

Company Registered No: SC382531

WEST REGISTER (HOTELS NUMBER 2) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2015

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS: M Brandwood
J M Rowney

COMPANY SECRETARY: RBS Secretarial Services Limited

REGISTERED OFFICE: 24/25 St. Andrew Square
Edinburgh
Scotland
EH2 1AF

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

Registered in Scotland

STRATEGIC REPORT

The directors of West Register (Hotels Number 2) Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 2015.

ACTIVITIES AND BUSINESS REVIEW**Principal activity**

The principal activity of the Company was a hotelier and property owner.

The Company was established to form part of a defaulted loan workout process within The Royal Bank of Scotland Group plc (RBS). As part of that process, the Company may acquire properties representing the underlying security for distressed and defaulted loans made by RBS group companies to third party customers.

The Company's objective is to maximise the overall recovery for the shareholder (RBS) through the active management and eventual realisation of assets purchased. The Company acts as a bidder of last resort or a fall-back option where the open market will not yield a better offer.

The Company's financial results reflect the fair value of assets at acquisition and subsequent fair value market movements, impact of works carried out by the Company to improve properties such as capital expenditure, planning changes, improving occupancy and subsequent disposal proceeds. No account is taken of any impairment on the original loan made by the relevant RBS group company.

In the majority of cases, any gains made by the Company on an asset will be below the impairment taken by the relevant RBS group company in respect of the relevant original loan. The performance of the Company should be considered in the wider context of RBS's overall results.

The Company is a subsidiary of The Royal Bank of Scotland Group plc ("RBS") which provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the directors believe that performance indicators specific to the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The annual reports of RBS review these matters on a group basis. Copies can be obtained from Corporate Governance and Secretariat, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ, the Registrar of Companies or at www.rbs.com.

Business review

The Company has ceased its operations during the year; having disposed off all the investment properties in 2014.

FINANCIAL PERFORMANCE

The Company's financial performance is presented in the Profit and Loss Account on page 8.

The profit before taxation for the year was £128,327 (2014: £4,178,177). The retained loss for the year was £42,634 (2014: profit of £4,422,563).

At the end of the year, total assets were £5,653,630 (2014: £6,990,531).

Dividends

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

STRATEGIC REPORT**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company seeks to minimise its exposure to financial risks.

Management focuses on both the overall balance sheet structure and the control, within prudent limits, of risk arising from mismatches, including currency, maturity, interest rate and liquidity. It is undertaken within limits and other policy parameters set by the RBS Asset and Liability Management Committee (RBS ALCO).

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

The Company's assets mainly comprise cash at bank which would not expose it to market risk. The principal risks associated with the Company's businesses are as follows:

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. The Company manages its liquidity risk by having access to group funding.

Operational risk

Operational risk is the risk of unexpected losses attributable to human error, systems failures, fraud or inadequate internal financial controls and procedures. The Company manages this risk, in line with The Royal Bank of Scotland Group plc framework, through systems and procedures to monitor transactions and positions, the documentation of transactions and periodic review by internal audit. The group also maintains contingency facilities to support operations in the event of disasters.

GOING CONCERN

The Company is not expected to make any further investments following the disposal its assets in 2014. As required by IAS1 – Presentation of Financial Statements, management has prepared the financial statements on a basis other than that of a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

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 Strategic Report, 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 Strategic Report, 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.

STRATEGIC REPORT

DISCLOSURE OF INFORMATION TO AUDITOR

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

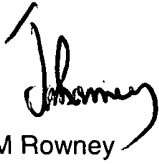
- so far as they are aware there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that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

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

DIRECTORS' INDEMNITIES

None of the directors has been indemnified under the qualifying third party terms.

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



J M Rowney
Director

Date: 13 September 2016

DIRECTORS' REPORT

The Strategic Report includes the review of the year, risk report, disclosure of information to auditors, and directors' indemnities.

DIRECTORS AND COMPANY SECRETARY

The present directors and company secretary, who have served throughout the year except where noted below, are listed on page 1.

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

	Appointed	Resigned
Directors		
A J Adams	-	11 March 2015
I Roberts	-	31 March 2015
H C Gordon	-	31 October 2015
M Brandwood	05 January 2016	-
D J Hourican	-	07 September 2016

INDEPENDENT AUDITOR

The Royal Bank of Scotland Group plc has appointed Ernst & Young LLP as auditor for the year ending 31 December 2016.

A resolution to appoint Ernst & Young LLP as the Company's auditor will be proposed at the forthcoming meeting of the Board of Directors.

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



J M Rowney
Director

Date: 13 September 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST REGISTER (HOTELS NUMBER 2) LIMITED

We have audited the financial statements of West Register (Hotels Number 2) Limited ("the Company") for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 19. 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.

Emphasis of matter – Financial statements prepared other than on a going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1a) to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST REGISTER (HOTELS
NUMBER 2) LIMITED**

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

21 September 2016

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2015

		2015	2014
		£	£
Discontinued operations	Note		
Turnover	3	-	7,331,304
Cost of sales		-	(846,659)
Gross profit		-	6,484,645
Other income	4	419,985	-
Administrative expenses	5	(300,967)	(5,985,912)
Profit on sale of investment properties		-	4,035,238
Operating profit		119,018	4,533,971
Interest receivable	6	12,692	-
Interest payable	7	(3,383)	(355,794)
Profit on ordinary activities before tax		128,327	4,178,177
Tax (charge)/credit	8	(170,961)	244,386
(Loss)/profit and total comprehensive (loss)/income for the year		(42,634)	4,422,563

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

BALANCE SHEET
 as at 31 December 2015

	Note	2015 £	2014 £
Current assets			
Trade and other receivables	11	9,230	499,513
Prepayments, accrued income and other assets	12	-	112,081
Cash at bank		5,644,399	6,212,408
Amount due from group undertakings	13	1	1
Current tax asset		-	166,528
Total assets		5,653,630	6,990,531
Creditors: amounts falling due within one year			
Trade and other payables	14	-	1,391,913
Current tax liabilities		172,523	-
Amounts due to group undertakings	15	237,018	501,185
Accruals, deferred income and other liabilities	16	216,656	27,366
Total liabilities		626,197	1,920,464
Equity: capital and reserves			
Called-up share capital	18	1	1
Profit and loss account		5,027,432	5,070,066
Total shareholders' funds		5,027,433	5,070,067
Total liabilities and shareholders' funds		5,653,630	6,990,531

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

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



J M Rowney
Director

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

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2014	1	647,503	647,504
Profit for the year	-	4,422,563	4,422,563
At 31 December 2014	1	5,070,066	5,070,067
Loss for the year	-	(42,634)	(42,634)
At 31 December 2015	1	5,027,432	5,027,433

Total comprehensive loss for the year of £42,634 (2014: profit of £4,422,563) was wholly attributable to the owners of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies****a) Preparation and presentation of financial statements**

The financial statements are prepared on a basis other than that of a going concern (see the Directors' Report) and have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the 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 that standard in relation to financial instruments, capital management, presentation of cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the financial statements of The Royal Bank of Scotland Group plc, these financial statements are available to the public and can be obtained as set out in note 19.

The financial statements are prepared on the historical cost basis. Historical cost is based on the fair value of the consideration exchanged on initial recognition.

The Company's financial statements are presented in Sterling which is the functional currency of the Company.

The Company is incorporated in the UK and registered in Scotland. The Company's financial statements are presented in accordance with the Companies Act 2006.

As described in the Directors' Report, the Company has ceased to trade during the year. This does not require the company to re-measure any assets or liabilities. IAS 1.25 'Presentation of Financial Statements' describes the preparation of financial statements in such circumstances as being other than on a going concern basis. No material adjustment arose as a result of ceasing to apply the going concern basis.

