Company Registered No: SC140588

WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2017

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:	M Brandwood J M Rowney
COMPANY SECRETARY:	RBS Secretarial Services Limited
REGISTERED OFFICE:	24/25 St. Andrew Square Edinburgh Scotland EH2 1AF
INDEPENDENT AUDITOR:	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY

Registered in Scotland

DIRECTORS' REPORT

The directors of West Register (Property Investments) Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 2017.

ACTIVITIES AND BUSINESS REVIEW

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and therefore does not include a Strategic report.

Principal activity
The principal activity of the Company was that of a property investment company.

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 was to maximise the overall recovery for the shareholder (RBS) through the active management and eventual realisation of assets purchased. The Company acted 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 (RBS) 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 RBS review these matters on a group basis. Copies can be obtained from Corporate Governance & Regulatory Affairs, RBS Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ, the Registrar of Companies or through RBS website at www.rbs.com.

Business review
The directors are satisfied with the Company's performance in the year. The Company will be guided by its shareholders in seeking further opportunities for growth. In December 2017, West Register (Bankside) Limited, a 100% subsidiary of the Company has been liquidated.

FINANCIAL PERFORMANCE

The Company's financial performance is presented on pages 8 to 10. The profit before taxation for the year was £3,990,675 (2016: loss £53,234). The retained profit for the year was £3,829,623 (2016: loss £429,486).

At the end of the year total assets were £45,620,975 (2016: £108,029,291).

Dividends
An interim dividend of £45,000,000 (2016: £nil) was declared and paid in April 2018.

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 Sterling which is the functional currency and carry no significant financial risk.

The Company's assets mainly comprise of bank balances, amounts due from group undertakings and trade receivables 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.

Liquidity risk
Liquidity risk arises where assets and liabilities have different contractual maturities. Management focuses on risk arising from the mismatch of maturities across the balance sheet and from undrawn commitments and other contingent obligations. The Company manages its liquidity risk by having access to group funding.

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.
- 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 COMPANY SECRETARY

The present directors and company secretary, who have served throughout the year are listed on page 1.

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. Under that law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework, 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' INDEMNITIES

None of the directors has been indemnified under the qualifying third party terms.

AUDITOR

Ernst & Young 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: 21 December 2018

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

Opinion

We have audited the financial statements of West Register (Property Investments) Limited ("the Company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standards 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standards 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Helen Joseph

Helen Joseph (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
22 December 2018

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2017

Continuing operations	**Note**	**2017 £**	2016 £
Turnover	3	**228,215**	644,857
Proceeds from sale of development property		**-**	550,000
		228,215	1,194,857
Cost of sales		**-**	(301,105)
Gross Profit		**228,215**	893,752
Profit on sale of assets		**48,158**	2,564,582
Other operating income	4	**1,333,886**	250,283
Administrative expenses	5	**(1,525,314)**	(3,092,318)
Operating profit		**84,945**	616,299
Other income	6	**3,923,376**	-
Interest payable	7	**(17,646)**	(669,533)
Profit/(loss) on ordinary activities before tax		**3,990,675**	(53,234)
Tax charge	8	**(161,052)**	(376,252)
Profit/(loss) and total comprehensive income/(loss) for the financial year		**3,829,623**	(429,486)

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

BALANCE SHEET
as at 31 December 2017

	Note	2017 £	2016 £
Non-current assets			
Investments in group undertakings	11	3	103
Current assets			
Amount due from group undertakings	12	128,379	92,741
Trade and other receivables	13	7,592	221,742
Prepayments, accrued income and other assets	14	1,764,981	641,339
Cash at bank		41,523,013	104,725,014
Deferred tax assets	15	2,090,206	2,348,352
Current tax assets		106,801	-
		45,620,972	108,029,188
Total assets		45,620,975	108,029,291
Current liabilities			
Trade and other payables	16	5,121	-
Amounts due to group undertakings	17	4,270	67,269,219
Accruals, deferred income and other liabilities	18	4,234,227	2,919,644
Current tax liabilities		-	292,694
Total liabilities		4,243,618	70,481,557
Equity			
Called-up share capital	19	2	2
Capital contribution		31,000,000	31,000,000
Profit and loss account		10,377,355	6,547,732
Total equity		41,377,357	37,547,734
Total liabilities and equity		45,620,975	108,029,291

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

The financial statements of the Company were approved by the Board of Directors and authorised for issue on 21 December 2018 and signed on its behalf by:

J M Rowney
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

	Share capital	Profit and loss account	Capital contribution	Total
	£	£	£	£
At 1 January 2016	2	6,977,218	31,000,000	37,977,220
Loss for the year	-	(429,486)	-	(429,486)
At 31 December 2016	2	6,547,732	31,000,000	37,547,734
Profit for the year	-	**3,829,623**	-	**3,829,623**
At 31 December 2017	**2**	**10,377,355**	**31,000,000**	**41,377,357**

Total comprehensive income for the year of £3,829,623 (2016: loss £429,486) was wholly attributable to the owners 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;
- under Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework 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
- on the historical cost basis.

The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the Financial Reporting Council.

The Company is incorporated in the UK and registered in Scotland and the financial statements are presented:
- in accordance with the Companies Act 2006:
- in Sterling which is the functional currency of the Company: and
- with the benefit of the disclosure exemptions permitted by FRS 101 with regard to:
    - comparative information in respect of certain assets;
    - cash-flow statement;
    - standards not yet effective;
    - related party transactions.
    - disclosure requirements of IFRS 7 "Financial Instruments: Disclosure and IFRS 13 "Fair value Measurement".

Where required, equivalent disclosures are given in the group accounts of The Royal Bank of Scotland Group plc, these accounts are available to the public and can be obtained as set out in note 20.

The few changes to IFRS that were effective from 1 January 2017 have had no material effect on the Company's Financial Statements for the year ended 31 December 2017.

b) Consolidated financial statements
The financial statements contain information about "the Company" as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under IFRS 10 Consolidated Financial Statements and section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as in accordance with IFRS 10 the Company and its subsidiaries are included by full consolidation in the IFRS consolidated financial statements of its parent, The Royal Bank of Scotland Group plc, a public company registered in Scotland whose registered address is 36 St Andrew Square, Edinburgh, EH2 2YB.

c) Revenue recognition
Revenue represents the total value of developments sold during the year. Development property 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 investment property is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral art of the total rental income. Any gain or loss arising from a change in fair value is recognised in the Profit and Loss Account.

1. Accounting policies (continued)

d) 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.

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.

e) Investment in subsidiaries

The Company's interests in subsidiary undertakings are stated at cost less provision for any impairment.

f) 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.

g) Financial assets

On initial recognition, financial assets are classified into loans and receivables or designated as at fair value through profit or loss.

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 financial asset or 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. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount. Calculation of the effective interest rate takes in to account fees payable or receivable that is an integral part of the instrument's yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

Designated as at fair value through profit or loss

Financial assets may be designated as at fair value through profit or loss only if such designation (a) eliminates or significantly reduces a measurement or recognition inconsistency; or (b) applies to a group of financial assets, financial liabilities or both, that the Company manages and evaluates on a fair value basis; or (c) relates to an instrument that contains an embedded derivative which is not evidently closely related to the host contract.

Financial assets that the Company designates on initial recognition as being fair value through profit or loss are recognised at fair value, with transaction costs being recognised in profit or loss, and are subsequently measured at fair value. Gains and losses on financial assets that are designated as at fair value are recognised in profit or loss as they arise.

NOTES TO THE FINANCIAL STATEMENTS

1. *Accounting policies (continued)*

h) 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.

i) Financial liabilities
On initial recognition financial liabilities are classified into amortised cost measured using the effective interest method (see accounting policy 1(g)).

j) Derecognition
A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or when it has been transferred and the transfer qualifies for derecognition.

A financial liability is removed from the balance sheet when the obligation is discharged, cancelled, or expires.

k) 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.

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.

3. *Turnover*

	2017	2016
	£	£
Rental income	**228,215**	644,857

4. Other operating income

	2017	2016
	£	£
Recovery/(insurance) claims	**15,701**	(3,326)
Other income	**1,318,185**	253,609
	1,333,886	250,283

The majority of other income relates to the release of retention income for properties sold earlier.

NOTES TO THE FINANCIAL STATEMENTS

5. Administrative expenses

	2017	2016
	£	£
Property related expenses	**1,128,687**	2,338,246
Legal and professional fees	**149,093**	461,837
Management charge	**57,534**	98,035
Rental expenses	**190,000**	194,200
	1,525,314	3,092,318

Management charge
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
The Company does not remunerate directors nor can remuneration from elsewhere in the group be apportioned meaningfully in respect of their services to the Company. There are no other staff.

The auditor's remuneration for statutory audit work for the Company was £17,221 (2016: £17,000).

6. Other income

	2017	2016
	£	£
Dividend income	**3,923,376**	-

7. Interest payable

	2017	2016
	£	£
Interest payable to group undertakings	**17,646**	669,533

8. Tax

	2017	2016
	£	£
Current tax:		
UK corporation tax (credit)/charge for the year	**(103,384)**	142,567
Under/(over) provision in respect of prior periods	**6,290**	(45,198)
	(97,094)	97,369
Deferred tax:		
Charge for the year	**229,407**	164,283
Under provision in respect of prior periods	**28,739**	114,600
	258,146	278,883
Tax charge for the year	**161,052**	376,252

8. Tax (continued)

The actual tax charge differs from the expected tax charge/(credit) computed by applying the blended rate of UK corporation tax of 19.25% (2016: standard tax rate 20%) as follows:

	2017	2016
	£	£
Profit/(loss) before tax for the year	**3,990,675**	(53,234)
Expected tax charge/(credit)	**768,069**	(10,647)
Non-deductible items	**331,632**	948,784
Non-taxable items	**(755,117)**	(624,886)
Reduction in deferred tax asset/(liability) following change in rate of UK Corporation Tax	**(2,977)**	(6,401)
Unutilised capital losses brought forward and utilised	**(215,584)**	-
Adjustments in respect of prior periods	**35,029**	69,402
Actual tax charge for the year	**161,052**	376,252

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted at the balance sheet date standing at 20% with effect from 1 April 2015, 19% from 1 April 2017 and 17% from 1 April 2020. The closing deferred tax assets and liabilities have been calculated taking into account that existing temporary differences may unwind in periods subject to the reduced rates.

9. Investment property

	2017	2016
	£	£
At 1 January	-	5,889,652
Disposals	-	(5,889,652)
At 31 December	-	-

All the investment properties were disposed of in previous year.

10. Development property

	2017	2016
	£	£
At 1 January	-	300,000
Disposals	-	(300,000)
At 31 December	-	-

11. Investments in group undertakings

	2017	2016
	£	£
At 1 January	**103**	103
Disposals	**(100)**	-
	3	103

11. Investments in group undertakings (continued)

The subsidiary undertakings of the Company are:

Name of subsidiary	Proportion of ownership interest %	Proportion of voting power held %	Principal activity	Registered office
West Register Hotels (Holdings) Limited	100	100	Property company	24/25 St. Andrew Square Edinburgh Scotland EH2 1AF
West Register (Residential Property Investments) Limited	100	100	Property company	250 Bishopsgate London England EC2M 4AA

12. Amounts due from group undertakings

	2017 £	2016 £
Other receivables	**128,379**	92,741

13. Trade and other receivables

	2017 £	2016 £
VAT Recoverable	-	91,171
Trade and other receivables	**7,592**	130,571
	7,592	221,742

The fair value of all receivables approximates to their carrying amount in balance sheet.

14. Prepayments, accrued income and other assets

	2017 £	2016 £
Prepayments	-	516,182
Accrued income	**1,016,713**	-
Other assets	**748,268**	125,157
	1,764,981	641,339

Accrued income comprises of release of retention income from certain properties sold earlier.

15. Deferred tax

The following are the deferred tax assets recognised by the Company, and the movements thereon.

	Accelerated capital allowances £	Total £
At 1 January 2016	(2,627,235)	(2,627,235)
Charge to income	278,883	278,883
At 31 December 2016	(2,348,352)	(2,348,352)
Charge to income	**258,146**	**258,146**
At 31 December 2017	**(2,090,206)**	**(2,090,206)**

	2017 £	2016 £
Deferred tax assets	**2,090,206**	2,348,352

A deferred tax asset has not been recognised on chargeable losses of approximately £0.3m (2016: £47m) as there was insufficient evidence as to their recoverability.

16. Trade and other payables

	Due within one year 2017 £	2016 £
Value added tax	**5,121**	-

17. Amount due to group undertakings

	2017 £	2016 £
Bank overdraft	-	67,263,398
Other payables	**4,270**	5,821
	4,270	67,269,219

18. Accruals, deferred income and other liabilities

	2017 £	2016 £
Accruals	**4,201,070**	2,891,136
Deferred income	**29,256**	28,508
Other liabilities	**3,901**	-
	4,234,227	2,919,644

Accruals primarily comprise of a provision of £4.1 million against an onerous contract for South Woodham Ferrers property. The property has been sold off in 2018.

19. Share capital

	2017	2016
Equity shares	**£**	£
Authorised:		
1,000 Ordinary Shares of £1	**1,000**	1,000
Allotted, called-up & fully paid:		
2 Ordinary Shares of £1	**2**	2

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

20. 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 UK corporation tax and Value Added Tax; national insurance contributions; local authority rates; and regulatory fees and levies; together with banking transactions such as loans and deposits undertaken in the normal course of banker-customer relationships.

Group undertakings

At 31 December 2017

The Company's immediate parent was:	The Royal Bank of Scotland plc
The smallest consolidated accounts including the company were prepared by:	The Royal Bank of Scotland plc
The ultimate parent company was:	The Royal Bank of Scotland Group plc

On 29 April 2018, The Royal Bank of Scotland plc changed its name to NatWest Markets Plc.

All parent companies are incorporated in the UK. Copies of their accounts may be obtained from Corporate Governance and Regulatory Affairs, The Royal Bank of Scotland, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

21. Post balance sheet events

An interim dividend of £45,000,000 was declared and paid in April 2018.

Retention income of £1011k, included in accruals for the year ending December 2017, was received in February 2018.