

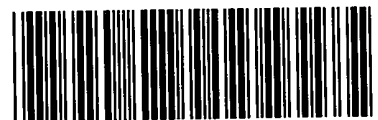
Company Registered No: SC338256

HEARTLANDS (CENTRAL) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2015

FRIDAY



A5GMRCMO

A49

30/09/2016

#175

COMPANIES HOUSE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

CONTENTS

Page

Officers and professional advisers

2

Directors' report

3

Independent auditor's report

7

Profit and loss account

9

Balance sheet

10

Statement of changes in equity

11

Notes to the financial statements

12

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**J M Rowney
D C Grant**

SECRETARY:

RBS Secretarial Services Limited

REGISTERED OFFICE:

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

INDEPENDENT AUDITOR:

**Deloitte LLP
Chartered Accountants and Statutory Auditors
London
United Kingdom**

DIRECTORS' REPORT**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.

Activity

The principal activity of the company is the acquiring, developing and selling of development land, properties, options over land and the sale of related by-products.

The company is a 100% subsidiary of The Royal Bank of Scotland Group plc 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 Royal Bank of Scotland Group plc review these matters on a group basis. Copies can be obtained from Corporate Governance and Secretariat, RBS Gogarburn, Edinburgh, EH12 1HQ, the Registrar of Companies or through the group's website at www.rbs.com.

Review of the period**Business review**

The directors are satisfied with the Company's performance in the period. Whilst the Company will be guided by its shareholders in seeking further opportunities for growth, it is recognised that, further to an announcement that the Group intends to wind down its West Register activities, any such shareholder guidance provided will take this into account.

Financial performance

The company's financial performance is presented in the profit and loss account on page 9.

Turnover for the year was £nil (2014: £64K). Other Income including interest of £217K (2014: £392K) arose in the year. Total costs, including interest, were £1,905K (2014: £1,908K). The loss for the year before tax, after impairment provision of £6,536K (2014: £2,796K) and loan write-off of £999K (2014: £nil), was £9,223K (2014: £4,248K).

The directors do not recommend payment of a dividend for the year.(2014: £nil).

At the end of the year, the balance sheet showed total assets of £10,575K (2014: £24,870K), including development property of £8,552K (2014: £15,066K). Total shareholder's deficit was £31,357K (2014: deficit £24,001K).

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 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 the functional currency and carrying no significant financial risk.

DIRECTORS' REPORT (continued)***Principal risks and uncertainties (continued)***

The Company's assets mainly comprise development properties which would expose it to market risk and credit risk except where the counterparties are group companies and credit risk is not considered significant.

Credit risk

Credit risk is the risk of financial loss due to the failure of a counterparty to meet its obligation to settle outstanding amounts. 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 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; and
- 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.

The company's exposure to credit risk is not considered to be significant as the majority of the credit exposures are with Group companies.

Interest rate risk

Structural interest rate risk arises where assets and liabilities have different re-pricing 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

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

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, have prepared the financial statements on a going concern basis. They considered the interim announcement of The Royal Bank of Scotland Group plc for the six months ended 30 June 2016, approved on 4 August 2016, which was prepared on a going concern basis.

DIRECTORS' REPORT (continued)**DIRECTORS AND SECRETARY**

The present directors and secretary, who have served throughout the year are listed on page 2.

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

Director	Appointed	Resigned
B I M Turnbull		23 October 2015

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 the 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 period 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, subject to any material departures disclosed and explained in the financial statements; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the directors' report and financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

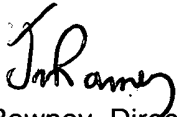
This confirmation is given and shall be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

DIRECTORS' REPORT (continued)

AUDITOR

The Royal Bank of Scotland Group plc has appointed Ernst & Young LLP as auditor for the year ended 31 December 2016. A resolution to appoint Ernst & Young LLP as the Company's auditor will be proposed at the forthcoming meeting of the Board of Directors.

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



J M Rowney, Director
27 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

We have audited the financial statements of Heartlands (Central) Limited 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 21. 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.

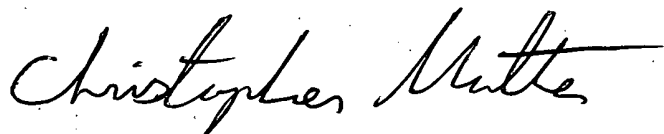
Opinion on other matter prescribed by the Companies Act 2006

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 (continued)**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- The directors were not entitled to take advantage of the small companies exemption from preparing a strategic report or in preparing the directors' report.



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

Date:

28 September 2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

	Notes	2015 £'000	2014 £'000
Income from continuing operations			
Turnover		-	64
Cost of Sales		-	(63)
Gross Profit		-	1
Other operating income	3	12	89
Administrative expenses	4	(1,182)	(1,030)
Impairment of development property	5	(6,536)	(2,796)
Loan write off		(999)	-
Operating loss		(8,705)	(3,736)
Interest receivable	7	205	303
Interest payable	8	(723)	(815)
Loss on ordinary activities before tax	6	(9,223)	(4,248)
Tax credit	9	1,867	910
Loss and total comprehensive loss for the year		(7,356)	(3,338)

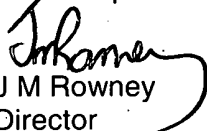
The accompanying notes form an integral part of these financial statements.

BALANCE SHEET
as at 31 December 2015

	Notes	2015 £'000	2014 £'000
Fixed assets			
Property, plant and equipment	10	13	18
Financial assets – loans	11	-	6,334
		<u>13</u>	<u>6,352</u>
Current assets			
Deferred tax asset	18	38	48
Development property	12	8,552	15,066
Trade and other receivables	13	95	2,480
Prepayments, accrued income and other assets	14	1,877	924
		<u>10,562</u>	<u>18,518</u>
Total assets		<u>10,575</u>	<u>24,870</u>
Creditors: amounts falling due within one year			
Trade and other payables	15	165	308
Amounts due to group undertakings	16	41,573	48,515
Accruals, deferred income and other liabilities	17	194	48
		<u>41,932</u>	<u>48,871</u>
Total liabilities		<u>41,932</u>	<u>48,871</u>
Equity: capital and reserves			
Called-up share capital	19	-	-
Profit and loss account		<u>(31,357)</u>	<u>(24,001)</u>
Total shareholder's deficit		<u>(31,357)</u>	<u>(24,001)</u>
Total liabilities and shareholder's deficit		<u>10,575</u>	<u>24,870</u>

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

The financial statements were approved by the Board of directors and approved for issue on 27 September and signed on its behalf by:


 J M Rowney
 Director

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

	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2014	-	(20,663)	(20,663)
Loss for the period before tax	-	(4,248)	(4,248)
Tax credit	-	910	910
At 1 January 2015	-	(24,001)	(24,001)
Loss for the year before tax	-	(9,223)	(9,223)
Tax credit	-	1,867	1,867
At 31 December 2015	-	(31,357)	(31,357)

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 and have been prepared in accordance with the recognition and measurement principals 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 FRS 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 the standard in relation to share-based payment, non-current assets held for sale, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group accounts 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 20.

The financial statements are prepared on the historical cost basis except for development assets which are carried at the lower of cost and net realisable value.

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 a number of changes to IFRS that were effective from 1 January 2015. They have had no material effect on the company's financial statements for the year ended 31 December 2015.

b) Revenue recognition

Revenue represents the total value of development properties sold during the year.

c) 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 period arising in income or in equity. Provision is made for current tax at rates enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS (continued)**1. Accounting policies (continued)****c) Taxation (continued)**

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 law enacted, or substantively enacted, at the balance sheet date.

d) Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for separately.

The depreciable amount is the cost of an asset less its residual value. Depreciation is charged to profit or loss so as to write off the depreciable amount of property, plant and equipment over their estimated useful lives:

Estimated useful lives are as follows:

Plant and machinery	4 years
Motor vehicles	4 years

The residual value and useful life of property, plant and equipment are reviewed at each balance sheet date and updated for any changes to previous estimates.

e) Impairment of property, plant and equipment

At each reporting date, the company assesses whether there is any indication that its property, plant and equipment is impaired. If any indication exists, the company estimates the recoverable amount of the asset and the impairment loss if any.

f) Financial assets

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

Loans and receivables

Loans and receivables are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment losses.

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

Other financial assets

Other financial assets are initially recognised and subsequently measured at fair value. Changes in fair value are recognised in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)**1. Accounting policies (continued)****f) Impairment of financial assets**

The company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets classified as held-to-maturity, available-for-sale or loans and receivables is impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

g) Financial liabilities

On initial recognition financial liabilities are classified into held-for-trading; designated as at fair value through profit or loss; or amortised cost.

h) Development assets

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 to completion and costs to be incurred in marketing and selling.

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 of the development.

As set out in note 1(h), development properties are held on the balance sheet at the lower of cost and net realisable value. This value is determined through internal opinion of values carried out by qualified professionals. These valuations are regularly reviewed by management and are updated in the event there are indicators of impairment. The Royal Bank of Scotland plc through its specialist real estate team "Real Estate Asset Management" conducted a detailed review of the estate at the year end.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Other operating income

	2015 £'000	2014 £'000
Gain on disposal of plant, property and equipment	11	4
Other income	1	85
	<u>12</u>	<u>89</u>

4. Administrative expenses

	2015 £'000	2014 £'000
Legal and professional fees	239	150
Management charges	201	201
Other charges	742	679
	<u>1,182</u>	<u>1,030</u>

Management recharge

Management charges relate to the company's share of group resources such as the use of IT platforms, staff and a share of central resources. These are re-charged on an annual basis by The Royal Bank of Scotland plc ("RBS").

Staff costs, number of employees and directors' emoluments

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. All staff and directors were employed by group companies and the accounts of the Royal Bank of Scotland Group plc contain the full disclosure of employee benefits incurred in the period including share based payments and pensions.

5. Impairment losses

The following impairment losses were recognised during the period:

	2015 £'000	2014 £'000
Development property (note 12)	<u>6,536</u>	<u>2,796</u>

6. Loss before tax is stated after charging:

	2015 £'000	2014 £'000
Auditor's remuneration – audit services	<u>12</u>	<u>12</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Interest receivable

	2015 £'000	2014 £'000
Interest receivable from group undertakings	205	303

8. Interest payable

	2015 £'000	2014 £'000
Interest payable	723	815

9. Tax

	2015 £'000	2014 £'000
Current taxation:		
Credit for the year	(1,877)	(924)
Under/(over) provision in respect of prior periods	-	(4)
Current tax credit for the year	(1,877)	(920)
Deferred taxation:		
Charge/(credit) for the year	10	10
Tax credit for the year	(1,867)	(910)

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

	2015 £'000	2014 £'000
Expected tax charge/(credit)	(1,867)	(913)
Adjustments in respect of prior periods	-	3
Actual tax charge/(credit) for the period	(1,867)	(910)

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% with effect 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 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 expected to be material.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Property, plant and equipment

	Plant and machinery £'000	Motor vehicles £'000	Total £'000
2014			
Cost			
At 1 January 2015	26	7	33
Additions	-	2	2
Disposals	(3)	-	(3)
At 31 December 2015	23	9	32
Accumulated depreciation			
At 1 January 2015	11	4	15
Depreciation charge for the year	3	2	5
Depreciation on disposals	(1)	-	(1)
At 31 December 2015	13	6	19
Net book value			
At 31 December 2015	10	3	13
At 31 December 2014	15	3	18

11. Financial assets

	2015 £'000	2014 £'000
Amounts due from group undertakings	-	5,635
Other debtors	-	699
	-	6,334

12. Development property

	2015 £'000	2014 £'000
At 1 January	15,066	17,845
Additions	22	77
Disposals	-	(60)
Impairments	(6,536)	(2,796)
At 31 December	8,552	15,066

NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Trade and other receivables

	Due within one year	
	2015	2014
	£'000	£'000
Trade receivables	8	8
Other receivables	83	2,396
Value added tax	4	76
	<u>95</u>	<u>2,480</u>

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

14. Prepayments, accrued income and other assets

	2015	2014
	£'000	£'000
Group relief receivable	<u>1,877</u>	<u>924</u>

15. Trade and other payables

	Due within one year	
	2015	2014
	£'000	£'000
Trade payables	<u>165</u>	<u>308</u>

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

16. Amounts due to group undertakings

	2015	2014
	£'000	£'000
The Royal Bank of Scotland plc	41,407	48,515
Fellow subsidiaries	166	-
	<u>41,573</u>	<u>48,515</u>

The overdraft facility provided by The Royal Bank of Scotland plc 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)

17. Accruals, deferred income and other liabilities

	2015 £'000	2014 £'000
Accruals	194	48
Amounts falling due within one year	194	48

18. Deferred tax

	Capital Allowances £'000	Total £'000
At 1 January 2014	(58)	(58)
Charge to profit and loss	10	10
At 31 December 2014	(48)	(48)
Charge to profit and loss	10	10
At 31 December 2015	(38)	(38)

	2015 £'000	2014 £'000
Deferred tax assets	(38)	(48)
Total deferred tax asset	(38)	(48)

In addition, tax losses brought forward of £2,100K (2014:£2,100K) have not been recognised on the basis that the entity is unable to forecast sufficient profits to utilise the losses. The £38K (2014:£48K) is carried forward as an asset as the entity expects these timing differences to reverse in the future.

19. Share capital

	2015 £'000	2014 £'000
Allotted, called up and fully paid:		
Equity Shares		
2 ordinary shares of £1	-	-

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 became related parties of the company.

The company enters into transactions with these bodies on an arms' length basis; they include the receipt of £205K (2014: £448K) of value added tax.

NOTES TO THE FINANCIAL STATEMENTS (continued)**20. Related parties (continued)****Group undertakings**

The Company's immediate parent company is West Register (Realisations) Limited, a company incorporated in the UK. As at 31 December 2014 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, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

The Company's ultimate holding company is The Royal Bank of Scotland Group plc, which is incorporated in the UK, heads the largest group in which the Company is consolidated. Copies of the consolidated financial statements may be obtained from Corporate Governance and Secretariat, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

21. Post balance sheet event

Post the year end the company sold off Development property which resulted in a gross profit of £5,528K on a book value of £8,552K.