

Company Registered No: SC141822

WEST REGISTER (LAND) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2014

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS: H Gordon
D J Hourican
J M Rowney

SECRETARY: RBS Secretarial Services Limited

REGISTERED OFFICE: 24/25 St Andrew Square
Edinburgh
EH2 1AF

INDEPENDENT AUDITOR: Deloitte LLP.
Chartered Accountants and Statutory Auditor
Hill House
1 Little New Street
London
EC4A 3TR
United Kingdom

Registered in Scotland

DIRECTORS' REPORT

The directors of West Register (Land) Limited ("the Company") present their report together with the audited financial statements for the year ended 31 December 2014.

ACTIVITIES AND BUSINESS REVIEW

The Directors' Report has been prepared in accordance with the special provisions available to companies entitled to the small companies' exemption and therefore does not include a strategic report.

Principal activity

The principal activity of the Company continues to be property development.

The Company was established to form part of a defaulted loan workout process within The Royal Bank of Scotland Group plc (RBS). As part of that process, the Company may acquire properties representing the underlying security for distressed and defaulted loans made by RBS group companies to third party customers.

The Company's objective is to maximise the overall recovery for the shareholder (RBS) through the active management and eventual realisation of assets purchased. The company acts as a bidder of last resort or a fall-back option where the open market will not yield a better offer.

The Company's financial results reflect the fair value of assets at acquisition and subsequent fair value market movements, impact of works carried out by the company to improve properties such as capital expenditure, planning changes, improving occupancy and subsequent disposal proceeds. No account is taken of any impairment on the original loan made by the relevant RBS group company.

In the majority of cases, any gains made by the company on an asset will be below the impairment taken by the relevant RBS group company in respect of the relevant original loan. The performance of the Company should be considered in the wider context of RBS's overall results.

The Company is a subsidiary of The Royal Bank of Scotland Group plc which provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the directors believe that performance indicators specific to the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The annual reports of The Royal Bank of Scotland Group plc review these matters on a group basis. Copies can be obtained from Corporate Governance and Secretariat, The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ, the Registrar of Companies or at www.rbs.com.

Business review

The directors are satisfied with the Company's performance in the year. The Company is currently focused on the disposal of assets and will be guided by its shareholder in reviewing alternative business opportunities.

FINANCIAL PERFORMANCE

The Company's financial performance is presented on page 8.

The operating profit before taxation for the year was £227,925 (2013: loss of £188,454). The retained profit for the year was £178,937 (2013: loss of £144,646). A dividend of £2,000,000 (2013: £nil) was paid during the year.

At the end of the year total assets were £1,181,294 (2013: £2,924,505).

DIRECTORS' REPORT**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company seeks to minimise its exposure to financial risks.

Management focuses on both the overall balance sheet structure and the control, within prudent limits, of risk arising from mismatches, including currency, maturity, interest rate and liquidity. It is undertaken within limits and other policy parameters set by the RBS Asset and Liability Management Committee (RBS ALCO).

The Company is funded by facilities from The Royal Bank of Scotland plc. These are denominated in the functional currency and carrying no significant financial risk.

The Company's assets mainly comprise cash at bank and the principal risks associated with the Company's businesses are as follows:

Market risk

Market risk is the potential for loss as a result of adverse changes in risk factors including interest rates and equity prices together with related parameters such as market volatilities.

Interest rate risk

Structural interest rate risk arises where assets and liabilities have different repricing maturities. The Company manages interest rate risk by monitoring the consistency in the interest rate profile of its assets and liabilities, and limiting any re-pricing mismatches.

Credit risk

The objective of credit risk management is to enable the Company to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with approved appetite for the risk that customers will be unable to meet their obligations to the Company.

The key principles of the RBS Credit Risk Management Framework are set out below:

- approval of all credit exposure is granted prior to any advance or extension of credit;
- an appropriate credit risk assessment of the customer and credit facilities is undertaken prior to approval of credit exposure. This includes a review of, amongst other things, the purpose of credit and sources of repayment, compliance with affordability tests, repayment history, capacity to repay, sensitivity to economic and market developments and risk-adjusted return;
- credit risk authority is delegated by the Board and specifically granted in writing to all individuals involved in the granting of credit approval. In exercising credit authority, the individuals act independently of any related business revenue origination; and
- all credit exposures, once approved, are effectively monitored and managed and reviewed periodically against approved limits. Lower quality exposures are subject to a greater frequency of analysis and assessment.

Operational risk

Operational risk is the risk of unexpected losses attributable to human error, systems failures, fraud or inadequate internal financial controls and procedures. The Company manages this risk, in line with The Royal Bank of Scotland Group plc framework, through systems and procedures to monitor transactions and positions, the documentation of transactions and periodic review by internal audit. The group also maintains contingency facilities to support operations in the event of disasters.

DIRECTORS' REPORT**GOING CONCERN**

The directors, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, have prepared the financial statements on a going concern basis.

DIRECTORS AND SECRETARY

The present directors and secretary, who have served throughout the year except where noted below, are listed on page 1.

From 1 January 2014 to date the following changes have taken place:

	Appointed	Resigned
Directors		
I Roberts	-	31 March 2015
A J Adams	-	11 March 2015
D J Hourican	05 September 2014	-
K Gopinathan	-	05 September 2014

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare a Directors' Report and financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), and must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs at the end of the year and the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether FRS 101 has been followed; and
- make an assessment of the Company's ability to continue as a going concern.

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 to enable them to ensure that the Directors' Report and financial statements comply with the requirements of 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.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the directors at the date of approval of this report confirms that:

- so far as they are aware there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

DIRECTORS' REPORT

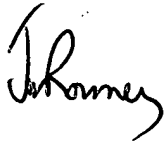
DIRECTORS' INDEMNITIES

RBS has indemnified D J Hourican under the qualifying third party terms.

INDEPENDENT AUDITOR

Deloitte LLP has expressed its willingness to continue in office as auditor.

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



J M Rowney
Director

Date: 22 September 2015

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST REGISTER (LAND) LIMITED

We have audited the financial statements of West Register (Land) Limited ("the Company") for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard 101 Reduced Disclosure Framework.

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, 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 annual 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 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

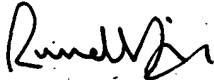
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST REGISTER (LAND) LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from preparing a Strategic Report or in preparing the Directors' Report.



Russell Davis, FCA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor,
London, United Kingdom

22 September 2015

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2014

Continuing operations	Notes	2014	2013
		£	£
Other operating income		300,000	-
Administrative expenses	3	(67,703)	(183,934)
Operating profit/(loss)		232,297	(183,934)
Interest payable	4	(4,372)	(4,520)
Profit/(loss) on ordinary activities before tax		227,925	(188,454)
Tax (charge)/credit	5	(48,988)	43,808
Profit/(loss) and total comprehensive income/(loss) for the financial year		178,937	(144,646)

The accompanying notes form an integral part of these financial statements.

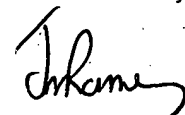
The Company had no recognised income or expenses in the financial year or preceding financial year other than those dealt with in the Profit and Loss Account.

BALANCE SHEET
as at 31 December 2014

	Notes	2014 £	2013 £
Current assets			
Development property	6	122,239	122,239
Prepayments, accrued income and other assets	7	166,403	65,563
Cash at bank		892,652	2,736,703
Total assets		1,181,294	2,924,505
Creditors: amounts falling due within one year			
Overdrafts		52,639	43,071
Amounts due to group undertakings	8	9,550	9,550
Accruals, deferred income and other liabilities	9	96,572	23,145
		158,761	75,766
Creditors: amounts falling due after more than one year			
Amounts due to group undertakings	8	192,770	197,913
		192,770	197,913
Total liabilities		351,531	273,679
Equity: capital and reserves			
Called up share capital	10	2	2
Profit and loss account		829,761	2,650,824
Total shareholders' funds		829,763	2,650,826
Total liabilities and shareholders' funds		1,181,294	2,924,505

The accompanying notes form an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 22 September 2015 and signed on its behalf by:


J M Rowney
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2014

	Share capital £	Profit and loss account £	Total £
At 1 January 2013	2	2,795,470	2,795,472
Loss for the year	-	(144,646)	(144,646)
At 31 December 2013	2	2,650,824	2,650,826
Profit for the year	-	178,937	178,937
Dividends paid	-	(2,000,000)	(2,000,000)
At 31 December 2014	2	829,761	829,763

Total comprehensive income for the year of £178,937 (2013: £144,646) was wholly attributable to the equity holders of the Company.

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies****a) Preparation and presentation of financial statements**

These financial statements are prepared on a going concern basis and have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU (together IFRS) and under Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The Company meets the definition of a qualifying entity under FRS 100: Application of Financial Reporting Requirements issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital resources, presentation of a cash-flow statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the group accounts of The Royal Bank of Scotland plc, these accounts are available to the public and can be obtained as set out in note 11.

The financial statements are prepared on the historical cost basis.

The Company's financial statements are presented in Sterling which is the functional currency of the Company.

The Company is incorporated in the UK and registered in Scotland. The Company's financial statements are presented in accordance with the Companies Act 2006.

There are a number of changes to IFRSs that were effective from 1 January 2014. They have had no material effect on the Company's financial statement for the year ended 31 December 2014.

b) Revenue recognition

Revenue represents the total value of construction works on developments sold during the year. Construction work in progress, classified as current assets, represents construction and development work stated at the lower of cost or net realisable value. Cost represents direct materials, labour, production and capitalised interest incurred during the period of development. Interest payable directly attributable to the construction or production of a qualifying asset is capitalised as part of the cost of the asset. The capitalised interest is calculated using the weighted average method. Profit on each development is taken to the Profit and Loss Account on completion and sale of that development to the parent or other group company, and the transfer of all related risks and rewards of ownership.

Rental income from operating leases is recognised in the Profit and Loss Account on a straight-line basis over the lease term unless another systematic basis better represents the time pattern of the asset's use.

Rental income from investment property is recognised on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Any gain or loss arising from a change in fair value is recognised in the Profit and Loss Account.

c) Taxation

Income tax expense or income, comprising current tax and deferred tax, is recorded in the Profit and Loss Account except income tax on items recognised outside profit or loss which is credited or charged to other comprehensive income or to equity as appropriate.

Current tax is income tax payable or recoverable in respect of the taxable profit or loss for the year arising in income or in equity. Provision is made for current tax at rates enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

c) Taxation (continued)

Deferred tax is the tax expected to be payable or recoverable in respect of temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered. Deferred tax is not recognised on temporary differences that arise from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is calculated using tax rates expected to apply in the periods when the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date.

d) Loans and receivables

Loans and receivables are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment losses. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability.

e) Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets classified as held-to-maturity, available-for-sale or loans and receivables is impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

f) Financial liabilities

On initial recognition financial liabilities are classified into held-for-trading; designated as at fair value through profit or loss; or amortised cost.

Other than derivatives, which are recognised and measured at fair value, all financial liabilities are measured at amortised cost using the effective interest method.

g) Development property

Development property is stated at the lower of cost and net realisable value. Cost comprises direct cost of land and buildings, materials and where applicable direct labour and those overheads that have been incurred in bringing the development properties to their present location and condition. Cost is calculated at the actual amount paid or accrued. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing and selling.

h) Impairment of development property

At each reporting date, the Company assesses whether there is any indication that its development property is impaired. If any such indication exists, the Company estimates the recoverable amount of the asset and the impairment loss if any.

NOTES TO THE FINANCIAL STATEMENTS

2. Critical accounting policies and key sources of estimation uncertainty

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. UK company law and IFRS require the directors, in preparing the Company's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. In the absence of an applicable standard or interpretation, International Accounting Standard ("IAS") 8 'Accounting Policies, Changes in Accounting Estimates and Errors', requires management to develop and apply an accounting policy that results in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the IASB's Framework for the Preparation and Presentation of Financial Statements. The judgements and assumptions involved in the Company's accounting policies that are considered by the directors to be the most important to the portrayal of its financial condition are discussed below. The use of estimates, assumptions or models that differ from those adopted by the Company would affect its reported results.

Development property

The recoverable amount of development property, which is not yet subject to a customer contract, depends on the assessment of the market value on completion of the development.

3. Administrative expenses

	2014	2013
	£	£
Legal and professional fees	16,665	141,949
Management recharge	51,426	31,389
Audit fees	5,065	5,000
Bank charges	325	485
Repairs and maintenance	1,981	600
Other operating charges	(7,759)	4,511
	<u>67,703</u>	<u>183,934</u>

Other than the audit fees disclosed above, no additional remuneration was payable to the auditors for any other services.

Management recharge

Management charges relate to the Company's share of group resources such as the use of IT platforms, staff and a share of central resources. These are re-charged on an annual basis by The Royal Bank of Scotland plc, a fellow group undertaking.

Staff costs, number of employees and directors' emoluments

All staff and directors were employed by The Royal Bank of Scotland plc, the accounts for which contain full disclosure of employee benefit expenses incurred in the period including share based payments and pensions. The Company has no employees and pays a management charge for services provided by other group companies. The directors of the Company do not receive remuneration for specific services provided to the Company (2013: £nil).

4. Interest payable

	2014	2013
	£	£
Interest payable to group undertakings	<u>4,372</u>	<u>4,520</u>

NOTES TO THE FINANCIAL STATEMENTS

5. Tax

	2014 £	2013 £
Current tax:		
UK corporation tax charge/(credit) for the year	48,988	(43,809)
Under provision in respect of prior periods	-	1
	<u>48,988</u>	<u>(43,808)</u>

The actual tax charge/(credit) does not differ from the expected tax charge/(credit) computed by applying the blended rate of UK corporation tax of 21.5% (2013: 23.25%) as follows:

	2014 £	2013 £
Expected tax charge/(credit)	48,988	(43,809)
Adjustments in respect of prior periods	-	1
Actual tax charge/(credit) for the year	<u>48,988</u>	<u>(43,808)</u>

The changes to tax rates and capital allowances proposed in recent years are not expected to have a material effect on the Company.

6. Development property

	2014 £	2013 £
At 1 January and 31 December	<u>122,239</u>	<u>122,239</u>

7. Prepayments, accrued income and other assets

	2014 £	2013 £
Value added tax	16,403	21,755
Group relief receivable	-	43,808
Other assets	150,000	-
	<u>166,403</u>	<u>65,563</u>

8. Amounts due to group undertakings

	2014 £	2013 £
The Royal Bank of Scotland plc	192,770	197,913
West Register (Project Developments) Limited	9,550	9,550
	<u>202,320</u>	<u>207,463</u>
Amounts falling due within one year	9,550	9,550
Amounts falling due after more than one year	192,770	197,913
	<u>202,320</u>	<u>207,463</u>

NOTES TO THE FINANCIAL STATEMENTS

9. Accruals, deferred income and other liabilities

	2014 £	2013 £
Accruals	47,584	23,145
Current tax liability	48,988	-
	<u>96,572</u>	<u>23,145</u>

10. Share capital

	2014 £	2013 £
Equity shares		
Authorised:		
1000 Ordinary Shares of £1	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
2 Ordinary Shares of £1	<u>2</u>	<u>2</u>

The Company has one class of Ordinary Shares which carry no right to fixed income.

11. Related parties

UK Government

The UK Government through HM Treasury is the ultimate controlling party of The Royal Bank of Scotland Group plc. Its shareholding is managed by UK Financial Investments Limited, a company it wholly owns and as a result, the UK Government and UK Government controlled bodies are related parties of the Company.

The Company enters into transactions with these bodies on an arms' length basis; they include the payment of taxes including UK corporation tax and value added tax.

Group undertakings

The Company's immediate parent company is The Royal Bank of Scotland plc, a company incorporated in the UK and registered in Scotland. As at 31 December 2014, The Royal Bank of Scotland plc, a company incorporated in the UK and registered in Scotland, heads the smallest group in which the Company is consolidated. Copies of the consolidated accounts may be obtained from Corporate Governance and Secretariat, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ.

The Company's ultimate holding company is The Royal Bank of Scotland Group plc, a company incorporated in the UK. As at 31 December 2014, The Royal Bank of Scotland Group plc heads the largest group in which the Company is consolidated. Copies of the consolidated accounts may be obtained from Corporate Governance and Secretariat, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ.