018  
Date

The notes on pages 10 to 15 form an integral part of these Financial Statements

### 3 ST ANDREW SQUARE APARTMENTS LIMITED

#### Statement of Changes in Equity for the year ended 31 December 2017

	Retained earnings £	Share capital £	Total equity £
Opening balance at 1 January 2017	-	100	100
Profit for the year	33	-	33
Closing balance at 31 December 2017	<u>33</u>	<u>100</u>	<u>133</u>

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

	Retained earnings £	Share capital £	Total equity £
Share capital			
Opening and closing balance	-	100	100

The notes on pages 10 to 15 form an integral part of these Financial Statements

### **3 ST ANDREW SQUARE APARTMENTS LIMITED**

#### **Notes to the Financial Statements**

##### **1 GENERAL INFORMATION**

On 19 December 2017 the Company entered into a 125 year lease from Standard Life Assurance Limited ("SLAL") relating to residential apartments at 3 St Andrew Square, Edinburgh with the agreed rent of £1 per annum plus turnover rent equating to 90% of turnover income less deductions.

These audited Financial Statements have been approved for issue by the Board of Directors on **24** September 2018.

##### **2 ACCOUNTING POLICIES**

###### **(a) Basis of preparation**

The Company's Financial Statements have been prepared on a going concern basis, under the historic cost convention and in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU"), with interpretations issued by the International Financial Reporting Standards Interpretations Committee and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The presentational currency of the Company is Pound Sterling, all values within the Annual Report and Financial Statements are rounded to the nearest whole pound.

The principal accounting policies set out below have been consistently applied to all financial reporting periods presented in these Financial Statements unless otherwise stated.

###### **(i) Critical accounting estimates and judgement in applying accounting policies**

The preparation of financial statements, in conformity with IFRS, requires management to make estimates and exercise judgements in applying the accounting policies that affect the reported amounts of assets and liabilities at the date of the Financial Statements and the reported amounts of revenues and expenses arising during the year. The area where the exercise of judgement has the most significant effect on the Financial Statements is in the application of IFRS16, further details are given in note 2(e). The Directors consider that there are no estimates made which have a material impact on the Financial Statements.

###### **(ii) New and amended standards and interpretations adopted by the Company**

IFRS 15, 'Revenue from contract with customers'  
IFRS 16, 'Leases'

###### **(iii) New standards, amendments and interpretations issued, but not yet effective or early adopted**

IFRS 9, 'Financial instruments: classification and measurement'

The adoption of the above accounting standard in future periods is expected to have an immaterial impact on the Financial Statements of the Company.

###### **(iv) Early adoption of standards**

IFRS 15, 'Revenue from contract with customers'  
IFRS 16, 'Leases'

### **3 ST ANDREW SQUARE APARTMENTS LIMITED**

#### **Notes to the Financial Statements**

## **2 ACCOUNTING POLICIES (CONTINUED)**

### **(b) Revenue recognition**

Revenue is recognised as follows:

Rental income from third parties in relation to residential apartments at 3 St Andrew Square, Edinburgh is recognised on an accruals basis.

### **(c) Expense recognition**

Expenditure incurred by the Company is recognised in the month to which it relates. Expenses relating to a month that have not been invoiced are accrued, while invoices received for expenses relating to future months are prepaid.

### **(d) Tax**

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the Statement of Financial Position date.

### **(e) Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

- the contract involves the use of an identified asset this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose predetermined, the Company has the right to direct the use of the asset if either:
  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

### 3 ST ANDREW SQUARE APARTMENTS LIMITED

#### Notes to the Financial Statements

##### (e) Leases (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

As explained in note 1, the lease also contains an annual rent based on turnover. The turnover rent element is not considered in the determination of the lease liability and corresponding asset. Consequently, the assessment of the asset and liability takes account of the £1 per annum fixed payment only.

#### 3 TURNOVER

	2017 £	2016 £
Rental income	<u>2,411</u>	<u>-</u>

#### 4 TAXATION

The current taxation charge for the year is £8 (2016: £nil).

No deferred taxation arose during the year.

The company started trading on 19 December 2017 when the taxation rate was 19%.

	2017 £	2016 £
<u>Taxation</u>		
Profit on ordinary activities before taxation	<u>41</u>	<u>-</u>
Current taxation at 19%	<u>8</u>	<u>-</u>

#### 5 AUDITOR'S REMUNERATION

Auditor's remuneration of £1,500 is paid by the parent company in respect of the audit of the Company's Financial Statements for the year ended 31 December 2017 (2016: £nil).

#### 6 DIRECTORS' REMUNERATION

No amounts are payable to the Directors in respect of their services to the Company.

### 3 ST ANDREW SQUARE APARTMENTS LIMITED

#### Notes to the Financial Statements

#### 7 FINANCIAL RISK MANAGEMENT

##### (a) Company overview

The Company's business is leasing residential apartments at 3 St Andrew Square, Edinburgh. The Company is exposed to various financial risks: credit risk, liquidity risk and operational risk. All of the Company's assets and liabilities are denominated in Sterling, and the Company has no significant exposure to interest rate risk. Strategic and group risks are managed by the Group on behalf of the Company.

The financial risks relate to the financial assets and liabilities set out by category in the following table:

2017	Loans and receivables	Other financial liabilities at amortised cost
	£	£
<b>Financial assets</b>		
Leasehold asset	36	-
Trade and other receivables	11,027	-
<b>Financial liabilities</b>		
Leasehold obligation	-	35
Trade and other payables	-	10,895

2016	Loans and receivables	Other financial liabilities at amortised cost
	£	£
<b>Financial assets</b>		
Trade and other receivables	100	-

##### (b) Credit risk

Credit risk is the risk that a counterparty will be unable to meet a commitment that it has entered into with the Company. The Company finances its operations principally through working capital. No speculative transactions are undertaken and, during the last two financial periods, no derivative contracts were transacted. Financial assets include assets of a financial nature, namely intercompany receivables.

##### (c) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in realising assets or otherwise raising funds to meet its financial obligations. The Company seeks to manage financial risk to ensure sufficient liquidity is available to meet foreseeable needs. Any shortfall in cash will be temporarily funded by its parent until the service charge accounts have been audited and balancing charges issued to tenants to recover any shortfall.

### 3 ST ANDREW SQUARE APARTMENTS LIMITED

#### Notes to the Financial Statements

#### 7 FINANCIAL RISK MANAGEMENT (CONTINUED)

##### (c) Liquidity risk (continued)

A summary table with the maturities of financial assets and liabilities is presented below.

	2017 £	2016 £
<b>Financial assets - maturity over one year</b>		
Leasehold asset	36	-
<b>Financial assets - maturity within one year</b>		
Trade and other receivables	11,027	100
<b>Financial liabilities - maturity over one year</b>		
Leasehold obligation - one to five years	5	-
Leasehold obligation - more than five years	30	-
	35	-
<b>Financial liabilities - maturity within one year</b>		
Leasehold obligation	1	-
Trade and other payables	10,894	-
	10,895	-

##### (d) Operational risk

Operational risk is the risk of loss, or adverse consequences for the Company's business, resulting from inadequate or failed internal processes, people or systems, or from external events.

The assessment of operational risk exposure is performed on an ongoing basis taking into account a combination of impact and likelihood on the Company's performance. The management team review on a regular basis the competitors, changes in legislation, security policy and changes in technological landscape. Appropriate action is taken to ensure exposure is limited based on specific events or actions.

#### 8 LEASE LIABILITY

	2017 £	2016 £
<b>Maturity analysis - contractual undiscounted cash flows</b>		
Less than one year	1	-
One to five years	4	-
More than five years	120	-
<b>Total undiscounted lease liabilities at 31 December 2017</b>	125	-

#### 9 TRADE AND OTHER RECEIVABLES

	2017 £	2016 £
Amounts due from SLAL	5,850	100
Prepayments	5,177	-
	11,027	100

All receivables are expected to be settled within 12 months. The carrying amounts disclosed above are a reasonable approximation of the fair values at the year end. No interest is applied to other financial assets.

### 3 ST ANDREW SQUARE APARTMENTS LIMITED

#### Notes to the Financial Statements

#### 10 TRADE AND OTHER PAYABLES

	2017	2016
	£	£
Deferred rental income	3,339	-
Accruals	1,532	-
Amounts due to SLAL	6,015	-
Taxation	8	-
Leasehold obligation	1	-
	<u>10,895</u>	<u>-</u>

All other financial liabilities are expected to be settled within 12 months. The carrying amounts disclosed above are a reasonable approximation of the fair values at the year end. No interest is applied to other financial liabilities.

#### 11 SHARE CAPITAL

	2017	2016
	£	£
<b>Authorised share capital:</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Issued share capital:</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### 12 RELATED PARTY DISCLOSURES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

##### SLAL

The Company's sole shareholder is SLAL who has invested £100 in the Company.

The parent Company is due an agreed rent of £1 per annum plus turnover rent equating to 90% of turnover income less deductions.

During the year SLAL received and paid the income and expenses relating to the Company until a bank account is opened in due course.

#### 13 CONTROLLING PARTY

The Company is a wholly owned subsidiary of Standard Life Assurance Limited. The ultimate parent undertaking of Standard Life Assurance Limited as at 31 December 2017 was Standard Life Aberdeen plc (previously Standard Life plc). Copies of the financial statements of the ultimate controlling party can be obtained at [www.standardlifeaberdeen.com](http://www.standardlifeaberdeen.com). Please see note 15 for changes to the ultimate parent undertaking post 31 December 2017.

#### 14 COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2017 the Company had no outstanding commitments or contingent liabilities (2016: £nil).

#### 15 EVENTS AFTER THE REPORTING DATE

On 23 February 2018 the company changed its name from Whiteleys of Bayswater Limited to 3 St Andrew Square Apartments Limited.

On 31 August 2018, the ultimate parent undertaking changed from Standard Life Aberdeen plc to Phoenix Group Holdings following the sale of the Standard Life Assurance Limited business. Copies of the financial statements of the ultimate controlling party can be obtained at [www.thephoenixgroup.com](http://www.thephoenixgroup.com).