

Company Registered No: SC141822

WEST REGISTER (LAND) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2010

**Group Secretariat
The Royal Bank of Scotland Group plc
PO Box 1000
Gogarburn
Edinburgh
EH12 1HQ**



DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2010

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

L J Barlow
N M Bostock
R M Cullinan
S B Eighteen
D J Hourican
J McAdam
I Roberts
J M Rowney
D S Sach

SECRETARY:

R E Fletcher

REGISTERED OFFICE:

24/25 St Andrew Square
Edinburgh
EH2 1AF

AUDITOR:

Deloitte LLP
London

Registered in Scotland.

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2010.

ACTIVITIES AND BUSINESS REVIEW

This directors' report has been prepared in accordance with the special provisions available to companies entitled to the small companies' exemption.

Activity

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

Review of the year***Financial performance***

The retained loss for the year was £15,661 (2009: retained loss £53,137) and this was met from reserves. No dividend was paid during the year (2009: £nil).

Post balance sheet events are described in note 17 to the financial statements.

Principal risks and uncertainties

The company is funded by facilities from The Royal Bank of Scotland plc.

The company's financial risk management objectives and policies regarding the use of financial instruments are set out in note 13 to these financial statements.

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 2010 to date the following changes have taken place:

Directors	Appointed	Resigned
D E Cartledge		8 February 2010
T P Kennedy		8 February 2010
M S Nicholls		8 February 2010
L J Barlow	8 February 2010	
N M Bostock	8 February 2010	
R M Cullinan	8 February 2010	
J McAdam	8 February 2010	
P R Aubery		19 April 2010
J M Rowney	4 October 2010	
I Roberts	29 March 2011	

DIRECTORS' REPORT (continued)**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

Company law requires the directors to prepare a directors' report and financial statements for each financial year and the directors have elected to prepare them in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs at the end of the year and the profit or loss for the financial year of the company. In preparing these financial statements, under International Accounting Standard 1, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions of the entity's financial position and performance; 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 director has 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' INDEMNITIES

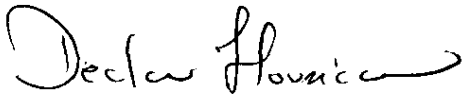
In terms of section 236 of the Companies Act 2006 Mr N M Bostock, Mr R M Cullinan and Mr D S Sach had been granted Qualifying Third Party Indemnity Provisions by The Royal Bank of Scotland Group plc.

DIRECTORS' REPORT (continued)

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor.

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



D J Hourican
Director

Date: 24 JUN 2011

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 2010 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes 1 to 17. 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, 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.

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 2010 and of its loss for the year 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 matter prescribed by the Companies Act 2006

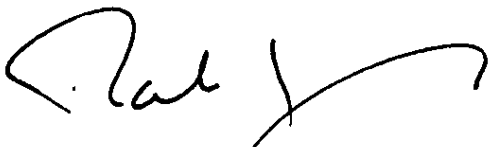
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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 in preparing the directors' report.



Mark Rhys FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor,
London, United Kingdom

Date:

27th June 2011

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2010

	Notes	2010 £	2009 £
Continuing operations			
Other operating income	3	-	10
Administrative expenses	4	(15,499)	(54,314)
Operating loss		<u>(15,499)</u>	<u>(54,304)</u>
Interest payable	6	-	(977)
Loss before tax		<u>(15,499)</u>	<u>(55,281)</u>
Tax (charge)/credit	7	(162)	2,144
Loss and total comprehensive loss for the year		<u>(15,661)</u>	<u>(53,137)</u>

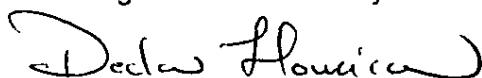
The accompanying notes form an integral part of these financial statements.

BALANCE SHEET
as at 31 December 2010

	Notes	2010 £	2009 £
Assets			
Current assets			
Development property	8	122,239	122,239
Cash	9	2,991,062	3,001,539
		<u>3,113,301</u>	<u>3,123,778</u>
Total assets		<u>3,113,301</u>	<u>3,123,778</u>
Liabilities			
Current liabilities			
Trade and other payables	10	14,914	9,892
Accruals, deferred income and other liabilities	11	11,579	11,417
		<u>26,493</u>	<u>21,309</u>
Non-current liabilities			
Amounts due to group undertakings	12	163,496	163,496
Total liabilities		<u>189,989</u>	<u>184,805</u>
Equity			
Share capital	14	2	2
Retained earnings		2,923,310	2,938,971
Total equity		<u>2,923,312</u>	<u>2,938,973</u>
Total liabilities and equity		<u>3,113,301</u>	<u>3,123,778</u>

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

The financial statements were approved by the Board of directors on **24 JUN 2011**
and signed on its behalf by:



D J Hourican
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2010

	Share capital £	Retained earnings £	Total £
At 1 January 2009	2	2,992,108	2,992,110
Loss for the year	-	(53,137)	(53,137)
At 31 December 2009	2	2,938,971	2,938,973
Loss for the year	-	(15,661)	(15,661)
At 31 December 2010	2	2,923,310	2,923,312

Total comprehensive loss for the year of £15,661 (2009: £53,137) was wholly attributable to the owners of the company.

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

CASH FLOW STATEMENT
for the year ended 31 December 2010

	Notes	2010 £	2009 £
Operating activities			
Loss before taxation		(15,499)	(55,281)
Adjustments for:			
Interest payable	6	-	977
Operating cash flows before movements in working capital		<u>(15,499)</u>	<u>(54,304)</u>
Decrease in trade and other receivables		-	107,596
Increase in amounts due to group undertakings		-	977
Increase/(decrease) in trade and other payables		5,022	(500,673)
Decrease in provisions		-	(282)
Net cash from operating activities before tax		<u>(10,477)</u>	<u>(446,686)</u>
Interest paid		-	(977)
Tax paid		-	(341,609)
Net cash from operating activities		<u>(10,477)</u>	<u>(789,272)</u>
Net cash flows from investing activities		<u>-</u>	<u>-</u>
Net cash flows from financing activities		<u>-</u>	<u>-</u>
Net decrease in cash and cash equivalents		<u>(10,477)</u>	<u>(789,272)</u>
Cash and cash equivalents at beginning of year		<u>3,001,539</u>	<u>3,790,811</u>
Cash and cash equivalents at end of year	9	<u>2,991,062</u>	<u>3,001,539</u>

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

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies****a) Presentation of accounts**

The accounts are prepared on a going concern basis and in accordance with 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 European Union (EU) (together IFRS).

The company is incorporated in the UK and registered in Scotland.

The accounts are prepared on the historical cost basis except as noted in the following accounting policies.

The company's accounts are presented in accordance with the Companies Act 2006.

Adoption of new and revised standards

There are a number of changes to IFRS that were effective from 1 January 2010. They have had no material effect on the company's financial statements for the year ended 31 December 2010.

b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and includes gains on the disposal of development properties sold in the normal course of business, net of discounts, VAT and other sales related taxes. Revenue from the sale of development properties is recognised when title has passed to the purchaser.

Rental income, excluding charges for services such as insurance and maintenance, is recognised on a straight-line basis over the lease term even if the payments are not made on that basis, unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished.

Revenue arises in the United Kingdom from continuing activities.

c) Taxation

Provision is made for taxation at current enacted rates on taxable profits, arising in income or in equity. Deferred taxation is accounted for in full for all temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered.

d) Provisions

The company recognises a provision for a present obligation resulting from a past event when it is more likely than not that it will be required to transfer economic benefits to settle the obligation and the amount of the obligation can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS (continued)**1. Accounting policies (continued)****e) Financial assets**

On initial recognition, financial assets are classified into held-to-maturity investments; loans and receivables; held-for-trading; designated as at fair value through profit or loss; or available-for-sale financial assets.

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.

All financial assets are classified as loans and receivables unless otherwise indicated.

f) 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.

g) 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.

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.

h) 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. The properties are being developed for the purpose of sale in the near future.

i) 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 (continued)**1. Accounting policies (continued)****j) Cash and cash equivalents**

Cash and cash equivalents comprises cash and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

k) Accounting developments

There are a number of changes to IFRS that were in issue but not yet effective. The adoption of these changes in future periods is not expected to have a material effect on the company's accounting policies or 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, 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. Other operating income

	2010 £	2009 £
Other income	-	10

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Administrative expenses

	2010	2009
	£	£
Legal and professional fees	2,625	9,156
Management fees	11,306	25,352
Other	1,568	19,806
	<u>15,499</u>	<u>54,314</u>

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 and KUC Properties Limited, 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.

5. Auditor's remuneration

Audit fees and non audit fees are charged as a group service to The Royal Bank of Scotland plc without specific allocation to the company.

6. Interest payable

	2010	2009
	£	£
Interest payable to group undertakings	-	<u>977</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Tax

	2010 £	2009 £
Current taxation:		
UK corporation tax charge for the year	162	382
Over provision in respect of prior periods	-	(2,526)
Tax charge/(credit) for the year	<u>162</u>	<u>(2,144)</u>

The actual tax charge/(credit) differs from the expected tax credit computed by applying the standard rate of UK corporation tax of 28% (2009: 28%) as follows:

	2010 £	2009 £
Expected tax credit	(4,340)	(15,479)
Non-deductible items	162	-
Non-taxable items	-	15,861
Transfer pricing adjustment	4,340	-
Adjustments in respect of prior periods	-	(2,526)
Actual tax charge/(credit) for the year	<u>162</u>	<u>(2,144)</u>

The changes to tax rates and capital allowances proposed in the Budget on 22 June 2010 and 23 March 2011 are not expected to have a material effect on the company.

8. Development property

	2010 £	2009 £
At 1 January and 31 December	<u>122,239</u>	<u>122,239</u>
Expected to be sold after one year	<u>122,239</u>	<u>122,239</u>

9. Cash and cash equivalents

	2010 £	2009 £
Cash	2,991,062	3,001,539
Cash and cash equivalents per cash flow statement	<u>2,991,062</u>	<u>3,001,539</u>

10. Trade and other payables

	2010 £	2009 £
Value added tax	7,676	6,792
Other payables	7,238	3,100
	<u>14,914</u>	<u>9,892</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. Accruals, deferred income and other liabilities

	2010 £	2009 £
Accruals	11,035	11,035
Corporation tax payable	544	382
	<u>11,579</u>	<u>11,417</u>

12. Amounts due to group undertakings

	2010 £	2009 £
The Royal Bank of Scotland plc	<u>163,496</u>	<u>163,496</u>
Amounts falling due after more than one year	<u>163,496</u>	<u>163,496</u>

13. Financial instruments and risk management

(i) Categories of financial instrument

The following tables analyse the company's financial assets and liabilities in accordance with the categories of financial instruments in IAS 39 "Financial Instruments, Recognition and Measurement". Assets and liabilities outside the scope of IAS 39 are shown separately.

2010	Loans and receivables £	Amortised cost £	Non financial assets/ liabilities £	Total £
Assets				
Development property	-	-	122,239	122,239
Cash	2,991,062	-	-	2,991,062
	<u>2,991,062</u>	-	122,239	<u>3,113,301</u>
Liabilities				
Borrowings	-	163,496	-	163,496
Trade and other payables	-	-	14,914	14,914
Accruals, deferred income and other liabilities	-	-	11,579	11,579
	-	<u>163,496</u>	<u>26,493</u>	<u>189,989</u>
Equity				2,923,312
				<u>3,113,301</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Financial instruments and risk management (continued)

(i) Categories of financial instrument (continued)

2009	Loans and receivables £	Amortised cost £	Non financial assets/ liabilities £	Total £
Assets				
Development property	-	-	122,239	122,239
Cash	3,001,539	-	-	3,001,539
	<u>3,001,539</u>	-	122,239	<u>3,123,778</u>
Liabilities				
Borrowings	-	163,496	-	163,496
Trade and other payables	-	-	9,892	9,892
Accruals, deferred income and other liabilities	-	-	11,417	11,417
	-	<u>163,496</u>	<u>21,309</u>	<u>184,805</u>
Equity				2,938,973
				<u>3,123,778</u>

The fair value of financial instruments that are not carried at fair value on the balance sheet is considered to not be materially different to the carrying amounts.

Financial liabilities

The contractual maturity of the financial liabilities is within 2 years (2009: within 3 years).

(ii) Financial risk management

The principal risks associated with the company are as follows:

Interest rate risk

Interest rate risk arises where assets and liabilities have different repricing maturities.

The company has no interest rate risk as all the financial assets and liabilities of the company are non-interest earning.

Currency risk

The company has no currency risk as all transactions and balances are denominated in Sterling.

NOTES TO THE FINANCIAL STATEMENTS (continued)**13. Financial instruments and risk management (continued)****(ii) Financial risk management (continued)****Credit risk**

Credit risk is the risk that companies, financial institutions, individuals and other counterparties will be unable to meet their obligations to the company.

All loans and receivables are with group undertakings. Although credit risk arises this is not considered to be significant and no amounts are past due.

Liquidity risk

Liquidity risk arises where assets and liabilities have different contractual maturities.

The company has no material liquidity risk as it has access to Group funding.

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 RBS group framework, through systems and procedures to monitor transactions and positions, the documentation of transactions and periodic review by internal audit. The company also maintains contingency facilities to support operations in the event of disasters.

14. Share capital

	2010 £	2009 £
Authorised:		
1000 ordinary shares of £1	1,000	1,000
Allotted, called up and fully paid:		
Equity shares		
2 ordinary shares of £1	2	2

The company has one class of ordinary shares which carry no right to fixed income.

15. Capital resources

The company's capital consists of equity comprising issued share capital and retained earnings. The company is a member of The Royal Bank of Scotland group of companies which has regulatory disciplines over the use of capital. In the management of capital resources, the company is governed by the group's policy which is to maintain a strong capital base: it is not separately regulated. The group has complied with the FSA's capital requirements throughout the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)**16. Related parties**

On 1 December 2008, the UK Government through HM Treasury became the ultimate controlling party of The Royal Bank of Scotland Group plc. The UK Government's shareholding is managed by UK Financial Investments Limited, a company wholly owned by the UK Government. As a result, the UK Government and UK Government controlled bodies became related parties of the company.

The company's ultimate holding company is The Royal Bank of Scotland Group plc and its immediate parent company is The Royal Bank of Scotland plc. Both companies are incorporated in Great Britain and registered in Scotland.

As at 31 December 2010, The Royal Bank of Scotland Group plc heads the largest group in which the company is consolidated and The Royal Bank of Scotland plc heads the smallest group in which the company is consolidated. Copies of the consolidated accounts of both companies may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

Related party transactions with UK Government bodies

Transactions between the company, the UK Government and UK Government controlled bodies, consisted solely of Value Added Tax included within Note 10.

Related party transactions with group undertakings

The tables below detail transactions and balances with group undertakings.

	2010	2009
	£	£
Net interest payable:		
The Royal Bank of Scotland plc	-	(977)
Management fees paid		
The Royal Bank of Scotland plc	11,306	14,600
Net amounts receivable/(payable):		
The Royal Bank of Scotland plc	2,827,566	2,838,043
Fellow subsidiaries	(11,296)	(11,134)
	<u>2,816,270</u>	<u>2,826,909</u>

17. Post balance sheet events

On 17 June 2011, the company, together with other members of the RBSG group, became party to a capital support deed (CSD). Under the terms of the CSD, the company may be required, if compatible with its legal obligations, to make distributions on, or repurchase or redeem, its ordinary shares. The amount of this obligation is limited to the company's immediately accessible funds or assets, rights, facilities or other resources that, using best efforts, are reasonably capable of being converted to cleared, immediately available funds (the company's available resources). The CSD also provides that, in certain circumstances, funding received by the company from other parties to the CSD becomes immediately repayable, such repayment being limited to the company's available resources.

There have been no other significant events between the year end and the date of approval of these financial statements which would require a change to or disclosure in the financial statements.