Company Registered No: SC382532

WEST REGISTER (HOTELS NUMBER 3) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2019

CONTENTS

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:	Ernst & Young LLP Atria One 144 Morrison Street Edinburgh EH3 8EX

Registered in Scotland

DIRECTORS' REPORT

The directors of West Register (Hotels Number 3) Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 2019.

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 was a hotelier and property owner.

The Company previously owned 9 hotels across England, of which all 9 have been disposed.

Review of the year

Business review
The Company has disposed of its assets in 2018 resulting in it ceasing to trade. It is expected to receive the VAT litigation claim of £135,000 from the 3rd party and after that the Company will be placed into liquidation. Post balance sheet events are described in note 11 to the financial statements.

Financial performance
The Company's financial performance is presented on pages 7 to 9. The Profit before taxation for the year is £76,798 (2018: loss of £15,238). The retained profit for the year is £76,798 (2018: loss of £15,297).

At the end of the year total assets were £158,317 (2018: £93,344).

Dividends
No dividends paid during the year (2018: £10,870).

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

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

The Company is funded by facilities from NatWest Markets plc. These are denominated in Sterling, which is the functional currency and carry no significant financial risk.

The principal risk associated with the Company's businesses is 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.

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

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

DIRECTORS' REPORT

Going concern

These financial statements are prepared on an other than going concern basis, see note 1(a) on page 10.

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. For the reason stated in Note 1(a), the financial statements have not been prepared on a going concern basis but on a basis other than 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 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.

DIRECTORS AND COMPANY SECRETARY

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

From 1 January 2019 to till date, there have been no changes taken place.

DIRECTORS' REPORT

AUDITOR

Ernst & Young LLP has expressed its willingness to continue in office as auditor.

Approved by Board of Directors and signed on its behalf

J M Rowney
Director
Date: 4 September 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST REGISTER (HOTELS NUMBER 3) LIMITED

Opinion

We have audited the financial statements of West Register (Hotels Number 3) Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – financial statements prepared on a basis other than going concern

We draw attention to Note 1(a) to the financial statements which explains that the Directors intend to liquidate the Company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in note 1(a). Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST REGISTER (HOTELS NUMBER 3) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLP

Nathan Pietsch (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh

4 September 2020

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2019

Discontinued Operations	Note	2019 £	2018 £
Administrative expenses	3	(76,798)	15,238
Operating Profit/(loss) before tax		**76,798**	(15,238)
Profit/(loss) before tax		**76,798**	(15,238)
Tax charge	4	-	(59)
Profit/(loss) and total comprehensive income/(loss) for the year		**76,798**	(15,297)

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

BALANCE SHEET
as at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Trade and other receivables	5	135,000	-
Amounts due from Group companies	6	-	4,270
Cash at bank		23,317	89,074
		158,317	93,344
Total assets		158,317	93,344
Current liabilities			
Amounts due to Group undertakings	7	26,400	-
Accruals, deferred income and other liabilities	8	6,000	44,225
		32,400	44,225
Total liabilities		32,400	44,225
Equity			
Called up share capital	9	1	1
Retained earnings		125,916	49,118
Total equity		125,917	49,119
Total liabilities and equity		158,317	93,344

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

The financial statements were approved by the Board of Directors on 4 September 2020 and signed on its behalf by:

J M Rowney

J M Rowney
Director

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

	Share capital	Retained earnings	Total
	£	£	£
At 1 January 2018	1	75,285	75,286
Dividends paid		(10,870)	(10,870)
Loss for the year		(15,297)	(15,297)
At 31 December 2018	1	49,118	49,119
Profit for the year		**76,798**	**76,798**
At 31 December 2019	**1**	**125,916**	**125,917**

Total comprehensive income for the year of £76,798 (2018: comprehensive loss of £15,297) was wholly attributable to the owners of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Preparation and presentation of financial statements

These financial statements are prepared

- on other than going concern basis. Under this basis, the assets have been measured at recoverable values and liabilities at settlement/transfer values.

  The directors, having regard to their intention to place the Company in liquidation, have prepared the accounts on a basis other than as a going concern. The directors do not consider that this basis affects the measurement of the assets or the liabilities of the Company. The costs of winding up will be borne by NatWest Market Plc.

  In the first quarter of 2020, the World Health Organisation declared the Covid-19 outbreak to be a pandemic. Many governments, including the UK, have taken stringent measures to contain and/or delay the spread of the virus. Actions taken in response to the spread of Covid-19 have resulted in severe disruption to business operations and a significant increase in economic uncertainty, with more volatile asset prices and currency exchange rates, and a marked decline in long-term interest rates in developed economies.

  The NatWest Markets Group (the "Group") has a well-developed business continuity plan which includes pandemic response, enabling the Group to quickly adapt to these unprecedented circumstances and continue as viable business.

  There remains significant uncertainty regarding the developments of the pandemic and the future economic recovery. The directors have considered the impact of Covid-19 on the Company and, given the decision to place the Company in liquidation, the directors do not consider that the Covid-19 pandemic will have a material impact on the Company in the future.

- 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).

