

Company Registered No: SC161430

WEST REGISTER (PROJECT DEVELOPMENTS) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2013

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

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DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2013

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

J N Brushfield
J M Rowney
B I M Turnbull

COMPANY SECRETARY:

RBS Secretarial Services Limited

REGISTERED OFFICE:

24/25 St Andrew Square
Edinburgh
EH2 1AF

AUDITOR:

Deloitte LLP
London

Registered in Scotland

DIRECTORS' REPORT

The directors of West Register (Project Developments) Limited ("the Company") present their report and the audited financial statements for the year ended 31 December 2013.

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.

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

Review of the year**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.

Financial performance

The Company's financial performance is presented in the Profit and Loss account on page 6. The operating loss before taxation for the year was £1,316,738 (2012: £1,193,041). The retained loss for the year was £ 1,010,641 (2012: £899,824).

At the end of the year total assets were £9,582,976 (2012: £10,310,963).

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 Group Asset and Liability Management Committee (GALCO).

The major risk associated with the Company's business is interest rate risk. The Company's exposure to interest rate risk is not considered to be significant as the exposures are with group companies.

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.

Going concern

The directors, having made such enquiries as they considered appropriate, have prepared the financial statements on a going concern basis. They considered the accounts of the RBS Group for the year ended 31 December 2013, approved on 26 February 2014, which were prepared on a going concern basis.

DIRECTORS' REPORT**DIRECTORS AND SECRETARY**

The present directors and 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 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 Financial Reporting Standard 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 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.

AUDITOR

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

Approved by the Board of Directors and signed its behalf



BTM Turnbull

Director

Date: 4 August 2014

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 2013 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 2013 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; and
- the directors were not entitled to take advantage of the small companies exemption from preparing a Strategic Report or in preparing the Directors' Report.



Russell Davis, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor,
London, United Kingdom
Date: 4 August 2014

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2013

Continuing operations	Notes	2013 £	2012 £
Administrative expenses	3	(22,612)	(27,819)
Impairment of development property	5	(1,208,196)	(1,084,454)
Operating loss		(1,230,808)	(1,112,273)
Interest payable	4	(85,930)	(80,768)
Loss on ordinary activities before tax		(1,316,738)	(1,193,041)
Tax credit	6	306,097	293,217
Loss and total comprehensive loss for the year		(1,010,641)	(899,824)

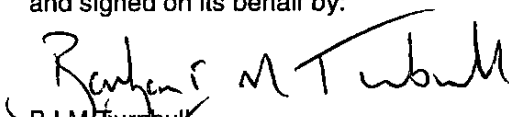
The accompanying notes form an integral part of these financial statements.

BALANCE SHEET
 as at 31 December 2013

	Notes	2013 £	2012 £
Current assets			
Development property	7	6,475,219	7,491,415
Amounts due from group undertakings		9,550	957,401
Prepayments, accrued income and other assets	8	309,273	293,597
Cash at bank	9	2,788,934	1,568,550
Total assets		9,582,976	10,310,963
Creditors: amounts falling due within one year			
Amounts due to group undertakings	10	16,635,013	16,003
Accruals, deferred income and other liabilities	11	13,221	8,578
		16,648,234	24,581
Total assets less current liabilities		(7,065,258)	10,286,382
Creditors: amounts falling due after more than one year			
Amounts due to group undertakings	10	-	16,340,999
Total liabilities		16,648,234	16,365,580
Equity: capital and reserves			
Called up share capital	12	2	2
Profit and loss account		(7,065,260)	(6,054,619)
Total shareholders' funds		(7,065,258)	(6,054,617)
Total liabilities and shareholders' funds		9,582,976	10,310,963

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

The financial statements were approved by the Board of Directors on 4 August 2014
and signed on its behalf by:


 B.J.M. Turnbull
 Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2013

	Share capital £	Profit and loss account £	Total £
At 1 January 2012	2	(5,154,795)	(5,154,793)
Loss for the year	-	(899,824)	(899,824)
At 31 December 2012	2	(6,054,619)	(6,064,617)
Loss for the year	-	(1,010,641)	(1,010,641)
At 31 December 2013	<u>2</u>	<u>(7,065,260)</u>	<u>(7,065,258)</u>

Total loss for the year of £1,010,641 (2012: £899,824) 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 (see the Directors' report) and have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU (together IFRS) and under Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101). The Company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital resources, presentation of a cash flow statement, standards not yet effective and related party transactions. Where required, equivalent disclosures are given in the group accounts of the RBS Group, these accounts are available to the public and can be obtained as set out in note 14.

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 accounts are presented in accordance with the Companies Act 2006.

There are number of IFRSs that were effective from 1 January 2013. They have had no material effect on the Company's financial statement for the year ended 31 December 2013.

b) Taxation

Income tax expense or income, comprising current tax and deferred tax, is recorded in the income statement 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 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.

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.

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, International Accounting Standards (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors', requires management to develop and apply an accounting policy that results in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the IASB's Framework for the Preparation and Presentation of Financial Statements. The judgements and assumptions involved in the Company's accounting policies that are considered by the directors to be the most important to the portrayal of its financial condition are discussed below. The use of estimates, assumptions or models that differ from those adopted by the Company would affect its reported results.

Development property

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

3. Administrative expenses

	2013	2012
	£	£
Management fees	-	22,607
Audit fees	6,000	5,000
Legal and professional fees	16,216	-
Bank charges	263	212
Other	133	-
	<u>22,612</u>	<u>27,819</u>

NOTES TO THE FINANCIAL STATEMENTS

3. Administrative expenses (continued)

Management recharge

Management fees 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 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.

4. Interest payable

	2013 £	2012 £
Interest payable to The Royal Bank of Scotland plc	85,930	80,768

5. Impairment losses

	2013 £	2012 £
Impairment loss on development property (note 7)	1,208,196	1,084,454

6. Tax

	2013 £	2012 £
Current taxation:		
UK corporation tax credit for the year	(306,096)	(292,262)
Over provision in respect of prior periods	(1)	(955)
Tax credit for the year	(306,097)	(293,217)

The actual tax credit differs from the expected tax credit computed by applying the blended rate of UK corporation tax of 23.25% (2012: 24.5%) as follows:

	2013 £	2012 £
Expected tax credit	(306,096)	(292,262)
Adjustments in respect of prior periods	(1)	(955)
Actual tax credit for the year	(306,097)	(293,217)

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

NOTES TO THE FINANCIAL STATEMENTS

7. Development property

	2013	2012
	£	£
At 1 January	7,491,415	8,575,869
Additions	192,000	-
Impairments	(1,208,196)	(1,084,454)
At 31 December	6,475,219	7,491,415

Development property has been pledged as security for the liabilities of the Company.

8. Prepayments, accrued income and other assets

	2013	2012
	£	£
Group relief receivable	306,097	292,262
Value added tax	3,176	1,335
	309,273	293,597

9. Cash at bank

	2013	2012
	£	£
Cash at bank	2,788,934	1,568,550

10. Amounts due to group undertakings

	2013	2012
	£	£
The Royal Bank of Scotland plc	16,635,013	16,340,999
Fellow subsidiaries	-	16,003
	16,635,013	16,357,002
Amounts falling due within one year ⁽¹⁾	16,635,013	16,003
Amounts falling due after more than one year	-	16,340,999
	16,635,013	16,357,002

⁽¹⁾ For the year ending 31 December 2013 certain amounts have been reclassified from amounts falling due after more than one year to amounts falling due within one year to better reflect the underlying nature of the balances.

11. Accruals, deferred income and other liabilities

	2013	2012
	£	£
Accruals	13,221	8,578

12. Called up Share capital

	2013	2012
	£	£
Equity shares		
Authorised:		
1,000 ordinary shares of £1	1,000	1,000
Allotted, called up and fully paid:		
2 Ordinary Shares of £1	2	2

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

NOTES TO THE FINANCIAL STATEMENTS**13. Related parties****UK Government**

The UK Government through HM Treasury is the ultimate controlling party of the RBS Group. 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 corporation tax.

Group undertakings

The Company's immediate parent company is The Royal Bank of Scotland plc, a company incorporated in the UK and registered in Scotland. As at 31 December 2013 The Royal Bank of Scotland plc heads the smallest group in which the Company is consolidated. Copies of the consolidated accounts may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, 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 2013, The Royal Bank of Scotland Group plc heads the largest group in which the Company is consolidated. Copies of the consolidated accounts may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ.