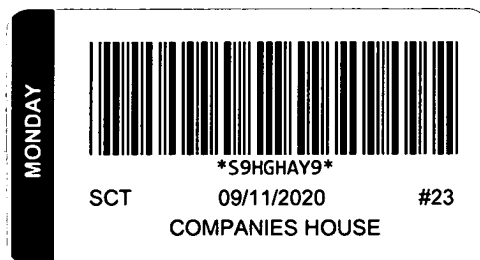


Company Registered No: SC192466

LAND OPTIONS (WEST) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2019



CONTENTS**Page**

Officers and professional advisers

1

Directors' report

2

Independent auditor's report

5

Statement of comprehensive income

8

Balance sheet

9

Statement of changes in equity

10

Notes to the financial statements

11

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS: J M Rowney
D C Grant

COMPANY SECRETARY: NatWest Group Secretarial Services Ltd

REGISTERED OFFICE: RBS Gogarburn
175 Glasgow Road
Edinburgh
EH12 1HQ

INDEPENDENT AUDITOR: Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Registered in Scotland

DIRECTORS' REPORT**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.

Activity

The principal activity of the Company continues to be the developing and selling of development land, properties and options over land.

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.

Financial performance

The Company's financial performance is presented on pages 8 to 10.

Turnover remained at £nil as per 2018 and administrative expenses increased by £6k (2018: £52k decrease). After reverse of impairment provisions of £661k (2018: £nil), the profit for the year was £259k (2018: £130k loss).

The directors do not recommend payment of a dividend for the year (2018: £nil)

At the end of the year, the balance sheet showed total assets of £1,333k (2018: £761k), including development property of £1,162k (2018: £487k), representing an increase of 75.2%. Total shareholders' funds were a deficit of £9,263k (2018: a deficit of £9,522k).

Principal risks and uncertainties

The Company seeks to minimise its exposure to financial risks other than credit risk.

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 Group Asset and Liability Management Committee (Group 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 development properties which would expose it to market risk and credit except that the counterparties are group companies and credit risk is not considered significant.

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.

DIRECTORS' REPORT**Credit risk**

Credit risk management seeks to match the risk of credit failure to price of credit on granting a facility 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 group's 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.

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.

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.

The principal market risk to which the Company is exposed is interest rate, and is mitigated by monitoring consistency in the interest rate profile of its assets and liabilities.

Going concern

The directors, having made such enquiries as they considered appropriate, and 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.

	Appointed	Resigned
Secretary		
NatWest Group Secretarial Services Ltd	18 June 2019	
A J Nicholson		18 June 2019

DIRECTORS' REPORT**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 year/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.

Section 172(1) of the Companies Act 2006 (Section 172) is one of the statutory duties that directors have and requires them to promote the success of the Company for the benefit of shareholders as a whole while taking into account the interests of other stakeholders and, in so doing, have regard to the matters set out in Section 172(1)(a) to (f). These include the long-term consequences of decisions, colleague interests; the need to foster the Company's business relationships with suppliers, customers and others; the impact on community and the environment and the Company's reputation.

Directors are supported in the discharge of their duties by the Company Secretary. All directors receive guidance on their statutory duties, including Section 172(1), and were briefed on the reporting requirements introduced by the Companies (Miscellaneous Reporting) Regulations 2018 in advance of the effective date. RBS Group has introduced a new approach to board and committee papers with greater focus on ensuring relevant stakeholder interests are clearly articulated and guidance on documenting decisions has been refreshed to ensure these are recorded in a consistent manner across RBS Group.

DISCLOSURE OF INFORMATION TO AUDITOR

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

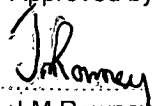
- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of that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

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

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: 2 November 2020

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

Opinion

We have audited the financial statements of Land Options (West) Limited ("the Company"), which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity for the year ended 31 December 2019 and the related notes 1 to 15, 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 FRS 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

Emphasis of matter – Effects of Covid-19

We draw attention to Notes 1(a) and 15 of the financial statements, which describes the economic and social disruption the company is facing as a result of Covid-19, which is impacting the current business operations and financial markets. Our opinion is not modified in respect of this matter.

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; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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

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.

Opinion on other matter 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 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out 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.

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

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.

Ernst & Young LLP

Cassandra Polegri (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
3 November 2020

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2019

	Notes	2019 £'000	2018 £'000
Income from continuing operations			
Turnover		-	-
Cost of sales	3	-	163
Gross loss		-	163
Other operating income		-	-
Administrative expenses	4	(93)	(87)
Reversal of impairment of development property		661	-
Operating profit		568	76
Interest payable	5	(200)	(192)
Profit before tax		368	(116)
Tax credit/(charge)	6	(109)	(14)
Profit and total comprehensive income for the year		259	(130)

Total comprehensive income for the year of £259k (2018: £130k loss) was wholly attributable to the equity shareholders of the company.

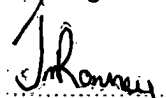
The accompanying notes form an integral part of these financial statements.

BALANCE SHEET
as at 31 December 2019

	Notes	2019 £'000	2018 £'000
Current assets			
Deferred tax asset	6	2	3
Development property	7	1,162	487
Trade and other receivables	8	5	22
Amounts due from group companies		-	133
Prepayments, accrued income and other assets	9	164	116
		<u>1,333</u>	<u>761</u>
Total assets		<u>1,333</u>	<u>761</u>
Current liabilities			
Trade and other payables	10	-	9
Amounts due to group companies	11	4,511	4,393
Corporation Tax		108	14
Accruals, deferred income and other liabilities	12	36	48
		<u>4,655</u>	<u>4,464</u>
Non-current liabilities			
Accruals, deferred income and other liabilities	12	5,941	5,819
		<u>5,941</u>	<u>5,819</u>
Total liabilities		<u>10,596</u>	<u>10,283</u>
Equity			
Called up share capital	13	1	1
Profit and loss account		(9,264)	(9,523)
Total equity		<u>(9,263)</u>	<u>(9,522)</u>
Total liabilities and equity		<u>1,333</u>	<u>761</u>

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

The financial statements were approved by the Board of Directors on 2 November 2020 and signed on its behalf by:


 J M Rowney
 Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2019

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2018	1	(9,393)	(9,393)
Loss for the year	-	(116)	(116)
Tax credit	-	(14)	(14)
At 31 December 2018	1	(9,523)	(9,522)
Profit for the year	-	368	368
Tax charge	-	(109)	(109)
At 31 December 2019	1	(9,264)	(9,263)

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Preparation and presentation of accounts

These financial statements are prepared:

- on a going concern basis. In the first quarter of 2020, the World Health Organisation declared the Covid-19 outbreak to be a pandemic. Many governments, including the UK, have taken stringent measures to contain and/or delay the spread of the virus. Actions taken in response to the spread of Covid-19 have resulted in severe disruption to business operations and a significant increase in economic uncertainty, with more volatile asset prices and currency exchange rates, and a marked decline in long-term interest rates in developed economies.
The NatWest Holdings Group (the "Group") has a well-developed business continuity plan which includes pandemic response, enabling the Group to quickly adapt to these unprecedented circumstances and continue as viable business.
There remains significant uncertainty regarding the developments of the pandemic and the future economic recovery. The most likely expected financial impact is in respect of the Company's profitability, assets, operations, liquidity which management continues to monitor.
- In assessing going concern, a Covid-19 impact analysis was performed across the Group. The directors have also considered the uncertainties associated with Covid-19 including the different ways in which this could impact the cash flows, capital, solvency and liquidity position of the Company and any mitigations management have within their control to implement. Based on this assessment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and have prepared the financial statements on a going concern basis. This conclusion is based on the director's assessment and acknowledgement of the Company's net liabilities position, and the expectation of financial and operational support provided by the immediate parent company. The directors, in relying on this support, have considered the immediate parent company's ability to support the negative equity position and satisfy external liabilities with no issues noted;
- 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 except for development assets which are carried at the lower of cost and net realisable value.

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:
 - 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 14.

NOTES TO THE FINANCIAL STATEMENTS (continued)**a) Preparation and preparation of accounts (continued)**

The changes to IFRS that were effective from 1st January 2019 have had no material effect on the Company's Financial Statements for the year ended 31st December 2019.

b) Revenue recognition

Turnover represents the total value of development properties sold during the year. Development properties, classified as current assets, represents construction and development work stated at the lower of cost or net realisable value. Cost represents direct materials, labour and production. Profit on each development is taken to the profit and loss account on completion and sale of that development, and the transfer of all related risks and rewards of ownership.

c) Taxation

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

Current tax is income tax payable or recoverable in respect of the taxable profit or loss for the year arising in income, other comprehensive 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.

d) Development property

Development properties are stated at the lower of cost and net realisable value. Cost comprises direct cost of land and buildings, material and where applicable, direct labour cost 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 future.

e) 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.

f) Financial instruments

On initial recognition, financial instruments are measured at fair value. Subsequently, they are measured as follows: designated at fair value through profit or loss; amortised cost, the default class for liabilities; fair value through profit or loss, the default class for assets; or financial assets may be designated as at fair value through other comprehensive income. Regular way purchases of financial assets classified as amortised cost are recognised on the settlement date; all other regular way transactions in financial assets are recognised on the trade date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

f) Financial instruments (continued)

Amortised cost assets – have to meet both the following criteria:

- The asset is held within a business model whose objective is solely to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset are solely payments of principal and interest on the outstanding balance.

Amortised cost liabilities – all liabilities that are not subsequently measured at fair value are measured at cost.

g) Impairment of financial assets

At each balance sheet date each financial asset or portfolio of loans measured at amortised cost or at fair value through other comprehensive income, issued financial guarantee and loan commitment is assessed for impairment. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

h) 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 in accordance with IFRS 9 "Financial Instruments".

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

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. In accordance with their responsibilities for these financial statements, the factors the directors to be the most important to the portrayal of the Company's performance and financial condition are discussed below.

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. Cost of sales

	2019 £'000	2018 £'000
Cost of sales	-	-
Provision release	-	163
	<u>-</u>	<u>163</u>

Prior year cost of sales includes a release of a landscaping provision originally recognised as cost of sales in previous periods.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Administrative expenses

	2019 £'000	2018 £'000
Legal and professional fees	15	42
Management fees	-	(16)
Auditor's remuneration – audit services	25	25
Other charges	53	36
	<u>93</u>	<u>87</u>

Staff costs, number of employees and directors' emoluments

Management fees include the costs of staff and directors borne by other members of the group, none of which can be apportioned meaningfully in respect of services to the Company.

5. Interest payable

	2019 £'000	2018 £'000
Interest payable to group companies	78	70
Subordinated loan note interest	122	122
Other interest payable	-	-
	<u>200</u>	<u>192</u>

6. Tax

	2019 £'000	2018 £'000
Current taxation:		
UK corporation tax charge/(credit) for the year	108	14
Under/(over) provision in respect of prior periods	-	-
	<u>108</u>	<u>14</u>
Deferred taxation:		
Charge for the year	1	-
	<u>109</u>	<u>14</u>
Tax charge/(credit) for the year		
	<u>109</u>	<u>14</u>

The actual tax credit differs from the expected tax credit computed by applying the standard rate of UK corporation tax of 19% (2018: standard tax rate 19%) as follows:

	2019 £'000	2018 £'000
Expected tax charge/(credit)	70	(22)
Non-deductible items	38	36
Reduction in deferred tax asset following rate change	1	-
Actual tax charge/(credit) for the year	<u>109</u>	<u>14</u>

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 19% from 1 April 2017 and 17% from 1 April 2020. The closing deferred tax assets and liabilities have been calculated taking into account these rates, as these were substantively enacted at the balance sheet date.

Since the balance sheet date, it was announced in the UK Government's Budget on 11 March 2020 that the reduction in the UK Corporation tax rate to 17% from 1 April 2020 will not proceed. Instead the UK Corporation tax rate will remain at 19%. This was substantively enacted on 17 March 2020 and is therefore a non-adjusting post balance sheet event.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Tax (continued)

As a result, existing temporary differences on which deferred tax has been provided may unwind in periods subject to the 19% rate. The impact of the post balance sheet date change in tax rate is not expected to be material.

Deferred tax

Net deferred tax liability/(asset) comprised:

	Capital allowances £'000	Total £'000
At 1 January 2018	(3)	(3)
Charge to profit and loss	-	-
At 31 December 2018	(3)	(3)
Charge to profit and loss	1	1
At 31 December 2019	(2)	(2)
	2019	2018
	£'000	£'000
Deferred tax assets	(2)	(3)
Deferred tax liabilities	-	-
Total deferred tax asset	(2)	(3)

7. Development property

	2019 £'000	2018 £'000
At 1 January	487	487
Additions	-	-
Disposals	-	-
Reversal of impairments	675	-
At 31 December	1,162	487
Expected to be sold within one year	1,162	250
Expected to be sold after one year	-	237
	1,162	487

During the year, the development property was revalued to reflect the negotiations regarding the disposal of land at Airth. The development property had previously been impaired from its cost position to reflect its net realisable value, and the current year adjustment reverses an element of this impairment.

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Trade and other receivables

	Due within one year	
	2019 £'000	2018 £'000
Trade receivables	-	4
Value added tax	4	10
Other receivables	1	8
	<u>5</u>	<u>22</u>

The fair value of all receivables approximates to their carrying amount in the balance sheet. Included within other receivables is a balance of £NIL due from fellow subsidiaries (2018: £NIL).

9. Prepayments, accrued income and other assets

	2019 £'000	2018 £'000
Other debtors	164	116
	<u>164</u>	<u>116</u>

10. Trade and other payables

	Due within one year	
	2019 £'000	2018 £'000
Trade payables	-	9
Value added tax	-	-
	<u>-</u>	<u>9</u>

11. Amounts due to group companies

	2019 £'000	2018 £'000
The Royal Bank of Scotland plc	4,490	4,393
West Register Property Investments Ltd	14	-
West Register (Realisations) Ltd	3	-
KUC Properties Ltd	4	-
	<u>4,511</u>	<u>4,393</u>

The fair value of amounts due to group companies approximates to their carrying value in the balance sheet.

The overdraft facility is secured by a bond and floating charge over the company's assets and property as a whole.

Amounts owed to group undertakings are secured by standard securities over certain of the company's assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

12. Accruals, deferred income and other liabilities

	2019 £'000	2018 £'000
Accruals	1,078	968
Other liabilities	4,899	4,899
	<u>5,977</u>	<u>5,867</u>
Amounts falling due within one year	36	48
Amounts falling due after more than one year	5,941	5,819
	<u>5,977</u>	<u>5,867</u>

Subordinated debt of £4,899K (2018: £4,899K) accrues interest at 2.5% non-compounding and is repayable when certain conditions are met. There was no repayment made during the year and last year as the repayment conditions were not met. 50% of the subordinated debt and interest thereon is due to group companies.

13. Share capital

	2019 £'000	2018 £'000
Authorised:		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
Allotted, called up and fully paid:		
Equity shares		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

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

14. 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 Government 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; together with banking transactions such as loans and deposits undertaken in the normal course of banker-customer relationships.

Group Companies

At 31 December 2019:

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

NOTES TO THE FINANCIAL STATEMENTS (continued)**14. Related parties (continued)**

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

On 22 July 2020, The Royal Bank of Scotland Group plc changed its name to NatWest Group plc.

15. Post balance sheet events

The directors consider Covid-19 to be a non-adjusting post balance sheet event and as such no adjustments have been made to the measurement of assets and liabilities as at 31 December 2019. Refer to note 1(a) for the director's assessment of the impact on the Company. While there remains significant uncertainty regarding the developments of Covid-19 and the future economic recovery, a precise estimate of its financial effect cannot be made at the date of issue of the financial statements. There could be an impact on profitability, assets, operations, liquidity and the directors continue to monitor this, however, at this stage do not consider there to be any material issues for the Company.

Subsequent to the year end, on 4 Feb 2020, the Company has sold the development asset at Airth (see note 7) for a net consideration of £950k which is an adjusting event.