

Company Registered No: SC161430

WEST REGISTER (PROJECT DEVELOPMENTS) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2015

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

J M Rowney
H D Lincoln

COMPANY SECRETARY:

RBS Secretarial Services Limited

REGISTERED OFFICE:

24/25, St Andrew Square
Edinburgh
Scotland
EH2 1AF

INDEPENDENT AUDITOR:

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

Registered in Scotland

DIRECTORS' REPORT

The directors of West Register (Project Developments) Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 2015.

ACTIVITIES AND BUSINESS REVIEW

The 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 continues to be property development.

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 financial statements of RBS review these matters on a group basis. Copies of these financial statements can be obtained from Corporate Governance and Secretariat, RBS Gogarburn, PO Box 1000, 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 7 to 9.

The operating loss before taxation for the year was £2,568,696 (2014: £825,084). The retained loss for the year was £2,048,623 (2014: £647,748).

At the end of the year total assets were £1,520,111 (2014: £9,108,036).

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 major risk associated with the Company's business is interest rate risks. The Company's exposure to interest rate risk is not considered to be significant as interest arises on amounts due to group undertakings.

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

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, foreign currency and equity prices together with related parameters such as market volatilities.

DIRECTORS' REPORT**PRINCIPAL RISKS AND UNCERTAINTIES (continued)****Interest rate risk**

Interest rate risk arises where assets and liabilities have different repricing maturities. The only interest bearing financial assets or liabilities are cash balances held.

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date. The analysis is prepared on the assumption that the balances receivable and/or payable at the balance sheet date were receivable and/or payable for the whole year.

If interest rates had been 0.5% higher and all other variables were held constant, there would be no impact on Company's loss before tax for the year. There would be no other impact on equity.

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.

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. They considered the financial statements of The Royal Bank of Scotland Group plc for the year ended 31 December 2015, approved on 25 February 2016 which were prepared 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.

From 1 January 2015 to date the following changes have taken place:

	Appointed	Resigned
Directors		
H D Lincoln	23 October 2015	-
B I M Turnbull	-	23 October 2015
J N Brushfield	-	18 December 2015

DIRECTORS' REPORT**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 (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.

INDEPENDENT AUDITOR

RBS has agreed to appoint Ernst & Young LLP as the Company's auditor for the year ending 31 December 2016.

A resolution to appoint Ernst & Young LLP as the Company's auditor will be proposed at the forthcoming The Royal Bank of Scotland Group plc AGM.

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



J M Rowney
Director

Date: 13 September 2016

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

We have audited the financial statements of West Register (Project Developments) Limited ("the Company") for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13. 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 2015 and of its loss 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 (PROJECT DEVELOPMENTS) 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.



Alana Sainsbury, ACA (Senior Statutory Auditor)

for and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor,

London, United Kingdom

20 SEPTEMBER 2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

		2015 £	2014 £
Continuing operations	Notes		
Administrative expenses	3	(69,841)	(87,685)
Loss on sale of development property		(717,699)	
Impairment of development property	5	(1,700,000)	(657,521)
Operating loss		(2,487,540)	(745,206)
Interest payable	4	(81,156)	(79,878)
Loss on ordinary activities before tax		(2,568,696)	(825,084)
Tax credit	6	520,073	177,336
Loss and total comprehensive loss for the financial year		(2,048,623)	(647,748)

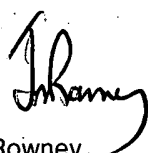
The accompanying notes form an integral part of these financial statements.

BALANCE SHEET
as at 31 December 2015

	Notes.	2015 £	2014 £
Current assets			
Development property	7	1,000,000	5,817,698
Amounts due from group undertakings		-	9,550
Prepayments, accrued income and other assets	8	-	190,267
Cash at bank	9	38	3,090,521
Current tax asset		520,073	-
		<u>1,520,111</u>	<u>9,108,036</u>
Total assets		<u>1,520,111</u>	<u>9,108,036</u>
Creditors: amounts falling due within one year			
Amounts due to group undertakings	10	10,800,839	16,811,282
Accruals, deferred income and other liabilities	11	480,901	9,760
Total liabilities		<u>11,281,740</u>	<u>16,821,042</u>
Equity: capital and reserves			
Called up share capital	12	2	2
Profit and loss account		(9,761,631)	(7,713,008)
Total shareholder's deficit		<u>(9,761,629)</u>	<u>(7,713,006)</u>
Total liabilities and shareholder's deficit		<u>1,520,111</u>	<u>9,108,036</u>

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

The financial statements were approved by the Board of Directors on 13 September 2016 and signed on its behalf by:


 J M Rowney
 Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2015

	Share capital £	Profit and loss account £	Total £
At 1 January 2014	2	(7,065,260)	(7,065,258)
Loss for the year	-	(647,748)	(647,748)
At 31 December 2014	2	(7,713,008)	(7,713,006)
Loss for the year	-	(2,048,623)	(2,048,623)
At 31 December 2015	2	(9,761,631)	(9,761,629)

Total comprehensive loss for the year of £2,048,623 (2014: £647,748) 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 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 European Union (EU) (together IFRS) and under Financial Reporting Standard 101 Reduced Disclosure Framework. 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 management, presentation of a cash-flow statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the group financial statements of The Royal Bank of Scotland Group plc, these financial statements are available to the public and can be obtained as set out in note 13.

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 2015. They have had no material effect on the Company's financial statement for the year ended 31 December 2015.

b) 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.

c) 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.

d) 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.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

e) 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.

f) 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.

g) 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.

h) 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. 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 assuming completion of development thereon.

3. Operating expenses

	2015	2014
	£	£
Audit fees	5,922	6,078
Legal and professional fees	47,266	81,271
Bank charges	229	336
Other	16,424	-
	69,841	87,685

NOTES TO THE FINANCIAL STATEMENTS

3. Operating expenses (continued)

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

Staff costs, number of employees and directors' emoluments

All staff and directors were employed by The Royal Bank of Scotland plc, the financial statements 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 (2014: £nil).

4. Interest payable

	2015 £	2014 £
Interest payable to The Royal Bank of Scotland plc	<u>81,156</u>	<u>79,878</u>

5. Impairment of development property

	2015 £	2014 £
Impairment loss on development property	<u>1,700,000</u>	<u>657,521</u>

6. Tax

	2015 £	2014 £
Current tax:		
UK corporation tax credit for the year	(520,073)	(177,337)
Over provision in respect of prior periods	-	1
Tax credit for the year	<u>(520,073)</u>	<u>(177,336)</u>

The actual tax credit differs from the expected tax credit computed by applying the blended UK corporation tax rate of 20.25% (2014: 21.5%) as follows:

	2015 £	2014 £
Loss before tax for the year	(2,048,623)	(647,748)
Expected tax credit	(520,073)	(177,337)
Adjustments in respect of prior periods	-	1
Actual tax credit for the year	<u>(520,073)</u>	<u>(177,336)</u>

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted on 26 October 2015 now standing at 20% with effect from 1 April 2015, 19% from 1 April 2017 and 18% 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.

Since the balance sheet date, the UK Government's Budget on 16 March 2016 proposed, amongst other things, that the 18% tax rate reduction from 1 April 2020 be reduced to 17%. This rate was substantively enacted in the Finance Bill 2016 on 6 September 2016 and existing temporary differences on which deferred tax has been provided may therefore unwind in periods subject to this reduced rate. The impact of the post balance sheet date change in tax rate is not material.

NOTES TO THE FINANCIAL STATEMENTS

7. Development property

	2015 £	2014 £
At 1 January	5,817,698	6,475,219
Disposals	(3,117,698)	-
Impairments	(1,700,000)	(657,521)
At 31 December	<u>1,000,000</u>	<u>5,817,698</u>

8. Prepayments, accrued income and other assets

	2015 £	2014 £
Group relief receivable	-	177,337
Value added tax	-	12,930
	<u>-</u>	<u>190,267</u>

9. Cash at bank

	2015 £	2014 £
Cash at bank	<u>38</u>	<u>3,090,521</u>

10. Amounts due to group undertakings

	2015 £	2014 £
The Royal Bank of Scotland plc	<u>10,800,839</u>	<u>16,811,282</u>

11. Accruals, deferred income and other liabilities

	2015 £	2014 £
Accruals	8,894	9,760
Value added tax payable	<u>472,007</u>	<u>-</u>
	<u>480,901</u>	<u>9,760</u>

NOTES TO THE FINANCIAL STATEMENTS

12. Called up share capital

	2015 £	2014 £
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.

13. 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. As at 31 December 2015, The Royal Bank of Scotland plc heads the smallest group in which the Company is consolidated. Copies of the consolidated financial statements may be obtained from Corporate Governance and Secretariat, RBS 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 and registered in Scotland. As at 31 December 2015, The Royal Bank of Scotland Group plc heads the largest group in which the Company is consolidated. Copies of the consolidated financial statements may be obtained from Corporate Governance and Secretariat, RBS Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ.