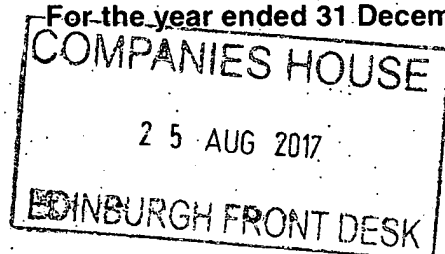


Company Registered No: SC338256

HEARTLANDS (CENTRAL) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2016



XBRL Central Support Team (India) email: ~ GFS India XBRL Central Support Team

Mandatory iXBRL tags. This table must not be deleted		
1	Company name	Tagged on cover page
2	Company registered number	Tagged on cover page
3	Period start date	1 January 2016
4	Period end date	31 December 2016
5	Balance Sheet date	31 December 2016
6	Dormant/non-dormant indicator	false
7	Trading/non-trading indicator	true
8	Profit or loss for the period	Tagged in main document
9	Name of director signing Directors' report	Tagged in main document
10	Date of signing Directors' report	Tagged in main document
11	Name of director signing Balance Sheet	Tagged in main document
12	Balance Sheet date of approval	DD MM 2016
13	Description of body authorising accounts	Board of Directors
14	Accounts status, audited or unaudited	See Dimension
15	Accounts type, full or abbreviated	See Dimension
16	Legal form of entity	See Dimension
17	Accounting standards applied	See Dimension

**CONTENTS****Page**

Officers and professional advisers	<b>3</b>
Directors' report	<b>4</b>
Independent auditor's report	<b>7</b>
Profit and loss account	<b>9</b>
Balance sheet	<b>10</b>
Statement of changes in equity	<b>11</b>
Notes to the financial statements	<b>12</b>

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:**

**J M Rowney  
D C Grant**

**COMPANY SECRETARY:**

**RBS Secretarial Services Limited**

**REGISTERED OFFICE:**

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

**INDEPENDENT AUDITOR:**

**Ernst & Young LLP  
Chartered Accountants and Statutory Auditor  
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, options over land and the sale of related by-products.

**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 in the profit and loss account on page 9.

Income grew by £14,300k (2015: £64k decrease) and administrative expenses decreased by £809k (2015: £152k increase). After impairment provisions of £nil (2015: £6,536), the profit for the year was £4,374 (2015: £7,356 loss).

The directors do not recommend payment of a dividend for the year (2015: £nil).

At the end of the year, the balance sheet showed total assets of £300k (2015: £10,575k), including development property of £nil (2015: £8,552k) representing a decrease of 100%, together representing a decrease of 97%. Total shareholders' funds were a deficit of £26,983k (2015: a deficit of £31,357k). The net book value of property, plant and equipment was £nil compared with £13k at the end of the previous year.

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

The Company's assets mainly comprise development properties would expose it to market risk and credit risk 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

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.
- 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, have prepared the financial statements on a going concern basis. They considered the accounts of The Royal Bank of Scotland Group plc for the year ended 31 December 2016, approved on 23 February 2017 which were prepared on a going concern basis.

### DIRECTORS AND SECRETARY

The present directors and secretary, who have served throughout the year are listed on page 3.

**DIRECTORS' REPORT (continued)****DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare a Directors' Report and financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework, and must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs at the end of the year and the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether FRS 101 has been followed; and
- make an assessment of the Company's ability to continue as a going concern.

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

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 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: 8TH AUGUST 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEARTLANDS (CENTRAL) LIMITED**

We have audited the financial statements of Heartlands (Central) Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting 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.



### **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 prepare the financial statements in accordance with the small companies regimes and take the advantage of the small companies' exemptions in not preparing the Strategic Report.

*Ernst & Young LLP*

**Michael-John Albert** (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London, United Kingdom

Date: 14 August 2016

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2016

	Notes	2016 £'000	2015 £'000
<b>Income from discontinuing operations</b>			
Turnover	3	14,300	-
Cost of sales		(8,836)	-
<b>Gross profit/(loss)</b>		5,464	-
Other operating income	4	269	12
Administrative expenses	5	(373)	(1,182)
Impairment of development property	6	-	(6,536)
Loan write off		150	(999)
<b>Operating profit/(loss)</b>		5,510	(8,705)
Interest receivable	8	-	205
Interest payable	9	(453)	(723)
<b>Profit/(loss) on ordinary activities before tax</b>	7	5,057	(9,223)
Tax (charge)/credit	10	(683)	1,867
<b>Profit/(loss) and total comprehensive income (loss) for the year</b>		4,374	(7,356)

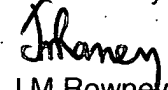
The accompanying notes form an integral part of these financial statements.

**BALANCE SHEET**  
**as at 31 December 2016**

	Notes	2016 £'000	2015 £'000
<b>Fixed and non current assets</b>			
Property, plant and equipment	12	-	13
		-	13
<b>Current assets</b>			
Deferred tax asset	18	32	38
Development property	11	-	8,552
Trade and other receivables	13	268	95
Prepayments, accrued income and other assets	14	-	1,877
		300	10,562
<b>Total assets</b>		300	10,575
<b>Creditors: amounts falling due within one year</b>			
Trade and other payables	15	45	165
Amounts due to group companies	16	27,205	41,573
Accruals, deferred income and other liabilities	17	33	194
Total assets less current liabilities		(26,983)	(31,357)
<b>Total liabilities</b>		27,283	41,932
<b>Equity: capital and reserves</b>			
Called up share capital	19	-	-
Profit and loss account		(26,983)	(31,357)
<b>Total shareholders' deficit</b>		(26,983)	(31,357)
<b>Total liabilities and shareholders' deficit</b>		300	10,575

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

The financial statements were approved by the Board of Directors on 06/08/17 and signed on its behalf by:

  
J M Rowney  
Director

**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2016**

	<b>Share Capital £'000</b>	<b>Profit and loss account £'000</b>	<b>Total £'000</b>
<b>At 1 January 2015</b>	-	(24,001)	(24,001)
Loss for the year	-	(9,223)	(9,223)
Tax credit	-	1,867	1,867
<b>At 31 December 2015</b>	-	(31,357)	(31,357)
Profit for the year	-	5,057	5,057
Tax charge	-	(683)	(683)
<b>At 31 December 2016</b>	-	(26,983)	(26,983)

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;
- 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.

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

The few changes to IFRS that were effective from 1 January 2016 have had no material effect on the Company's Financial Statements for the year ended 31 December 2016.

**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.

**NOTES TO THE FINANCIAL STATEMENTS (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 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) 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. Land is not depreciated. Depreciation is charged to profit or loss so as to write off the depreciable amount of property, plant and equipment (including assets owned and let on operating leases) over their estimated useful lives:

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. The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. Value in use is the present value of future cash flows from the asset or cash-generating unit discounted at a rate that reflects market interest rates adjusted for risks specific to the asset or cash-generating unit that have not been taken into account in estimating future cash flows. If the recoverable amount of the asset is less than its carrying value, an impairment loss is recognised immediately in profit or loss and the carrying value of the asset reduced by the amount of the loss.

**f) 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.

**g) 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.

**NOTES TO THE FINANCIAL STATEMENTS (continued)****h) Financial assets**

On initial recognition, financial assets are classified into 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.

**i) 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.

**j) Financial liabilities**

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

Other than derivatives, which are recognised and measured at fair value, all financial liabilities are measured at amortised cost using the effective interest method.

**k) 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 IAS 39 "Financial Instruments : Recognition and Measurement".

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. 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.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 2. Critical accounting policies and key sources of estimation uncertainty (continued)

**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. Turnover

	2016 £'000	2015 £'000
Sale of development property	14,300	-
	<u>14,300</u>	<u>-</u>

## 4. Other operating income

	2016 £'000	2015 £'000
Gain/(Loss) on disposal of plant, property and equipment	(14)	11
Other	283	1
	<u>269</u>	<u>12</u>

## 5. Administrative expenses

	2016 £'000	2015 £'000
Legal and professional fees	72	239
Management fees	24	201
Other charges	277	742
	<u>373</u>	<u>1,182</u>

**Staff costs, number of employees and directors' emoluments**

All staff and directors were employed by group companies and the accounts of The Royal Bank of Scotland Group plc 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 fee for services provided by other group companies. The Company does not remunerate directors nor can remuneration from elsewhere in the group be apportioned meaningfully in respect of their services to the Company.

## 6. Impairment losses

The following impairment losses were recognised during the year:

	2016 £'000	2015 £'000
Development property	-	6,536

## 7. Profit/(loss) before tax

Profit/(loss) before tax is stated after charging:

	2016 £'000	2015 £'000
Auditor's remuneration – audit services	12	12



## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 8. Interest receivable

	2016 £'000	2015 £'000
Interest receivable from group companies	-	205
Other interest receivable	-	-
	<u>-</u>	<u>205</u>

## 9. Interest payable

	2016 £'000	2015 £'000
Interest payable to group companies	453	723
	<u>453</u>	<u>723</u>

## 10. Tax

	2016 £'000	2015 £'000
<b>Current taxation:</b>		
UK corporation tax charge/(credit) for the year	677	(1,877)
<b>Deferred taxation:</b>		
Charge for the year	4	10
Under/(over) provision in respect of prior periods	2	-
Tax charge/(credit) for the year	<u>683</u>	<u>(1,867)</u>

The actual tax charge differs from the expected tax charge computed by applying the blended rate of UK corporation tax of 20% (2015: blended tax rate 20.25%) as follows:

	2016 £'000	2015 £'000
Expected tax charge/(credit)	1,011	(1,867)
Unrecognised losses brought forward and utilised in year	(420)	-
Other tax adjustments	90	-
Adjustments in respect of prior periods	2	-
Actual tax charge/(credit) for the year	<u>683</u>	<u>(1,867)</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 20% with effect from 1 April 2015, 19% from 1 April 2017 and 17% from 1 April 2020. The closing deferred tax assets and liabilities have been calculated taking into account that existing temporary differences may unwind in periods subject to the reduced rates.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 11. Development property

	2016 £'000	2015 £'000
At 1 January	8,552	15,066
Additions	-	22
Disposals	(8,552)	-
Impairments	-	(6,536)
At 31 December	-	8,552
Expected to be sold within one year	-	8,552
Expected to be sold after one year	-	-
	-	8,552

## 12. Property, plant and equipment

	Plant and Machinery £'000	Motor Vehicles £'000	Total £'000
<b>2016</b>			
<b>Cost or valuation</b>			
At 1 January 2016	23	9	32
Additions	-	-	-
Reclassifications	-	-	-
Disposals	(23)	(9)	(32)
At 31 December 2016	-	-	-
<b>Accumulated depreciation</b>			
At 1 January 2016	13	6	19
Depreciation charge for the year	1	-	1
Depreciation on disposals	(14)	(6)	(20)
At 31 December 2016	-	-	-
<b>Net book value</b>			
At 31 December 2016	-	-	-
At 31 December 2015	10	3	13

## 13. Trade and other receivables

	Due within one year	
	2016 £'000	2015 £'000
Trade receivables	259	18
Other receivables	8	83
	268	95

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

## 14. Prepayments, accrued income and other assets

	2016 £'000	2015 £'000
Group relief receivable	-	1,877

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 15. Trade and other payables

	Due within one year	
	2016	2015
	£'000	£'000
Trade payables	45	165
	<u>45</u>	<u>165</u>

## 16. Amounts due to group companies

	2016	2015
	£'000	£'000
The Royal Bank of Scotland plc	27,085	41,407
Fellow subsidiaries	120	166
	<u>27,205</u>	<u>41,573</u>

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

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.

## 17. Accruals, deferred income and other liabilities

	2016	2015
	£'000	£'000
Accruals	<u>33</u>	<u>194</u>
Amounts falling due within one year	<u>33</u>	<u>194</u>

## 18. Deferred tax

Net deferred tax liability/ asset comprised:

	Capital allowances	Total
	£'000	£'000
<b>At 1 January 2015</b>	(48)	(48)
Charge to profit and loss	10	10
<b>At 31 December 2015</b>	<u>(38)</u>	<u>(38)</u>
Charge to profit and loss	6	6
<b>At 31 December 2016</b>	<u>(32)</u>	<u>(32)</u>
	2016	2015
	£'000	£'000
Deferred tax assets	(32)	(38)
Deferred tax liabilities	-	-
<b>Total deferred tax asset</b>	<u>(32)</u>	<u>(38)</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

## 19. Share capital

	2016 £'000	2015 £'000
<b>Allotted, called up and fully paid:</b>		
<b>Equity shares</b>		
2 ordinary shares of £1 each		

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

## 20. Related parties

**UK Government**

The UK Government through HM Treasury is the ultimate controlling party of The Royal Bank of Scotland Group plc. Its shareholding is managed by UK Financial Investments Limited, a company it wholly owns and as a result, the UK Government and UK Government controlled bodies are related parties of the Company.

The Company enters into transactions with these bodies on an arms' length basis; they include the payment of UK corporation tax and value added tax together with banking transactions such as loans and deposits undertaken in the normal course of banker-customer relationships.

**Group Companies**

The Company's immediate parent company is West Register (Realisations) Limited, a company incorporated in the UK. As at 31 December 2016 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 Corporate Governance and Regulatory Affairs, the Royal Bank of Scotland plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ

The Company's ultimate holding company. 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 accounts may be obtained from Corporate Governance and Regulatory Affairs, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ.