

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 18 MONTH PERIOD ENDED

30 JUNE 2018

Registered office

The Mound
Edinburgh
EH1 1YZ

Registered number

SC335594

Director

M R Lickley

Company Secretary

P Gittins

**COMPANIES HOUSE
EDINBURGH**

28 MAR 2019

FRONT DESK

THURSDAY



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SCT 28/03/2019 #13
COMPANIES HOUSE

Member of Lloyds Banking Group

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED

DIRECTOR'S REPORT

For the year 18 month period ended 30 June 2018

The director presents their report and the audited financial statements for Lloyds Bank (Fountainbridge 2) Limited (the "Company"), a Company registered in Scotland, for the period ended 30 June 2018. The Company is a subsidiary of Lloyds Banking Group plc (the "Group").

Business review and principal activities

The Company operates as a developer of residential properties. The land owned by the company was sold at the end of 2011 and there has been no development work undertaken since.

The results of the Company for the year are set out in the statement of comprehensive income on page 6.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are managed within the framework established for the Group and are not managed separately for the Company. Further detail of the Company's and Group risk management policies are contained in note 3 to the financial statements.

Key performance indicators ("KPIs")

The Director is of the opinion that the information presented in the financial statements provides the management information necessary for the Director to understand the development, performance and position of the business of the Company, and therefore no additional KPIs are presented.

Capital management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Future developments of the company

The company will not have any further activity once the remediation works have been completed and signed off. It is anticipated that this will take place within the next 12 months.

Dividends

The Director does not recommend payment of a dividend in the year (2016: nil).

Going concern

The director has decided to liquidate the Company and it is expected that the Company will be liquidated within the next 12 months. Therefore the financial statements have been prepared on a break up basis.

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED
DIRECTOR'S REPORT (Continued)
For the 18 month period ended 30 June 2018

Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were;

M R Lickley
J Palmer (resigned 18th October 2018)

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

Director's indemnities

Lloyds Banking Group plc has granted to the Directors' of the Company, (including former Directors who retired during the year), 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. 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.

Statement of director's responsibilities

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under Company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED
DIRECTORS' REPORT (Continued)
For the 18 month period ended 30 June 2018

Statement of director's responsibilities (continued)

- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

PricewaterhouseCoopers LLP are deemed to be re-appointed as auditors under section 487(2) of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

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



M R Lickley
Director

26th March 2019

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED

Independent auditors' report to the members of Lloyds Bank (Fountainbridge 2) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Lloyds Bank (Fountainbridge 2) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2018 and of its loss and cash flows for the 18 month period (the "period") 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 30 June 2018; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the 18 month period 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.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2.1.1 to the financial statements which describes the director's reasons why the financial statements have been prepared on a basis other than 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 director is 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 Director's 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.

Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's Report for the period ended 30 June 2018 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 Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the director for the financial statements

As explained more fully in the Statement of director's responsibilities set out on page 2, the director is 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 director is 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 director is 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 director either intends 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

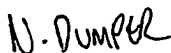
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- 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 director's 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 director was not entitled to: take advantage of the small companies exemption in preparing the Director's Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Nick Dumper (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

26 March 2019

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED**STATEMENT OF COMPREHENSIVE INCOME**

For the 18 month period ended 30 June 2018

	Note	18 month period ended 30 June 2018	Year ended 31 December 2016
Other expenses	5	(5,907)	(2,500)
Interest Income		47	15
Remediation works costs	6	-	(8,874)
		-----	-----
Loss before income tax		(5,860)	(11,359)
Income tax charge	8	(9)	(506)
		-----	-----
Loss for the year attributable to owners of the parent, being total comprehensive expense		(5,869)	(11,865)
		-----	-----

The accompanying notes to the financial statements are an integral part of these financial statements.

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED**STATEMENT OF CHANGES IN EQUITY**

For the 18 month period ended 30 June 2018

	Issued capital £	Accumulated Losses £	Total Equity £
Balance at 1 January 2016	1,000,000	(14,768,102)	(13,768,102)
Loss and total comprehensive expense for the year	-	(11,865)	(11,865)
Balance at 31 December 2016	1,000,000	(14,779,967)	(13,779,967)
Loss and total comprehensive expense for the period	-	(5,869)	(5,869)
Balance at 30 June 2018	1,000,000	(14,785,836)	(13,785,836)

The accompanying notes to the financial statements are an integral part of these financial statements.

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED**BALANCE SHEET**

As at 30 June 2018

	Note	30 June 2018 £	31 December 2016 £
Assets			
Current assets			
Trade and other receivables	9	18,591	18,544
Total current assets		18,591	18,544
Total assets		18,591	18,544
Equity			
Issued capital	10	1,000,000	1,000,000
Accumulated losses		(14,785,836)	(14,779,967)
Total Equity		(13,785,836)	(13,779,967)
Liabilities			
Current liabilities			
Amounts due to group undertakings	12	13,794,617	13,786,211
Trade and other payables	11	9,801	12,300
Tax payable		9	-
Total current liabilities		13,804,427	13,798,511
Total liabilities		13,804,427	13,798,511
Total equity and liabilities		18,591	18,544

The accompanying notes to the financial statements are an integral part of these financial statements.

The financial statements on pages 6 to 17 were approved by the Board of Directors and signed on its behalf by:



M R Lickley
Director

26th March 2019

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED**STATEMENT OF CASH FLOWS**

For the 18 month period ended 30 June 2018

	Note	18 month period ended 30 June 2018 £	Year ended 31 December 2016 £
Cash flows from operating activities			
Loss before income tax		(5,860)	(11,359)
Adjustments for:			
Decrease in trade and other payables	11	(2,499)	(2,026)
(Increase)/decrease in trade and other receivables	9	(47)	10,885
Tax paid		-	(3,849)
		-----	-----
Net cash used in operating activities		(8,406)	(6,349)
Cash flows from financing activities			
Increase in loan from group undertakings	12	8,406	6,349
		-----	-----
Net cash generated from financing activities		8,406	6,349
		-----	-----
Net movement in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		-	-
		-----	-----
Cash and cash equivalents at end of the year		-	-
		-----	-----

The accompanying notes to the financial statements are an integral part of these financial statements.

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the 18 month period ended 30 June 2018

1 General information

Lloyds Bank (Fountainbridge 2) Limited is a Company domiciled in Scotland.

2 Summary of significant accounting policies

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

2.1.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). IFRS comprises accounting standards prefixed IFRS issued by the International Accounting Standards Board (IASB) and those prefixed IAS issued by the IASB's predecessor body as well as interpretations issued by the IFRS Interpretations Committee (IFRS IC) and its predecessor body. The financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The financial statements have been prepared on a break up basis as the director expects to liquidate the Company within the next 12 months. There would be no difference to asset values between a break up basis and a going concern basis under the historical cost convention.

The Company's financial year-end date was changed from 31 December to 30 June. This is the first financial reporting period after adopting this amended year-end date, and therefore these financial statements are for the 18 month period ended 30 June 2018.

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 18 month period ended 30 June 2018

2 Summary of significant accounting policies (continued)

2.1.2 Implementation of new standards and amendments to published standards and interpretations

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2017 that have a material impact on the company.

The following pronouncements will be relevant to the Company but not effective as at 30 June 2018:

<u>Pronouncement</u>	<u>Nature of change</u>	<u>IASB effective date</u>
IFRS 9 Financial Instruments	<p>IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. 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 and amortised cost, on the basis of the objectives of the entity's business model for managing its financial assets and the contractual cash flow characteristics of the instruments.</p> <p>IFRS 9 also replaces the existing 'incurred loss' impairment approach with an expected credit loss approach.</p> <p>The hedge accounting requirements of IFRS 9 are more closely aligned with risk management practices and follow a more principle-based approach than IAS 39. Impact on the company is being assessed.</p>	Annual periods beginning on or after 1 January 2018.
IFRS 15 Revenue Contracts with Customers	<p>IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts. IFRS 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 to 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. Impact on the company is being assessed.</p>	Annual periods beginning on or after 1 January 2018.
IFRS 16 Leases 1	<p>Replaces IAS 17 Leases and requires lessees to recognise a right of use asset and a liability for future payments arising from a lease contract. Lessees will recognise a finance charge on the liability and a depreciation charge on the asset which could affect the timing of the recognition of expenses on leased assets. Impact on the company is being assessed.</p>	Annual periods beginning on or after 1 January 2019

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 18 month period ended 30 June 2018

2 Summary of significant accounting policies (continued)

2.2 Financial assets and liabilities

Financial assets and liabilities comprise trade and other receivables, trade and other payables and amounts due to group undertaking.

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are derecognised when the rights to received cash flows, or obligation to pay cash flows, have expired.

Financial assets and liabilities are derecognised when the rights to received cash flows, or obligation to pay cash flows, have expired.

2.3 Trade and other receivables

Trade and other receivables represent a float held by a third party.

Trade and other receivables are classified as current assets if payment is due within one year or less. If not, they are presented as non-current assets.

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

2.4 Share capital

Ordinary shares are classified as equity.

2.5 Trade and other payables

Trade and other payables represent accruals.

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

Accruals are classified as current liabilities if payment is due within one year or less. If not they are presented as non-current liabilities.

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 18 month period ended 30 June 2018

2 Summary of significant accounting policies (continued)

2.6 Current income tax

Tax expense comprises current and deferred tax. Current and deferred tax are charged or credited in the statement of comprehensive income 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 statement of comprehensive income (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.

3 Financial risk management

3.1 Financial risk factors

The Company's operations expose it to liquidity risk and business risk; It is not exposed to any significant foreign exchange risk, interest rate risk or market risk. Responsibility for the control of overall risk lies with the board of Directors, operating within a management framework established by the ultimate parent company, Lloyds Banking Group plc.

Liquidity risk is the risk that the Company is unable to meet its obligations when they fall due as a result of cash requirements from contractual commitments or other cash flows. Prudent liquidity risk management implies maintaining the continuing financial support from the parent company.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Less than 1 year £	Between 1 and 2 years £	Between 2 and 5 years £	Over 5 years £
At 31 December 2018				
Amount due to group undertakings	13,794,617	-	-	-
At 31 December 2016				
Amount due to group undertakings	13,786,211	-	-	-

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 18 month period ended 30 June 2018

3 Financial risk management (continued)

3.2 Fair value estimation

The carrying value of trade and other receivables, trade and other payables and amounts payable to group undertakings are assumed to approximate their fair values.

4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of profit or loss on disposal of investment property and operating expenses during the year. Although those estimates are based on management's best knowledge of the amount, actual results ultimately may differ from those estimates.

There are no significant accounting estimates or judgements that have been used in preparation of these statements.

5 Other expenses

	18 month period ended 30 June 2018 £	Year ended 31 December 2016 £
Legal fees	(3,407)	-
Audit fees	<u>(2,500)</u>	<u>(2,500)</u>
	<u>(5,907)</u>	<u>(2,500)</u>

No other fees were payable to the auditor and its associates for services other than the statutory audit. Other costs are borne by the Company's parent company and are not recharged.

The Company did not employ any persons during the year (2016: none).

6 Remediation works costs

The cost relates to remediation works required following the sale of land previously held by the company.

7 Directors' emoluments

Neither the directors nor key management personnel received emoluments in the year, or previous year, from the company. The directors are employed by other companies in the group and consider that their services are incidental to their other responsibilities within the group.

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 18 month period ended 30 June 2018

8 Income tax charge

(a) Analysis of charge for the year

	18 month period ended 30 June 2018 £	Year ended 31 December 2016 £
UK Corporation tax – tax charge for the year	(9)	(506)
	<u>(9)</u>	<u>(506)</u>

The tax charge on the Company's loss for the year is calculated at a rate of 19.16% (2016: 20%) of taxable profit for the year.

(b) Factors affecting the tax charge for the year

A reconciliation of the credit that would result from applying the standard UK corporation tax rate to the loss before tax to the tax charge for the year is given below:

	18 month period ended 30 June 2018 £	Year ended 31 December 2016 £
Loss before taxation	(5,860)	(11,359)
Tax credit thereon at UK corporation tax rate of 19.16% (2016: 20%)	1,123	2,272
Factors affecting credit:		
Losses arising where no deferred tax set up	(1,132)	(2,272)
Adjustment in respect of previous years	-	(506)
Total taxation charge	<u>(9)</u>	<u>(506)</u>

The Finance Act 2016 reduced the main rate of corporation tax to 17% with effect from 1 April 2020.

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 18 month period ended 30 June 2018

9 Trade and other receivables

	30 June 2018 £	31 December 2016 £
Other trade receivables	18,591	18,544

Other trade receivables represent a float held by a firm of solicitors and Edinburgh City Council, on which interest is earned. The float is drawn down to pay for remedial work following the sale of the land in 2012.

10 Issued Capital

	30 June 2018 £	31 December 2016 £
Issued and fully paid: 1,000,000 (2016:1,000,000) ordinary shares of £1 each	1,000,000	1,000,000

Holders of the Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to vote at meetings of the Company.

11 Trade and other payables

	30 June 2018 £	31 December 2016 £
Trade payables and accrued expenses	9,801	12,300

Trade payables and accrued expenses represent accrued development costs and fees.

12 Amounts due to group undertakings

The Company has a related party relationship with its immediate parent company Bank of Scotland plc.

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

Nature of transaction	Related Party	Balance at 30 June 2018 £	Balance at 31 December 2016 £	Disclosure in financial statement
Intercompany balance	Bank of Scotland plc	13,794,617	13,786,211	Intercompany funding

The intercompany balance is unsecured, bears no interest and has no fixed repayment date.

LLOYDS BANK (FOUNTAINBRIDGE 2) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

For the 18 month period ended 30 June 2018

13 Ultimate parent undertaking and controlling party

The immediate parent company is Bank of Scotland plc (incorporated in Scotland). The company regarded by the directors as the ultimate parent company and controlling party is Lloyds Banking Group plc (incorporated in Scotland), which is also the parent undertaking of the largest group of undertakings for which group financial statements are drawn up and of which the Company is a member. Bank of Scotland plc is the parent undertaking of the smallest such group of undertakings. Copies of the financial statements of both companies may be obtained from Group Secretariat, Lloyds Banking Group plc, 25 Gresham Street, London, EC2V 7HN. The Lloyds Banking Group plc financial statements may be downloaded via www.lloydsbankinggroup.com.

14 Contingent liabilities and capital commitments

There were no contingent liabilities or contracted capital commitments at the balance sheet date (2016:£nil).

15 Post balance sheet events

There have been no material events after the balance sheet date.