

Registered number: 02367317

The Derbyshire (Premises) Limited

**Unaudited Annual Report and Financial Statements
for the year ended 31 March 2018**

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COMPANIES HOUSE

THE DERBYSHIRE (PREMISES) LIMITED

Directors and company information

Directors

A Alexander

T Prestedge

J Tibbles

Company secretary

V Orme

Registered office

Nationwide House

Pipers Way

Swindon

SN38 1NW

Registered number

02367317

THE DERBYSHIRE (PREMISES) LIMITED

Directors' report for the year ended 31 March 2018

The directors have pleasure in presenting their annual report and the unaudited financial statements for the year ended 31 March 2018.

As set out in the statement of accounting policies, the annual report and financial statements have been prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101).

The directors have opted to take advantage of the audit exemption available to the Company under Section 479A of the Companies Act 2006, as a subsidiary of Nationwide Building Society.

Principal activities

The Derbyshire (Premises) Limited ('the Company') is a wholly owned subsidiary of Nationwide Building Society ('the Group').

The principal activity of the Company was the ownership and management of property. The Company owned one investment property which generated rental income receivable entirely from the parent undertaking. The property was transferred to the parent undertaking in September 2017.

Results and dividends

The Company made a profit before tax of £10,406 (2017: £84,674). The reduction in profit is driven by a decrease in property related income. In September 2017, the Company transferred its sole investment property to the Group for proceeds of £380,000, generating no profit or loss on disposal.

The profit after tax was £6,773 (2017: £79,744). No dividends were proposed or paid during the year (2017: £nil). The retained earnings carried forward are £323,122 (2017: £316,349).

Future developments

The Company is now expected to lapse into dormancy.

Employees

The Company has no employees (2017: nil). All staff, including the Company's directors, are employed by the Group.

Environment

The Company's environmental policy is set at a Group level. The Group remains committed to managing its environmental impacts and its goal is to be among the best performers for environmental sustainability in the UK financial services sector. To deliver this goal, the Group continues to pursue a number of targets to reduce the environmental impact of its activities and identify, target and address inefficiencies in its supply chain.

Further details of the Group's activities can be found in the directors' report in its Annual Report and Accounts and on Nationwide Building Society's website at nationwide.co.uk

Directors' indemnities

The Group purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

THE DERBYSHIRE (PREMISES) LIMITED

Directors' report for the year ended 31 March 2018 (continued)

Directors and directors' interests

The directors of the Company who were in office during the year and up to the date of signing the financial statements are shown on page 1.

At no time during the year have the directors, or their families, had any beneficial interest in the shares of the Company. None of the directors had a material interest in any contract significant to the Company's business.

Company secretary

V Orme

Domicile

The Company is a private limited company and is incorporated, registered, domiciled and operates in the United Kingdom. The registered office is Nationwide House, Pipers Way, Swindon, SN38 1NW.

Going concern

The Company is fully funded by its parent undertaking, Nationwide Building Society. Nationwide Building Society's Board of directors has confirmed that the parent undertaking will continue to fund the Company's activities for the foreseeable future. The foreseeable future is considered for this purpose to be a period at least 12 months from the date of approval of the financial statements. Taking this into account, the directors have a reasonable expectation that the Company has adequate resources.

Risk overview

The Company's principal exposure to risk is credit risk on the amounts due from the parent undertaking. This risk is considered to be low.

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 applicable law and United Kingdom Accounting Standards (UK GAAP), including FRS 101.

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:

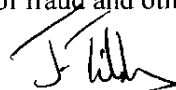
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK GAAP standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

THE DERBYSHIRE (PREMISES) LIMITED

Directors' report for the year ended 31 March 2018 (continued)**Statement of directors' responsibilities (continued)**

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.

Approved by the board of directors and signed on its behalf by



JOHN TIBBLES
Director

24 October 2018

THE DERBYSHIRE (PREMISES) LIMITED**Statement of comprehensive income for the year ended 31 March 2018**

	Notes	2018 £	2017 £
Rental income		10,684	25,000
Increase in fair value of investment property	4	-	60,000
Operating profit		10,684	85,000
Interest expense and similar charges	2	(278)	(326)
Profit before tax		10,406	84,674
Taxation	3	(3,633)	(4,930)
Profit after tax, being total comprehensive income for the year		6,773	79,744

The notes to the accounts form part of these financial statements.

THE DERBYSHIRE (PREMISES) LIMITED

Registered Number: 02367317

Balance sheet as at 31 March 2018 (unaudited)

	Notes	2018 £	2017 £
Assets			
Non current assets			
Investment property	4	-	380,000
Deferred tax assets	3	-	202
Current assets			
Amounts owed by parent undertaking	5	328,828	-
Total assets		328,828	380,202
Liabilities			
Current liabilities			
Amounts owed to parent undertaking	5	-	50,823
Deferred income from parent undertaking		-	5,833
Current tax liabilities		706	2,198
Total liabilities		706	58,854
Equity			
Share capital	6	5,000	5,000
Retained earnings		323,122	316,349
Total equity		328,122	321,349
Total equity and liabilities		328,828	380,203


The notes to the accounts form part of these financial statements.

For the year ending 31 March 2018, the Company was entitled to an exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

The members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The financial statements were approved by the board of directors on 24 October 2018.


JOHN TIBBLES
Director

THE DERBYSHIRE (PREMISES) LIMITED

Notes to the financial statements for the year ended 31 March 2018 (unaudited) (continued)

1 Statement of accounting policies (continued)

c) Taxation including deferred tax

Current tax payable on profits is recognised as an expense in the period in which profits arise.

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

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and where the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle on a net basis.

d) Investment property

The investment property, which comprises property held for rental, is stated at fair value. The property is revalued annually by an external qualified valuer, in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Professional Standards (incorporating the International Valuation Standards). Changes in fair value are included in the statement of comprehensive income. Depreciation is not charged on the investment property.

e) Financial assets

Financial assets are recognised initially at fair value. Purchases and sales of financial assets are accounted for at trade date. Financial assets are derecognised when the rights to receive cash flows have expired or where the assets have been transferred and substantially all of the risks and rewards of ownership have been transferred.

The Company's financial assets comprise loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's amounts due from parent undertaking are classified as loans and receivables.

Loans and receivables are carried at amortised cost using the effective interest rate method less provisions for impairment.

f) Financial liabilities

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

Financial liabilities are derecognised when the obligation is discharged, cancelled or has expired.

THE DERBYSHIRE (PREMISES) LIMITED

Notes to the financial statements for the year ended 31 March 2018 (unaudited)

1 Statement of accounting policies

Basis of preparation

These financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 *Reduced Disclosure Framework* (FRS 101). The financial statements have been prepared under the historical cost convention. As stated in the directors' report, the directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements. Accounting policies have been consistently applied in preparing these financial statements.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of International Accounting Standard (IAS) 7 *Statement of Cash Flows*;
- the requirements of paragraphs 30 and 31 of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*;
- the requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of International Financial Reporting Standard (IFRS) 7 *Financial Instruments: Disclosures* and IFRS 13 *Fair Value Measurement*.

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 revenues and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Further detail on the valuation of the investment property is included in note 1d.

New standards, amendments and interpretations

Minor amendments to IAS 12 *Income Taxes* have also been adopted, together with amendments from the Annual Improvements to IFRS Standards 2014-2016 Cycle. The adoption of these amendments and improvements had no significant impact for the Company.

a) Rental income

Revenue derived from investment property is recognised in the statement of comprehensive income on an accruals basis as services are provided. Rental income, together with any incentives, is recognised on a straight line basis over the lease term. Provision is made for any rents due but not collectable.

b) Interest expense and similar charges

Interest due on the outstanding loan with the Company's parent undertaking is calculated monthly and capitalised on the balance sheet against the loan. The interest charged is treated as an expense in the statement of comprehensive income.

THE DERBYSHIRE (PREMISES) LIMITED

Notes to the financial statements for the year ended 31 March 2018 (unaudited) (continued)

1 Statement of accounting policies (continued)

c) Taxation including deferred tax

Current tax payable on profits is recognised as an expense in the period in which profits arise.

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

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and where the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle on a net basis.

d) Investment property

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The Company's financial assets comprise loans and receivables.

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Loans and receivables are carried at amortised cost using the effective interest rate method less provisions for impairment.

f) Financial liabilities

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

Financial liabilities are derecognised when the obligation is discharged, cancelled or has expired.

THE DERBYSHIRE (PREMISES) LIMITED**Notes to the financial statements for the year ended 31 March 2018 (unaudited) (continued)****1 Statement of accounting policies (continued)****g) Share capital**

Ordinary shares, net of directly attributable issue costs, are classified as equity.

Dividends paid on ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the directors.

2 Interest expense and similar charges

	2018	2017
	£	£
On loans from parent undertaking	116	326
On corporation tax underpaid	162	-
Total	278	326

3 Taxation

Tax charge in the income statement	2018	2017
	£	£
Current tax:		
UK corporation tax	1,961	4,888
Adjustments in respect of prior years	1,656	-
Total current tax	3,617	4,888
Deferred tax:		
Current year	16	47
Effect of corporation tax rate change	-	(5)
Total deferred tax	16	42
Tax charge	3,633	4,930

The actual tax charge differs from the theoretical amount that would arise using the standard rate of corporation tax in the UK as follows:

	2018	2017
	£	£
Profit before tax	10,406	84,674
Tax calculated at a rate of 19% (2017: 20%)	1,977	16,935
Effects of:		
Revaluation of investment property	-	(12,000)
Adjustments in respect of prior years	1,656	-
Effect of corporation tax rate change	-	(5)
Tax charge	3,633	4,930

THE DERBYSHIRE (PREMISES) LIMITED

Notes to the financial statements for the year ended 31 March 2018 (unaudited) (continued)

3 Taxation (continued)

Deferred taxation

Deferred tax is determined using tax rates and laws that are expected to apply in the period when the deferred tax asset is realised or deferred tax liability is settled based on rates enacted or substantively enacted at the balance sheet date.

The Finance (No. 2) Act 2015 reduced the corporation tax rate from 20% to 19% with effect from 1 April 2017. The Finance Act 2016 was enacted on 15 September 2016 and reduced the corporation tax rate from 19% to 17% from 1 April 2020.

The movements on the deferred tax account, including the deferred tax charge in the statement of comprehensive income are as follows:

	2018	2017
	£	£
At 1 April	202	244
Deferred tax charge in the statement of comprehensive income:		
Accelerated capital allowances	(16)	(42)
Taxation on assets transferred to parent undertaking	(186)	-
At 31 March	-	202

Deferred tax assets are attributable to the following items:

Deferred tax assets	2018	2017
	£	£
Accelerated capital allowances	-	202

4 Investment property

The investment property held and leased by the Company's parent undertaking was transferred to the parent undertaking in September 2017 at a value of £380,000.

	2018	2017
	£	£
Valuation:		
At 1 April	380,000	320,000
Increase in fair value	-	60,000
Disposal	(380,000)	-
At 31 March	-	380,000

THE DERBYSHIRE (PREMISES) LIMITED

Notes to the financial statements for the year ended 31 March 2018 (unaudited) (continued)

4 Investment property (continued)

Prior to its transfer the investment property was revalued annually by an external qualified valuer, in accordance with the Royal Institute of Chartered Surveyors (RICS) Valuation Professional Standards (incorporating the International Valuation Standards). Changes in the assumptions used in the valuation models could affect the reported fair value of the investment property.

The property was valued on the basis of the expected future rental income from the property. The property was leased by the parent with a rent of £25,000 per annum (2017: £25,000).

At the balance sheet date there were no lease payments receivable under non cancellable operating leases (2017: £8,333).

5 Amounts owed by and to parent undertaking

Amounts due from parent undertaking of £328,828 (2017: nil) are held on deposit with Nationwide Building Society and are repayable on demand.

Amounts owed to the parent undertaking in the prior year represented variable interest rate funding repayable on demand. All intercompany transactions are entered into on normal market conditions. The variable interest rate is predetermined and linked to LIBOR. All intercompany loans are unsecured.

6 Share capital

	2018	2017
	£	£
Authorised, issued and fully paid:		
5,000 ordinary shares of £1 each	5,000	5,000

7 Capital management

Capital comprises the retained earnings and share capital. Capital is managed on a Group basis.

Further information on the Group's capital position can be viewed in the solvency risk section of the Business and Risk Report in the Group Annual Report and Accounts, which can be obtained from the address below or at **nationwide.co.uk**

8 Parent undertaking and ultimate controlling party

The Company is a wholly owned subsidiary of Nationwide Building Society, its immediate and ultimate parent and controlling party, which is registered in England and Wales.

Nationwide Building Society is registered at Nationwide House, Pipers Way, Swindon, SN38 1NW. The Group Annual Report and Accounts can be obtained from this address or at **nationwide.co.uk**