

**Britannia Development and Management Company
Limited**

**Directors' report and financial statements
for the 18 month period ended 30 June 2017**

Registered Number: 02495583



Britannia Development and Management Company Limited

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Britannia Development and Management Company Limited

Directors and advisors

Directors

D M Miller

R J Adnett

D Mundy (resigned 10 March 2017)

S Aitken (resigned 6 January 2017)

Secretary

D C Whitehead

Independent auditor

Ernst & Young LLP

25 Churchill Place

Canary Wharf

London

E14 5EY

Registered office

PO BOX 101

1 Balloon Street

Manchester

M60 4EP

Registered number

02495583

Britannia Development and Management Company Limited

Directors' report for the 18 month period ended 30 June 2017

The directors present their report and the audited financial statements of Britannia Development and Management Company Limited (Registered Company No: 02495583) for the 18 month period ended 30 June 2017.

Results

The loss for the 18 month period, after tax, amounted to £44k (12 months to 31 December 2015: £2,763k profit). The net assets of the Company at 30 June 2017 were £1 (31 December 2015: £6,938k).

Dividends

Dividends of £6,893k were paid to the Bank during the period (2015:£nil).

Likely future developments

The future developments, principal risks and uncertainties and key performance indicators of the Company are dealt with in the Strategic report on page 2.

Employees

The Company has no employees (2015: nil). All staff are employed by the Bank.

Directors' details

The directors who held office during the period are given below:

D Mundy (resigned 10 March 2017)

S Aitken (resigned 6 January 2017)

D M Miller

R J Adnett

No director had any beneficial interest in the share capital of the Company or any other company of the group at any time during the period under review.

Insurance and Indemnities

During 2016 and 2017 the Company maintained appropriate Directors' liability insurance in respect of legal action against its Directors. In addition, qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in operation during the 2016 and 2017 financial period and are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur in connection with their appointment. The cost has been borne by the Bank.

Statement of directors' responsibilities in respect of the strategic report, directors' report and the financial statements

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 period. Under that law they have elected to prepare the financial statements in accordance with IFRS as adopted by the EU and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company, and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies in accordance with International Accounting Standard 8: Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Britannia Development and Management Company Limited

Directors' report for the 18 month period ended 30 June 2017 (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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Statement on disclosure of information to the auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

The auditors, Ernst & Young LLP are deemed to have been reappointed in accordance with section 487 of the Companies Act 2006.

On behalf of the Board

Signed: *Raj*

Director *RICHARD AONETTI*

Date: *29/3/2018*

Britannia Development and Management Company Limited

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRITANNIA DEVELOPMENT AND MANAGEMENT COMPANY LIMITED

We have audited the financial statements of Britannia Development and Management Company Limited for the period ended 30 June 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, the Statement of Changes in Equity, Statement of Cash Flows, Accounting Policies and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report and the strategic report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the period then ended;
- ▶ have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- ▶ the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.
- ▶ the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements;

Britannia Development and Management Company Limited

Statement of Comprehensive Income for the 18 month period ended 30 June 2017

	Notes	18 months to 30 June 2017 £	12 months to 31 December 2015 £
Revenue	2	-	361,667
Operating expenses		-	(7,500)
Profit from operations		-	354,167
Gain on sale of investment property		-	2,482,359
Repayment of VAT on investment property sale		(82,838)	-
Interest income and similar charges	3	14,490	35,466
(Loss)/profit before taxation		(68,348)	2,871,992
Taxation gain/(charge)	5	23,436	(109,172)
(Loss)/profit attributable to equity holders		(44,912)	2,762,820

Loss is a result from continuing operations and all activities are in the UK.

The accounting policies and notes on pages 11 to 15 form part of these financial statements.

Britannia Development and Management Company Limited

Statement of Financial Position as at 30 June 2017

	Notes	30 June 2017 £	31 December 2015 £
Assets			
Other receivables	6	1	7,329,696
Total assets		1	7,329,696
Liabilities			
Group relief payable	7	-	389,230
Accruals		-	2,500
Total liabilities		-	391,730
Equity			
Called-up share capital	8	1	8,500,000
Retained earnings		-	(1,562,034)
Total equity		1	6,937,966
Total equity and liabilities		1	7,329,696

The accounting policies and notes on pages 11 to 15 form part of these financial statements.

Approved by the Board of directors on 29/3/2018 and signed on its behalf by:

Signed: 

Director **RICHARD ADNETT**

Britannia Development and Management Company Limited

Statement of Changes in Equity for the 18 month period ended 30 June 2017

	Share capital £	Retained losses £	Total £
Period ended 30 June 2017			
Balance at the beginning of the period	8,500,000	(1,562,034)	6,937,966
Loss for the period	-	(44,912)	(44,912)
Share capital reduction	(8,499,999)	8,499,999	-
Dividend	-	(6,893,053)	(6,893,053)
Balance at the end of the period	1	0	1

	Share capital £	Retained losses £	Total £
Year ended 31 December 2015			
Balance at the beginning of the year	8,500,000	(4,324,854)	4,175,146
Profit for the year	-	2,762,820	2,762,820
Balance at the end of the year	8,500,000	(1,562,034)	6,937,966

The accounting policies and notes on pages 11 to 15 form part of these financial statements.

Britannia Development and Management Company Limited

Statement of Cash Flows for the 18 month period ended 30 June 2017

	18 months to 30 June 2017	12 months to 31 December 2016
	£	£
Loss before taxation	(68,348)	2,871,992
Decrease in accruals	(2,500)	-
Cash flows generated from operating activities before changes in operating assets and liabilities	(70,848)	2,871,992
Net decrease/(increase) in amounts owed from parent undertakings	7,329,695	(2,874,492)
Increase in other payables	-	2,500
Group relief (paid)/received	(389,230)	-
Current tax	23,436	-
Net cash flows generated from/(used in) operating activities	6,893,053	-
Dividends paid	(6,893,053)	-
Net cash flows used in financing activities	(6,893,053)	-
Cash and cash equivalents at the beginning of the period	-	-
Cash and cash equivalents at the end of the period	-	-

The accounting policies and notes on pages 11 to 15 form part of these financial statements.

Britannia Development and Management Company Limited

Statement of accounting policies for the 18 month period ended 30 June 2017

Basis of preparation

Britannia Development and Management Company Limited is a company incorporated and domiciled in England.

The Company's financial statements have been prepared under the historical cost convention.

The accounting period is from 01 January 2016 till 30 June 2017. The accounting period was extended in anticipation of the entity liquidation following the sale of Investment property. However the entity has not been liquidated and no indication of imminent liquidation has been concluded during the disclosed financial period. Amounts presented in the prior reporting period are not entirely comparable due to the length of the period.

The Company is required to prepare its financial statements in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (EU) and implemented in the UK, interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and with those parts of the Companies Act 2006 applicable to organisations reporting under IFRS.

Going concern

The financial statements of the Company have been prepared on a going concern basis. At 30 June 2017, the Company had intercompany funding of nil (2015: £389k) and an intercompany receivable of £1 (2015: £7,329k) from its parent undertaking, The Co-operative Bank plc (the 'Bank').

The directors of the Company have concluded that on the basis that the Company does not have any liabilities, regardless of any potential risks relating to the assets which the Company holds, the Company would be able to continue as a going concern for the foreseeable future.

Standards and interpretation in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRSs that have been issued but are not yet effective and, in some cases, not yet adopted by the EU.

- IFRS 9 Financial Instruments (2014)

This standard was issued in July 2014 and supersedes IAS 39 Financial Instruments: Recognition and Measurement. The standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. The standard also supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013). The standard is mandatory for years beginning on or after 1 January 2018 but is available for early adoption subject to EU endorsement. The adoption of IFRS 9 on 1 January 2018 is not expected to have a material impact on the company.

- IFRS 15 Revenue from Contracts with Customers (2014)

This standard was issued in May 2014 and is a converged standard from the IASB and FASB on revenue recognition. IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. This standard supersedes IAS 18 (Revenue) and a number of revenue interpretations.

The standard will be effective for annual reporting years beginning on or after 1 January 2018 subject to EU endorsement. The impact to the Company of the amendments is likely to be immaterial as income from financial instruments is outside the scope of IFRS 15. However, the Company has not yet finalised its estimation of the financial effects.

- Amendments to IAS 1 (Presentation of Financial Statements)

The narrow-focus amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. In most cases the proposed amendments respond to overly prescriptive interpretations of the wording in IAS 1. The impact to the Company of the amendments is likely to be immaterial.

Other standards and interpretations have been issued but these are not considered to be relevant to the Company's operations.

The Company intends on complying with the standards from the date they become effective.

Britannia Development and Management Company Limited

Functional and presentation currencies

The financial statements are presented in sterling, which is the Company's functional currency (i.e. the primary currency in which it transacts business) and presentation currency.

Revenue

Revenue comprises rental income on the investment property, recognised on an accruals basis.

Interest income and similar charges

Interest is accrued in the statement of comprehensive income using the effective interest rate method.

Taxation

Tax on the results for the period comprises current tax and deferred tax.

Current Tax

The expected tax payable on the results for the period is called current tax. It is calculated using the tax rates in force at the end of the reporting period. The current tax charge includes adjustments to tax payable in prior periods.

Deferred tax

Deferred tax is provided in full using the liability method where there are temporary differences between the carrying value of assets and liabilities for accounting and tax purposes.

Deferred tax is calculated using the tax rates that are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred tax assets are only recognised as an asset where it is probable that there will be future taxable profits against which to offset them. Movements in deferred tax are recognised in the statement of comprehensive income.

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise balances with less than three months to maturity from the date of acquisition.

Dividends

Dividends are only recognised in the financial statements by the Company once they have been either paid, or approved by the shareholders.

Britannia Development and Management Company Limited

Notes to the financial statements for the 18 month period ended 30 June 2017

1 Auditor's remuneration

	18 months to 30 June 2017 £	12 months to 31 December 2015 £
Fees for the audit of the Company's financial statements	7,500	7,500

Auditor's remuneration of £7,500 (12 months to 31 December 2015: £7,500) was borne by the Bank. Audit fees are stated excluding VAT.

2 Revenue

	18 months to 30 June 2017 £	12 months to 31 December 2015 £
Rent received from investment property	-	361,667

3 Interest income and similar charges

	18 months to 30 June 2017 £	12 months to 31 December 2015 £
Interest receivable from The Co-operative Bank plc	14,490	35,466

4 Directors' emoluments

The directors received emoluments from the Co-operative Bank Plc for services rendered to all the consolidated Bank companies. However, these are not apportioned to the individual companies.

At 30 June 2017 two directors had benefits accruing under The Co-operative Group pension scheme (2015: four). Particulars of the latest actuarial valuation of The Co-operative Group pension scheme are disclosed in the accounts of the Bank.

Britannia Development and Management Company Limited

Notes to the financial statements for the 18 month period ended 30 June 2017 (continued)

5 Taxation

	18 months to 30 June 2017	12 months to 31 December 2015
	£	£
UK tax at 19.83% (2015: 20.25%)		
Corporation tax		
Current period	2,898	102,163
Adjustment in respect of prior years	(26,334)	-
Total corporation tax	(23,436)	102,163
Deferred tax		
Current period	-	7,009
Total corporation tax	(23,436)	109,172

Factors affecting tax charge for the period

	18 months to 30 June 2017	12 months to 31 December 2015
	£	£
(Loss)/profit before tax	(68,348)	2,871,992
(Loss)/profit before tax multiplied by standard rate of tax	(13,556)	581,478
Effects of:		
Change in rate	-	(86)
Expenses not deductible	15,867	33,942
Non-taxable income	-	(506,164)
Adjustments in respect of prior years	(26,334)	-
Group relief not charged	587	-
	(23,436)	109,172

During the period, effective from 1 April 2017, the standard rate of corporation tax in the UK changed from 20% to 19%. A further reduction in the UK corporation tax rate from 19% to 17% (effective from 1 April 2020) was enacted on 15 September 2016. Deferred tax has been calculated by reference to the most appropriate rate based on forecasts.

6 Other receivables

	As at 30 June 2017	As at 31 December 2015
	£	£
Amounts owed by The Co-operative Bank plc	1	7,329,696

Impairment reviews are carried out annually on the amounts owed by group undertakings designated as other receivables and any reduction in value resulting from such a review is recognised in the statement of comprehensive income. No impairment indicators have been identified as at 30 June 2017.

Britannia Development and Management Company Limited

Notes to the financial statements for the 18 month period ended 30 June 2017 (continued)

7 Group relief payable

	As at 30 June 2017	As at 31 December 2015
	£	£
Group relief payable	-	389,230

8 Share capital

	As at 30 June 2017	As at 31 December 2015
	£	£
Issued and fully paid		
1 (31 December 2015:8,500,000) ordinary shares of £1 each	1	8,500,000

9 Ultimate parent undertaking and controlling entity

The Company's immediate parent undertaking and controlling entity is The Co-operative Bank plc.

As at 30 June 2017, the directors regard The Co-operative Bank plc as the ultimate parent company. The largest group in which the results of the Company are consolidated is The Co-operative Bank plc, which is incorporated in England. The financial statements of this group are available from <http://www.co-operativebank.co.uk/investorrelations/financialresults> and from its registered office at PO Box 101, 1 Balloon Street, Manchester, M60 4EP.

10 Related party transactions

The directors of the Company consider The Co-operative Bank plc and its subsidiaries to be related parties of the Company. Transactions with The Co-operative Bank plc and its subsidiaries are disclosed below:

	Interest income and similar charges	Audit fee paid by the Co- operative Bank plc	Group tax relief due by the Company	Balance due to the Company
18 months ended 30 June 2017	£	£	£	£
The Co-operative Bank plc	14,490	(7,500)	-	1
<hr/>				
12 months ended 31 December 2015				
The Co-operative Bank plc	35,466	(7,500)	(389,230)	7,329,696

All related party transactions were made on terms equivalent to those that prevail in arm's length transactions.