

UBERIOR VENTURES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
MEMBER OF LLOYDS BANKING GROUP

**COMPANIES HOUSE
EDINBURGH**

28 SEP 2018

FRONT DESK



Company Number SC235067

Directors

N S Burnett
A Hulme

Company Secretary

D D Hennessey

Registered Office

The Mound
Edinburgh
EH1 1YZ

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Bankers

Bank of Scotland plc
Head Office
The Mound
Edinburgh
EH1 1YZ

DIRECTORS' REPORT**For the year ended 31 December 2017**Directors

The Directors submit their report and audited financial statements of Uberior Ventures Limited ("the Company") for the year ended 31 December 2017.

The Company qualifies as a small company in accordance with Sections 381-382 of the Companies Act 2006 ("the Act") and the Directors' Report has therefore been prepared taking into consideration the provisions of Part 15 of the Act.

Incorporation

The Company was incorporated in Scotland on 7 August 2002.

Parent undertaking

The Company is a wholly owned subsidiary of Uberior Investments Limited. The ultimate parent undertaking and controlling party is Lloyds Banking Group plc, a company incorporated in Scotland.

Results and dividends

The loss after tax for the year is £1,597,000 (2016: £339,000 profit). Dividends of £11,000,000 were paid during the year (2016: £nil).

Going concern

As set out in Note 3 'Going concern – Principles underlying going concern assumption' of the notes to the financial statements, the Directors are satisfied that the Company has adequate resources to continue in business for the foreseeable future and consequently the going concern basis continues to be appropriate in preparing the financial statements.

Directors and their interests

The Directors at the date of this report are as stated on page 2. Dates of appointments and resignations during the year, or subsequent to the year end, were as follows:

Director	Date of appointment	Date of resignation
A C Bone	-	22 February 2018
A Hulme	22 February 2018	-

No Director had any interest in any material contract or arrangement with the Company during or at the end of the year.

Directors' indemnities

Lloyds Banking Group plc has granted to the Directors of the Company, a deed of indemnity through deed poll which constituted 'qualifying third party indemnity provisions' for the purposes of the Companies Act 2006. The deed was in force during the whole of the financial year and at the date of approval of the financial statements or from the date of appointment in respect of the director who joined the board of the Company during the financial year. Directors no longer in office but who served on the Board of the Company at any time in the financial year had the benefit of this contract of indemnity during that period of service. The indemnity remains in force for the duration of a Director's period of office. The deed indemnifies the Directors to the maximum extent permitted by law. The Deed for existing Directors is available for inspection at the registered office of Lloyds Banking Group plc. In addition, the Group has in place appropriate Directors and Officers Liability Insurance cover which was in place throughout the financial year."

DIRECTORS' REPORT (continued)
For the year ended 31 December 2017Independent Auditors and disclosure of information to Independent Auditors

PricewaterhouseCoopers LLP are deemed to be reappointed as auditors under Section 487(2) of the Companies Act 2006.

In accordance with Section 418 of the Companies Act 2006, in the case of each Director in office at the date the Report of the Directors is approved:

(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) he/she has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Statement of Directors' Responsibilities

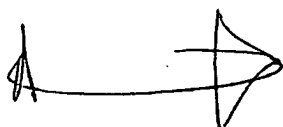
The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; 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. 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.

On behalf of the Board,



N S Burnett
Director

Date: 26 September 2018

Company Number SC235067

Registered Office
The Mound
EDINBURGH
EH1 1YZ

Independent auditors' report to the members of Uberior Ventures Limited

Report on the audit of the financial statements

Opinion

In our opinion, Uberior Ventures Limited's financial statements:

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

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the statement of comprehensive income, the cash flow statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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 take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Mark Hoskyns-Abraham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
28 September 2018

STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 December 2017**

	Note	2017 £000	2016 £000
Investment income	4	4	336
(Loss) / Profit on disposal of investments		-	-
Finance income	6	-	4
Total income		4	340
Administrative expenses	5	-	-
Impairment	10	(1,600)	-
(Loss) / Profit before tax		(1,596)	340
Income tax charge	7	(1)	(1)
(Loss) / Profit for the year and total comprehensive income attributable to owners of the parent for the year		(1,597)	339

The notes on pages 11 to 26 are an integral part of these financial statements.

The profit and total comprehensive income attributable to the owners of the parent for the year arises from the Company's continuing operations.

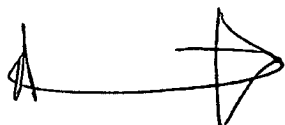
BALANCE SHEET

As at 31 December 2017

	Note	2017 £000	2016 £000
Assets			
Investment in subsidiary undertakings	10	1	1
Investments in jointly controlled entities	9	-	-
Investments in associates	8	-	-
Investments	11	-	-
Cash and cash equivalents	13	1,408	14,090
Total assets		1,409	14,091
Equity			
Capital reserve	14	957,010	968,010
Accumulated losses		(956,075)	(954,478)
Total equity		935	13,532
Liabilities			
Trade and other payables	15	473	558
Income tax payable	7	1	1
Total liabilities		474	559
Total equity and liabilities		1,409	14,091

The notes on pages 11 to 26 are an integral part of these financial statements.

The financial statements on pages 7 to 26 were approved by the Board of Directors and were signed on its behalf by:



N S Burnett
Director

Date: 26 September 2018

Company number: SC235067

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017

	Capital Reserve £000	Accumulated Losses £000	Total Equity £000
Balance at 1 January 2016	968,010	(954,817)	13,193
Profit for the year			
Profit after taxation	-	339	339
Total comprehensive income	-	339	339
Balance at 1 January 2017	968,010	(954,478)	13,532
Profit for the year			
Loss after taxation	-	(1,597)	(1,597)
Total comprehensive loss	-	(1,597)	(1,597)
Dividends paid to equity shareholders	(11,000)	-	(11,000)
Balance at 31 December 2017	957,010	(956,075)	935

The notes on pages 11 to 26 are an integral part of these financial statements.

CASH FLOW STATEMENT**For the year ended 31 December 2017**

	Note	2017 £000	2016 £000
Cash flows from operating activities			
(Loss) / Profit before tax		(1,596)	340
Adjust for non:			
Impairment charge		1,600	-
Finance income	6	-	(4)
Changes in working capital:			
Decrease in trade and other payables		(85)	-
Decrease in trade and other receivables		-	-
Cash generated from operations		(81)	336
Interest received		-	4
Income taxes (paid) / received		(1)	(2,449)
Net cash (used in) / generated from operating activities		(82)	(2,109)
Cash flows from investing activities			
Additional investments in subsidiary undertakings		(1,600)	-
Net cash generated from investing activities		(1,600)	-
Cash flows from financing activities			
Dividends paid to equity shareholders		(11,000)	-
Net cash used in financing activities		(11,000)	-
(Decrease) / increase in cash and cash equivalents		(12,682)	(2,109)
Cash and cash equivalents at 1 January		14,090	16,199
Cash and cash equivalents at 31 December	13	1,408	14,090

The notes on pages 11 to 26 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS**For the year ended 31 December 2017****1. Significant accounting policies**

Uberior Ventures Limited ("the Company") is a company incorporated and domiciled in Scotland.

The financial statements were authorised for issue by the Directors on 26th September 2018.

(a) Financial statements

The financial statements of Uberior Ventures Limited comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Cash Flow Statement together with the related notes to the financial statements. The financial statements are presented in pounds sterling which is the Company's functional and presentational currency.

(b) Statement of compliance

The 2017 statutory financial statements set out on pages 7 to 26 have been prepared in accordance with International Financial Reporting Standards ('IFRS') and interpretations issued by the International Financial Reporting Interpretations Committee ('IFRIC') as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS. The standards applied by the Company are those endorsed by the European Union and effective at the date the financial statements are approved by the Board. Consequently, the financial statements comply with International Financial Reporting Standards.

The Company is exempt by virtue of section 400 of the Companies Act 2006 and similar exemptions available under *IFRS 10 'Consolidated Financial Statements'* from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(c) Basis of preparation

The financial statements have been prepared under the historical cost basis except the following assets and liabilities which are stated at their fair value: financial instruments classified as available-for-sale.

The Company has not adopted any new standards during the year.

(d) Foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Non-monetary assets that are measured at fair value are translated using the exchange rate at the date that the fair value was determined.

Translation differences on available-for-sale non-monetary financial assets, such as equity shares, are included in the available- for- sale reserve in equity.

(e) Future accounting developments

The following pronouncements may have a significant effect on the Company's financial statements but are not applicable for the year ending 31 December 2017 and have not been applied in preparing these financial statements. Save as disclosed below, the full impact of these accounting changes is being assessed by the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2017

1. Significant accounting policies (continued)

(e) Future accounting developments (continued)

Pronouncement	Nature of change	IASB effective date
IFRS 9 <i>Financial Instruments</i> ¹	<p>IFRS 9 replaces IAS 39 'Financial Instruments: Recognition and Measurement' and is effective for annual periods beginning on or after 1 January 2018. The company has chosen 1 January 2018 as its initial application date of IFRS 9 and will not restate comparative periods.</p> <p><i>Classification and measurement</i></p> <p>IFRS 9 requires financial assets to be classified into one of three measurement categories, fair value through profit or loss, fair value through other comprehensive income or amortised cost. Financial assets will be measured at amortised cost if they are held within a business model the objective of which is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest. Financial assets will be measured at fair value through other comprehensive income if they are held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principal and interest. Financial assets not meeting either of these two business models; and all equity instruments (unless designated at inception to fair value through other comprehensive income); and all derivatives are measured at fair value through profit or loss. An entity may, at initial recognition, designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.</p> <p><i>Impairment</i></p> <p>IFRS 9 replaces the existing 'incurred loss' impairment approach with an expected credit loss ('ECL') model resulting in earlier recognition of credit losses compared with IAS 39. The ECL model has three stages. Entities are required to recognise a 12 month expected loss allowance on initial recognition (stage 1) and a lifetime expected loss allowance when there has been a significant increase in credit risk since initial recognition (stage 2). Stage 3 requires objective evidence that an asset is credit-impaired, which is similar to the guidance on incurred losses in IAS 39.</p> <p>The full impact of this pronouncement is being assessed by the Company. However, the initial view is that they are not expected to cause any material adjustments to the reported numbers in the financial statements</p>	Annual periods beginning on or after 1 January 2018
IFRS 15 <i>Revenue from Contracts with Customers</i> ¹	<p>IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 15 establishes principles for reporting useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods and services. Financial instruments, leases and insurance contracts are out of scope and so this standard is not expected to have a significant impact on the Company.</p>	Annual periods beginning on or after 1 January 2018

1 As at the date of this report, these pronouncements are awaiting EU endorsement.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2017****1. Significant accounting policies (continued)****(f) Investments****Jointly controlled entities and associates**

Jointly controlled entities are joint arrangements over which the Company has joint control with other parties and has rights to the net assets of the arrangements. Associates are entities over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity, but is not control or joint control of those policies, and is generally achieved through holding between 20 per cent and 50 per cent of the voting share capital of the entity.

The Company records such investments at historic cost less impairment.

Investments in subsidiary undertakings

Subsidiaries are entities controlled by the Company. The Company controls an entity when it has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through the exercise of its power. This generally accompanies a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls an entity. The Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to any of these factors. Details of the principal subsidiaries are given in Note 10 to the financial statements.

Subsidiaries comprise equity investments in, and capital contributions, to subsidiary entities.

(g) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash balances and overdrafts held within the Group that are freely available and deposits held with the Group with an original maturity of three months or less.

(i) Impairment of financial assets

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or portfolio of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset and that event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Financial assets carried at amortised cost – the criteria that the Company uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the company, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including adverse changes in the payment status of borrowers in the portfolio; and national or local economic conditions that correlate with defaults on the assets in the portfolio.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2017****1. Significant accounting policies (continued)****(i) Impairment of financial assets (continued)**

If there is objective evidence that an impairment loss on a financial asset or group of financial assets has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The asset's carrying amount is reduced and the amount of the loss is recognised on the Income Statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment was recognised, the previously recognised impairment loss is reversed in the Income Statement.

Financial assets designated as available-for-sale – in addition to the criteria noted above, in the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the asset below its cost is also evidence that the assets are impaired. When a decline in the fair value of a financial asset classified as available-for-sale has been recognised in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss – measured as the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in the Income Statement – is removed from other comprehensive income and recognised in the Income Statement. If, in a subsequent period, the fair value increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through other comprehensive income.

(j) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

At the end of each reporting period the Company assesses whether there is any indication that an impairment loss recognised in prior periods may no longer exist or may have decreased. If any such indicator exists, and there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment was recognised, the previously recognised impairment loss is reversed through the Income Statement. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Jointly controlled entities and associates - In assessing whether there is any indication that an asset may be impaired, the Company considers, as a minimum, the following indications:

- during the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- significant changes with an adverse effect on the entity have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the entity operates or in the market to which an asset is dedicated;
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating an asset's value in use and decrease the asset's recoverable amount materially;
- evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

Subsidiaries - In respect of investments in subsidiaries this assessment can include reviewing factors such as the solvency, profitability and cash flows generated by the subsidiary.

(k) Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2017****1. Significant accounting policies (continued)****(l) Revenue recognition**

Interest income and expense are recognised in the Income Statement for all interest-bearing financial instruments, using the effective interest method where it can be reliably estimated and recognised on a cash basis where it cannot be reliably measured. The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense over the expected life of the financial instrument. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability.

The effective interest rate is calculated on initial recognition of the financial asset or liability, estimating the future cash flows after considering all the contractual terms of the instrument but not future credit losses. The calculation includes all amounts expected to be paid or received by the Company including expected early redemption fees and related penalties and premiums and discounts that are an integral part of the overall return. Direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument are also taken into account in the calculation. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss (see 1(i) above).

Fees and commissions which are not an integral part of the effective interest rate are generally recognised when the related service has been provided within other income in the Income Statement.

Dividend income in the Income Statement as income from investment in associates, income from investment in jointly controlled entities, income from investment in subsidiary undertakings and investment income.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within profit/loss on disposal of investments in the Income Statement.

(m) Finance income

Finance income relates to interest receivable on cash and cash equivalents, deposits and other assets. Interest income is recognised in the Income Statement as it accrues, using the effective interest method. The effective interest rate is established on initial recognition of the financial asset and is not subsequently revised.

(n) Taxation, including deferred income taxes

Tax expense comprises current and deferred tax. Current and deferred tax are charged or credited in the income statement except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, outside the income statement (either in other comprehensive income, directly in equity, or through a business combination), in which case the tax appears in the same statement as the transaction that gave rise to it.

Current tax is the amount of corporate income taxes expected to be payable or recoverable based on the profit for the period as adjusted for items that are not taxable or not deductible, and is calculated using tax rates and laws that were enacted or substantively enacted at the balance sheet date.

Current tax includes amounts provided in respect of uncertain tax positions when management expects that, upon examination of the uncertainty by Her Majesty's Revenue and Customs (HMRC) or another tax authority, it is more likely than not that an economic outflow will occur. Provisions reflect management's best estimate of the ultimate liability based on their interpretation of tax law, precedent and guidance, informed by external tax advice as necessary. Changes in facts and circumstances underlying these provisions are reassessed at each balance sheet date, and the provisions are re-measured as required to reflect current information.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2017****1. Significant accounting policies (continued)****(o) Financial assets****(i) Classification**

The Company determines the classification of its financial assets at initial recognition. The classification depends on the purpose for which the financial assets were acquired. The Company has classified its financial assets into the following categories: loans and receivables and available-for-sale.

Loans and receivables

Debt securities not quoted in an active market are classified as loans and receivables. They are initially recognised at fair value plus directly related incremental transaction costs and are subsequently carried on the Balance Sheet at amortised cost using the effective interest rate method less provision for impairment. Income on debt securities is recognised on an effective interest rate basis where it can be reliably estimated and recognised upon receipt where it cannot be reliably estimated and recorded as investment income in the Income Statement.

The Company's loans and receivables comprise 'Investments in debt securities', 'Trade and other receivables' and 'Cash and cash equivalents' in the Balance Sheet (Notes 1(g)(h)).

Available-for-sale

All other investment securities are classified as available-for-sale. They are initially recognised at fair value plus directly related incremental transaction costs and are subsequently carried on the Balance Sheet at fair value. Unrealised gains or losses arise from changes in the fair values and are recognised in the Statement of Comprehensive Income and accumulated in the available-for-sale reserve, except for impairment losses which are recognised immediately in the Income Statement as impairment on investment securities. Income from equity shares is credited to investment income. On sale or maturity, previously unrealised gains and losses are reclassified from other comprehensive income to profit or loss on disposal of equity investments.

(ii) Recognition and measurement

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

(p) Financial liabilities**(i) Classification**

The Company determines the classification of its financial liabilities at initial recognition. The classification depends on the purpose for which the financial liabilities were issued. The Company has classified its financial liabilities in the following category: other financial liabilities.

Other financial liabilities

Other financial liabilities are included in current liabilities, except for maturities greater than 12 months after the reporting date. The Company's other financial liabilities comprise, 'Trade and other payables' (notes 1(k)).

(ii) Recognition and measurement

Other financial liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. A financial liability is removed from the Balance Sheet when it is extinguished, that is when the obligation is discharged, cancelled or expired.

Other financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

1. Significant accounting policies (continued)**(q) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(r) Capital reserve

Where the Company receives consideration from one or more shareholders without a contractual obligation to repay it (a capital contribution or gift), this is treated as an increase in equity and recorded in the capital reserve. Capital contributions or gifts are considered realised profits for distributable reserves purposes when received as qualifying consideration.

2. Critical accounting estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions in applying the accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, actual results reported in future periods may be based upon amounts which differ from those estimates. Estimates, judgements and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty in these financial statements, which together are deemed critical to the Company's results and financial position, are discussed below.

Critical judgements in applying the entity's accounting policies

The critical judgements that have been made in the process of applying the Company's accounting policies are addressed below.

(a) Designation of financial instruments

The Company has classified its financial instruments in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. In some instances the classification is prescribed whilst in others the Company is able to exercise judgement in determining the classification as follows:

- Non-derivative financial assets, other than those held for trading, where there is no active market and which have fixed or determinable payments are classified as 'loans and receivables';
- The Company has chosen not to designate any financial assets as 'held to maturity';
- All other financial assets are classified as 'available-for-sale';
- All other financial liabilities are classified as 'at amortised cost'.

The accounting treatment of these financial instruments is set out in the relevant accounting policy.

Critical accounting estimates and assumptions

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(b) Impairment of investments

As explained in the accounting policy, investment securities are continually reviewed at the specific investment level for impairment. Impairment is recognised when there is objective evidence that a specific financial asset is impaired. Objective evidence of impairment might include a significant or prolonged decline in market value below the original cost of a financial asset and, in the case of debt securities, non-receipt of due interest or principal repayment, a breach of covenant within the security's terms and conditions or a measurable decrease in the estimated future cash flows since their initial recognition. The disappearance of active markets, declines in market value and ratings downgrades do not in themselves constitute objective evidence of impairment and, unless a default has occurred on a debt security, the determination of whether or not objective evidence of impairment is present at the Balance Sheet date requires the exercise of management judgement.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2017****2. Critical accounting estimates and judgements (continued)****(c) Fair values**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Examples of objective evidence of impairment are highlighted in note 1(i), the determination of whether or not objective impairment is present requires the exercise of management judgement.

(d) Deferred tax

Deferred tax assets and liabilities require management judgement in determining the amounts to be recognised. In particular, when assessing the extent to which deferred tax assets should be recognised consideration is given to the timing, nature and level of future taxable income. The recognition of deferred tax assets relating to tax losses carried forward relies on profit projections and taxable profit forecasts prepared by management, where a number of assumptions are required based on the levels of growth in profits and the reversal of deferred tax balances.

3. Going concern – Principles underlying going concern assumption

The Directors are satisfied that it is the intention of the Group that its subsidiaries including the Company will continue to have access to adequate liquidity and capital resources for the foreseeable future and, accordingly, the financial statements have been prepared on a going concern basis.

4. Investment income

	2017 £000	2016 £000
Income from:		
Investment in Joint Ventures	4	316
Investment in Associates	-	20
Loans and receivables	-	-
	<u>4</u>	<u>336</u>

5. Administrative expenses

For the year ended 31 December 2017 and 31 December 2016, the audit fee has been accrued and paid centrally by the Company's intermediate parents, Bank of Scotland plc, which makes no recharge to the Company.

The Company has no employees (2016: nil). The Directors, who are considered to be key management, received no remuneration in respect of their services to the Company. The emoluments of the Directors are paid by a fellow group undertaking on behalf of the ultimate parent, Lloyds Banking Group plc, which makes no recharge to the Company. The Directors are also directors of a number of other subsidiaries of Lloyds Banking Group plc and are also substantially engaged in managing their respective business areas within Lloyds Banking Group plc, it is therefore not possible to make an accurate apportionment of Directors emoluments in respect of their services to each of the subsidiaries. Accordingly, these financial statements include no emoluments in respect of the Directors.

6. Finance income

	2017 £000	2016 £000
Interest receivable on deposits with related parties	17 <u>-</u>	<u>4</u>
	<u>-</u>	<u>4</u>

No interest has been received in 2017 (2016: between 0% and 2%)

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2017

7. Income tax charge**Recognised in the income statement**

	2017 £000	2016 £000
Current tax		
Current tax on profit for the year	<u>1</u>	<u>1</u>
	1	1
Total income tax charge	<u>1</u>	<u>1</u>

Where taxation on the company's (loss)/profit for the year differs from the taxation (charge)/credit that would arise using the standard rate of corporation tax of 19.25% (2016: 20.00%), the differences are explained below:

	2017 £000	2016 £000
Loss/(profit) before tax	<u>(1,596)</u>	<u>340</u>
Tax at standard rate of corporation tax	(307)	68
Income not chargeable for corporation tax purposes	-	(60)
Book gains covered by capital losses/indexation/substantial shareholdings	-	(7)
Disallowed items	308	-
Losses surrendered for payment	-	(22,064)
Adjustments in respect of prior years	<u>-</u>	<u>22,064</u>
Total income tax charge	<u>1</u>	<u>1</u>

The Finance (No. 2) Act 2015 reduced the main rate of corporation tax to 19% with effect from 1 April 2017.

The Finance Act 2016 further reduced the corporate tax rate to 17% with effect from 1 April 2020.

8. Investment in associates

The Company holds a number of investments in associates. In both the current year and prior year these had been fully impaired with no movements in the year.

9. Investment in jointly controlled entities

The Company holds a number of investments in jointly controlled entities. In both the current year and prior year these had been fully impaired with no movements in the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

10. Investment in subsidiary undertakings

	2017 £000	2016 £000
At 1 January	1	1
Additions	1,600	-
Impairment	(1,600)	-
At 31 December	<u>1</u>	<u>1</u>

Details of the Company's subsidiaries are as follows:

Name of subsidiary	Proportion of ownership	Principal business	Incorporated	Registered address	Reporting date of financial statements
Uberior Europe Limited	100%	Investment holding company	UK	The Mound, Edinburgh, EH1 1YZ	31 December
Uberior Ventures Australia Pty Ltd	100%	Investment holding company	Australia	Minter Ellison Lawers, Level 19, 88 Phillip Street, Sydney, NSW 2000	30 June

The addition of £1,600,000 relates to capitalisation of Uberior Europe Limited which was subsequently impaired to £nil.

The proportion of the voting rights in the subsidiary undertaking held directly by the Company do not differ from the proportion of ordinary shares held.

11. Investments

	2017 £000	2016 £000
Investments		
Debt securities	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Income statement impairment reversal in the year		
Debt securities	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

11. Investments (continued)

Debt securities

The movement in debt securities classified as loans and receivables can be summarised as follows:

	2017	2016
	£000	Restated £000
Gross debt securities		
As at 1 January	26,369	26,619
Additions	-	-
Disposals	-	(250)
As at 31 December	<u>26,369</u>	<u>26,369</u>
Provision for impairment		
As at 1 January	(26,369)	(26,619)
Impairment reversal	-	-
Release of provisions on disposal	-	250
As at 31 December	<u>(26,369)</u>	<u>(26,369)</u>
Net debt securities		
As at 31 December	<u>-</u>	<u>-</u>

All assets have been individually assessed for impairment. The gross debt security value of £26,368,889 (2016: £26,368,889) includes £26,368,889 (2016: £26,368,889) of investments which are considered impaired, and which have a provision for impairment of £26,368,889 (2016: £26,368,889) to reduce their carrying value in accordance with the accounting policy detailed in Note 1(i) to the financial statements. No collateral was held.

12. Deferred tax assets and liabilities

Deferred tax assets of £272,000 (2016: £2,787,000) relating to assets carried at amortised cost or fair value have not been recognised on the basis that the Company has insufficient forecast taxable profits to recover the asset in future periods. Once crystallised following the disposal of the assets, capital losses can be carried forward indefinitely.

13. Cash and cash equivalents

	2017	2016
	£000	£000
Bank deposits	<u>1,408</u>	<u>14,090</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

14. Capital and reserves

Capital risk management

The distributable reserves of the Company are managed through the Lloyds Banking Group plc Capital and Funding Policy in order to maximise capital efficiency within the Group. Dividends are paid from reserves available for distribution to the parent undertaking as reported by the previously approved annual report and financial statements according to parameters set out at a Group level so as to avoid any build up of reserve balances within the Company. Other reserves, such as those arising on the revaluation of assets classified as 'available-for-sale' that are recognised in other comprehensive income and accumulated in equity, are not managed as part of capital.

Share capital

At 31 December 2017, the issued share capital comprised one £1 Ordinary Share (2016: one).

As permitted by the Companies Act 2006, the Company has removed references to authorised share capital from its articles of association

The holder of the Ordinary Share is entitled to receive dividends as declared from time to time and is entitled to vote at meetings of the Company

Capital reserve

During 2011 the Company's intermediate parent company, Bank of Scotland plc, agreed to unconditionally and irrevocably release the Company from its obligations to repay the sum of £968,010,000 in respect of the bank overdraft position held by the Company. This was recognised as a capital contribution in the capital reserve during 2011 and represents a realised profit for distributable reserves purposes.

15. Trade and other payables

	2017	2016
	£000	£000
VAT payable	-	85
Amounts due to related parties	473	473
	<u>473</u>	<u>558</u>

16. Financial instruments

The Company's activities expose it to a variety of financial risks: credit risk, market risk (including interest rate risk, foreign exchange risk and equity risk) and liquidity risk and these risks are managed within the framework established for the Group.

Risk management within the Group is carried out by a central treasury department ('Group Treasury'). Group Treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Group provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit Risk

Credit risk is the risk of financial loss from a counterparty's failure to settle financial obligations as they fall due. Credit exposures arise in the normal course of the Company's business, principally from investment activities that bring debt securities into the Company's asset portfolio. The table below sets out the maximum exposure to credit risk at the Balance Sheet date.

		2017	2016
	Note	£000	£000
Bank deposits	13	1,408	14,090
		<u>1,408</u>	<u>14,090</u>

Cash and cash equivalents representing inter-company balances within the Group have an internal credit rating of better than satisfactory.

NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 31 December 2017****16. Financial instruments (continued)****Market risk**

Market risk is defined as the potential loss in value or earnings of the Company arising from changes in external market factors such as:

- Interest rates (interest rate risk)
- Foreign exchange rates (foreign exchange risk)
- Equity markets (equity risk)

At the reporting date, the Company's exposure to market risk arose from equity risk.

Interest rate risk

Interest rate risk exists where the Company's financial assets and liabilities have interest rates set under different bases, or which reset at different times.

Debt securities have both fixed and variable interest rates which respond to prevailing market rates of interest. These securities are funded by a non-interest bearing bank account provided by another Group company.

Accordingly, the Company does not consider itself to have any significant interest rate exposures.

Foreign exchange risk

Foreign exchange risk arises on monetary financial assets (included in 'Amounts due to subsidiary undertakings' and 'Cash and cash equivalents') and borrowings denominated in a currency other than Sterling. The currencies giving rise to this risk is the Euro. The Company follows a policy of ensuring that all foreign currency financial assets are matched with borrowings in the same currency, thus minimal sensitivity to foreign exchange exposure is considered to exist.

Equity risk

Equity risk exists from the Company's exposure to listed and unlisted equity shares. The Company undertakes a full assessment of each entities potential for value creation prior to entering into a new transaction. Thereafter the performance of each investment is continually monitored and action taken as deemed appropriate in the circumstances. Further information about the Company's sensitivity to changes in the fair value of equity investments is set out below.

At the reporting date the carrying value of equity investments amounted to £nil (2016: £nil). Unrealised gains/losses arising from changes in fair value of available-for-sale investments will be taken to other comprehensive income through the available-for-sale ('AFS') reserve except for impairment losses which are recognised immediately in the Income Statement.

The underlying investment sector has concentrations around Real Estate (100%).

Geographic exposure is within the UK and Australia.

Liquidity risk

Liquidity risk is the risk that the Company does not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive cost. This risk can arise from mismatches in the timing of cash flows relating to assets, liabilities and off-Balance Sheet instruments. The Company's short term liquidity requirements are supported by a facility with another Group company subject to internal limits. Overall liquidity of the Group plc is managed centrally.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

16. Financial instruments (continued)

Liquidity risk (continued)

The table below sets out the cash flows payable by the Company in respect of financial liabilities, by remaining contractual undiscounted repayments of principal and interest at the Balance Sheet date.

As at 31 December 2017	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
On-balance sheet	£000	£000	£000	£000	£000	£000
Trade and other payables	473	-	-	-	-	473
Total liabilities	473	-	-	-	-	473

As at 31 December 2016	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
On-balance sheet	£000	£000	£000	£000	£000	£000
Trade and other payables	558	-	-	-	-	558
Total liabilities	558	-	-	-	-	558

Fair values

The fair values together with the carrying amounts shown in the Balance Sheet are as follows:

		2017	2017	2016	2016
	Note	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Cash and cash equivalents	13	1,408	1,408	14,090	14,090
Trade and other payables	15	(473)	(473)	(558)	(558)
		935	935	13,532	13,532
Unrecognised gains			-		-

Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the above table.

Trade and other payables

For payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Cash and cash equivalents

The fair value of cash and cash equivalents repayable on demand is considered to be equal to their carrying value.

Equity securities

Fair value of equity securities classified as available-for-sale is calculate in accordance with the valuation policy. This allows for an earnings multiple approach, net asset value approach, or discounted cash-flow approach to be taken; dependent on the sector and circumstances of each investee company.

The main inputs and assumptions under each method at 31 December 2017 and 31 December 2016 are as follows:

- Earnings multiple approach - based on maintainable earnings and appropriate valuation multiple. The valuation multiples are based on the median of comparator company multiples which are then discounted as appropriate. It is reasonably possible that an alternative discount factor could be applied to the multiple used in these valuations.

- Net asset value approach - valuation of assets and liabilities of the company. Depending on the individual circumstances of the company involved this may be based on most recent management accounts, financial statements and recent property valuations or most recent fund manager report, adjusted appropriately for estimated property valuation movements, timing and recoverability issues. It is reasonably possible that alternative adjustments to the net asset value or property values could apply in these valuations.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

16. Financial instruments (continued)

Estimation of fair values (continued)

- Discounted cash-flow approach - estimated future cash-flow projections predominantly based on management forecasts with application of discount/sensitivity if deemed appropriate, exit yields/terminal multiples and discount rates determined based on knowledge of the investments, sector information and rates used in recent valuations. It is reasonably possible that an alternative discount factor or exit yields/terminal multiples could apply in these valuations.

Offsetting

The Company has no financial assets or financial liabilities which are subject to offsetting, enforceable master netting arrangements or similar agreements.

17. Related parties

The Company has a related party relationship with its intermediate parent company Bank of Scotland plc. A number of banking transactions are entered into with Bank of Scotland plc in the normal course of business including loans and deposits. The Company also has related party relationships with fellow subsidiary undertakings. The relationships with subsidiary undertakings have arisen due to the provision of funding to these companies.

Details of the related party transactions during the year are disclosed below.

(a) Transactions with Bank of Scotland plc:

Nature of transaction		Balance at 31 December 2017	Balance at 31 December 2016	Income included in income statement for the year ended 31 December 2017	Income/ (expense) included in income statement for the year ended 31 December 2016	Disclosure in financial statements
	Note	£000	£000	£000	£000	
Bank balances	13	1,408	14,090	-	-	Cash and cash equivalents
Interest receivable on bank deposit	6	-	-	-	4	Finance income

The income tax payable by the Company relates to tax payable to its intermediate parent undertaking. The outstanding balance at the end of the year was a payable of £1,000 (2016: £8,110).

(b) Transactions with associates

Nature of transaction		Balance at 31 December 2017	Balance at 31 December 2016	Income included in income statement for the year ended 31 December 2017	Income included in income statement for the year ended 31 December 2016	Disclosure in financial statements
	Note	£000	£000	£000	£000	
Investment income	4	-	-	-	20	Investment income from associates

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2017

17. Related parties (continued)

(c) Transactions with jointly controlled entities

Nature of transaction	Note	Balance at 31 December 2017 £000	Balance at 31 December 2016 £000	Income included in income statement for the year ended 31 December 2017 £000	Income included in income statement for the year ended 31 December 2016 £000	Disclosure in financial statements
Amounts due to jointly controlled entities	15	(473)	(473)	-	-	Trade and other payables
Investment income	4	-	-	4	316	Investment income from jointly controlled entities

The registered offices of related parties are noted below:

<u>Related party</u>	<u>Registered address</u>
Bank of Scotland plc	The Mound, Edinburgh, EH1 1YZ
Uberior Investments Limited	The Mound, Edinburgh, EH1 1YZ
Lothian Fifty (150) Limited	55 Baker Street, London, W1U 7EU
Prestbury Hotel Holdings Limited	15 Canada Square, London, E14 5GL
Continental Shelf 291 Limited	4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE
Continental Shelf 225 Limited	4 Mount Ephraim Road, Tunbridge Wells, Kent, TN1 1EE
Prestbury Wentworth Holdings Limited	KPMG LLP Arlington Business Park, Theale, Reading, RG7 4SD

18. Parent undertakings

The immediate parent undertaking is Uberior Investments Limited.

The parent undertaking, which is the parent undertaking of the smallest group to consolidate these financial statements is Lloyds Banking Group plc.

The ultimate parent undertaking and controlling party is Lloyds Banking Group plc, which is the parent undertaking of the largest group to consolidate these financial statements. Financial statements of both companies may be from Lloyds Banking Group's head office at 25 Gresham Street, London EC2V 7HN or downloaded from www.lloydsbankinggroup.com.