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. The Company's financial statements are presented:

- in accordance with the Companies Act 2006;
- in Sterling which is the functional currency of the Company; and
- with the benefit of the disclosure exemptions permitted by FRS 101 with regard to:
  - cash-flow statement;
  - standards not yet effective;
  - related party transactions;
  - disclosure requirements of IFRS 7 "Financial Instruments: Disclosure" and IFRS 13 "Fair value Measurement"

Where required, equivalent disclosures are given in the group accounts of The Royal Bank of Scotland Group plc, these accounts are available to the public and can be obtained as set out in note 10.

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

The Company ceased to trade during the 2018 financial year and has not traded since then. These events did not require the Company to remeasure, reclassify or adjust the settlement date of any assets or liabilities. IAS 1 paragraph 25 "Presentation of Financial Statements" describes the preparation of financial statements in such circumstances as being other than on a going concern basis.

b) Revenue recognition

Turnover represents the total value of construction works on developments sold during the year. Construction work in progress, 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 to the parent or other group company, and the transfer of all related risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

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

Current tax is income tax payable or recoverable in respect of the taxable profit or loss for the year arising in income, other comprehensive income or in equity. Provision is made for current tax at rates enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable in respect of temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered. Deferred tax is not recognised on temporary differences that arise from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is calculated using tax rates expected to apply in the periods when the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date.

d) Financial instruments
Financial instruments are classified either by product, by business model or by reference to the IFRS default classification.

Classification by product relies on specific designation criteria which are applicable to certain classes of financial assets or circumstances where accounting mismatches would otherwise arise. Classification by business model reflects how the Company manages its financial assets to generate cash flows. A business model assessment determines if cash flows result from holding financial assets to collect the contractual cash flows; from selling those financial assets; or both.

The product classifications apply to financial assets that are either designated at fair value through profit or loss (DFV), or to equity investments designated as at fair value through other comprehensive income (FVOCI). In all other instances, fair value through profit or loss (MFVTPL) is the default classification and measurement category for financial assets

Regular way purchases of financial assets classified as amortised cost, are recognised on the settlement date; all other regular way transactions in financial assets are recognised on the trade date.

All financial instruments are measured at fair value on initial recognition.

All liabilities not subsequently measured at fair value are measured at amortised cost.

Most financial assets are held to collect the contractual cash flows that comprise solely payments of principal and interest and are measured at amortised cost. Certain financial assets managed under a business model of both to collect contractual cash flows comprising solely of payments of principal and interest, and to sell, are measured at fair value through other comprehensive income (FVOCI).

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

Expected credit losses are a probability-weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

NOTES TO THE FINANCIAL STATEMENTS

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. Administrative expenses

	2019	**2018**
	£	**£**
VAT recovery	**(135,000)**	-
Legal and professional fees	**52,202**	9,238
Audit fees	**6,000**	6,000
	(76,798)	15,238

VAT recovery amounting £135,000 represents the amount due from the 3rd party involved in the VAT dispute.

The auditor's remuneration for statutory audit work for the Company was of £5,000 (2018: £5,000). Auditor's remuneration is subject to VAT of £1,000 (2018: £1,000) which is irrecoverable by the Company.

Directors' emoluments

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. There are no other staff.

4. Taxation

	2019	2018
	£	£
Current taxation		
Under provision in respect of prior periods	-	59
	-	59
Tax charge for the year	-	59

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

	2019	2018
	£	£
Operating profit/(loss) before tax	**76,798**	(15,238)
Expected tax charge/(credit)	**14,592**	(2,895)
Current year losses carried forward	-	2,895
Losses brought forward and utilised	**(14,592)**	-
Adjustments in respect of prior periods	-	59
Actual tax charge for the year	-	59

Deferred Tax

No Deferred Tax Asset has been recognised in respect of £98,473 (2018 £175,271) post cessation losses due to insufficient evidence of sufficient and appropriate profits arising in the future against which they can be offset.

5. Trade and other receivables

	2019	2018
	£	£
Other receivable	**135,000**	-

NOTES TO THE FINANCIAL STATEMENTS

6. Amount due from group companies

	2019 £	2018 £
Amount due from West Register (Property Investments) limited	-	4,270

7. Amount due to group companies

	2019 £	2018 £
Amount due to Natwest Bank	20,400	-
Amount due to West Register (Property Investments) limited	6,000	-
	26,400	-

8. Accruals, deferred income and other liabilities

	2019 £	2018 £
Accruals - professional & audit fees	6,000	44,225

9. Share Capital

Equity shares	2019 £	2018 £
Authorised:		
1 ordinary share of £1	1	1
Allotted, called up and fully paid:		
1 ordinary share of £1	1	1

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

10. Related parties

UK Government

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

The Company enters into transactions with these bodies on an arms' length basis; they include the payment of UK corporation tax, Value Added Tax and deposits undertaken in the normal course of banker-customer relationships.

Group Companies

At 31 December 2019

The Company's immediate parent was:	West Register (Property Investments) Limited
The smallest consolidated accounts including the company were prepared by:	NatWest Markets plc
The ultimate parent company was:	The Royal Bank of Scotland Group plc

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

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

NOTES TO THE FINANCIAL STATEMENTS

11. Post balance sheet events

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