Adoption of new and revised accounting standards

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 statement for the year ended 31 December 2015.

b) Revenue recognition

Revenue is recognised from hotel operations when the goods and services have been provided. Revenue represents amounts receivable from the provision of hotel services including room hire, bar and restaurants taking and is stated after the deduction of value added tax. Room and inclusive breakfast revenue is recognised at the end of the financial day. Revenue such as bar and restaurants taking are recognised at the point of sale.

Rental income from investment property is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income. Any gain or loss arising from a change in fair value is recognised in the Profit and Loss Account.

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 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**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 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) 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.

e) Financial assets

On initial recognition, financial assets are classified into loans and receivables or designated as at fair value through profit or loss.

Loans and receivables

Loans and receivables are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment losses. The effective interest method is a method of calculating the amortised cost of financial asset or liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount. Calculation of the effective interest rate takes in to account fees payable or receivable, that is an integral part of the instrument's yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

Designated as at fair value through profit or loss

Financial assets may be designated as at fair value through profit or loss only if such designation (a) eliminates or significantly reduces a measurement or recognition inconsistency; or (b) applies to a group of financial assets, financial liabilities or both, that the Company manages and evaluates on a fair value basis; or (c) relates to an instrument that contains an embedded derivative which is not evidently closely related to the host contract.

Financial assets that the Company designates on initial recognition as being fair value through profit or loss are recognised at fair value, with transaction costs being recognised in profit or loss, and are subsequently measured at fair value. Gains and losses on financial assets that are designated as at fair value are recognised in profit or loss as they arise.

NOTES TO THE FINANCIAL STATEMENTS

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 amortised cost measured using the effective interest method (see accounting policy 1(e)).

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.

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.

3. Turnover

	2015	2014
	£	£
Accommodation	-	4,387,857
Food & beverage	-	2,237,447
Leisure	-	360,609
Room hire	-	136,364
Rental Income	-	69,100
Telephone	-	2,657
Other revenue	-	137,270
	-	7,331,304

4. Other Income

	2015	2014
	£	£
Insurance claims recoverable	3,636	-
Reversal of prior year accruals	416,349	-
	419,985	-

NOTES TO THE FINANCIAL STATEMENTS

5. Administrative expenses

	2015 £	2014 £
Operating costs	149,996	5,025,219
Fixed charges	-	(381,018)
Management fees	23,142	613,685
Management charge	-	133,194
Professional fees	76,330	17,558
Other expenses	(15,396)	577,274
Retention amount no longer recoverable	66,895	-
	<u>300,967</u>	<u>5,985,912</u>

Management charge

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, a fellow group undertaking.

Staff costs, number of employees and directors' emoluments

All staff and directors were employed by RBS companies and the financial statements of The Royal Bank of Scotland Group plc which contain full disclosure of employee benefit expenses incurred in the period including share based payments and pensions. The Company has no employees and pays a management charge for services provided by other RBS companies. The directors of the Company do not receive remuneration for specific services provided to the Company.

The auditor's remuneration for statutory audit work for the Company was £12,156 (2014: £12,156). There were no non-audit work performed by the auditor during the year.

6. Interest receivable

	2015 £	2014 £
Interest receivable	<u>12,692</u>	<u>-</u>

7. Interest payable

	2015 £	2014 £
Interest payable to group undertakings	<u>3,383</u>	<u>355,794</u>

NOTES TO THE FINANCIAL STATEMENTS

8. Tax

	2015 £	2014 £
Current tax:		
UK corporation tax charge/(credit) for the year	156,256	(178,147)
Under/ (over) provision in respect of prior periods	13,440	(18,098)
Overseas taxation	1,265	7,216
	<u>170,961</u>	<u>(189,029)</u>
Deferred tax:		
Charge/(credit) for the year	-	(70,328)
Under provision in respect of prior periods	-	14,971
	<u>-</u>	<u>(55,357)</u>
Tax charge/(credit) for the year	<u>170,961</u>	<u>(244,386)</u>

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

	2015 £	2014 £
Profit before tax for the year	128,327	4,178,177
Expected tax charge	25,982	898,308
Non-deductible items	130,274	117,115
Non-taxable items	-	(1,263,898)
Foreign profits taxed at other rates	14,705	7,216
Adjustments in respect of prior periods	-	(3,127)
Actual tax charge/(credit) for the year	<u>170,961</u>	<u>(244,386)</u>

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted on 26 October 2015 now standing at 20% with effect from 1 April 2015, 19% from 1 April 2017 and 18% from 1 April 2020. The closing deferred tax assets and liabilities have been calculated taking into account that existing temporary differences may unwind in periods subject to the reduced rates.

9. Operating lease arrangements

	2015 £	2014 £
Amounts recognised as income		
Operating lease rentals received	<u>-</u>	<u>69,100</u>

The Company disposed of the investment property which generated operating lease rentals in September 2014.

NOTES TO THE FINANCIAL STATEMENTS

10. Investment property

	2015 £	2014 £
At 1 January	-	34,003,418
Additions	-	889,766
Disposals	-	(34,893,184)
At 31 December	-	-

The Company disposed of all its investment property in September 2014.

The revenue earned by the Company from its investment property amounted to £nil (2014: £7,262,204). The property rental income earned by the Company from its investment property, relating to property which is leased out under operating leases, amounted to £nil (2014: £69,100). Direct operating expenses arising on the investment property during the year amounted to £nil (2014: £846,659).

11. Trade and other receivables

	2015 £	2014 £
Trade receivables	-	183,632
GST/VAT receivables	9,230	134,805
Other receivables	-	181,076
	9,230	499,513

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

12. Prepayments, accrued income and other assets

	2015 £	2014 £
Prepayments	-	107,189
Other assets	-	4,892
	-	112,081

13. Amounts due from group undertakings

	2015 £	2014 £
Parent: West Register Hotels (Holdings) Limited	1	1

14. Trade and other payables

	2015 £	2014 £
Trade payables	-	1,347,693
GST liability	-	7,069
Other payables	-	37,151
	-	1,391,913

NOTES TO THE FINANCIAL STATEMENTS

15. Amounts due to group undertakings

	2015 £	2014 £
Bank overdraft from RBS	237,018	501,185

The fair value of amounts due to group undertakings approximates to their carrying value in the Balance Sheet.

16. Accruals, deferred income and other liabilities

	2015 £	2014 £
Accruals	15,222	27,366
Other liabilities	201,434	-
	216,656	27,366

17. Deferred tax

The following are the major tax assets/liabilities recognised by the Company, and the movements thereon.

	Accelerated capital allowances £	Provisions £	Total £
At 1 January 2014	176,416	(121,059)	55,357
(Credit)/charge to income	(176,416)	121,059	(55,357)
At 31 December 2014	-	-	-
(Credit)/charge to income	-	-	-
At 31 December 2015	-	-	-

18. Share capital

	2015 £	2014 £
Equity shares		
Allotted and called up:		
1 Ordinary Share of £1	1	1

The Company has one class of Ordinary Share which carries no right to fixed income.

19. 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; national insurance contributions; local authority rates; and regulatory fees and levies; together with banking transactions such as loans and deposits undertaken in the normal course of banker-customer relationships.

NOTES TO THE FINANCIAL STATEMENTS

19. Related parties (continued.)

Group undertakings

The Company's immediate parent company is West Register Hotels (Holdings) Limited, a company incorporated in the UK. As at 31 December 2015, The Royal Bank of Scotland plc, a company incorporated in the UK, heads the smallest group in which the Company is consolidated. Copies of the consolidated financial statements may be obtained from Corporate Governance and Secretariat, RBS Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

The Company's ultimate holding company is The Royal Bank of Scotland Group plc, a company incorporated in the UK. As at 31 December 2015, The Royal Bank of Scotland Group plc heads the largest group in which the Company is consolidated. Copies of the consolidated financial statements may be obtained from Corporate Governance and Secretariat, RBS Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ.