

**Company Registered No: SC382532**

**WEST REGISTER (HOTELS NUMBER 3) LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

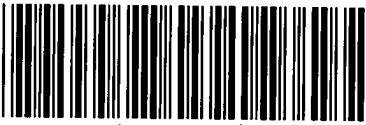
**For the year ended 31 December 2018**

**COMPANIES HOUSE  
EDINBURGH**

**13 JUN 2019**

**FRONT DESK**

**THURSDAY**



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SCT 13/06/2019 #24  
COMPANIES HOUSE

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**WEST REGISTER (HOTELS NUMBER 3) LIMITED**

**SC382532**

**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 2018.

**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.

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

**Review of the year****Business review**

The Company has disposed of its assets and it is the directors' intention to place the Company into liquidation.

**Financial performance**

The Company's financial performance is presented on pages 7 to 9. The loss before taxation for the year was £15,238 (2017: £168,404). The retained loss for the year was £15,297 (2017: £164,209). At the end of the year total assets were £93,344 (2017: £234,273).

**Dividends**

A dividend of £10,870 (2017: £nil) was declared and paid during the year.

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

**DIRECTORS' REPORT****GOING CONCERN**

The directors, having regard to their intention to place the Company in liquidation within the next 12 months, have prepared the accounts on the basis other than as a going concern. The directors do not consider that this basis affects the valuation of the assets or the liabilities of the Company; any cost of liquidation will be borne by NatWest Markets Plc.

**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 1a), 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' INDEMNITIES**

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

**DIRECTORS AND COMPANY SECRETARY**

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

**WEST REGISTER (HOTELS NUMBER 3) LIMITED**

**SC382532**

**DIRECTORS' REPORT**

**INDEPENDENT AUDITOR**

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

Approved by Board of Directors and signed on its behalf



**M Brandwood**

**Director**

**Date: 6 June 2019**

## **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 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13, 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 2018 and of its loss 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.

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

### **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.

### **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.



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

**Use of our report**

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

ERNST & YOUNG LLP

Jean-Philippe Faillat (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

11<sup>th</sup> JUNE 2019

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2018

		2018	2017
	Note	£	£
<b>Discontinued operations</b>			
Turnover	3	-	4,270
Gross profit		-	4,270
Administrative expenses	4	(15,238)	(152,725)
		<u>(15,238)</u>	<u>(152,725)</u>
<b>Operating loss</b>		<b>(15,238)</b>	<b>(148,455)</b>
Interest payable	5	-	(19,949)
Loss before tax		<b>(15,238)</b>	<b>(168,404)</b>
Tax (charge)/credit	6	(59)	4,195
<b>Loss and total comprehensive loss for the year</b>		<b><u>(15,297)</u></b>	<b><u>(164,209)</u></b>

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

**WEST REGISTER (HOTELS NUMBER 3) LIMITED****SC382532****BALANCE SHEET**  
**as at 31 December 2018**

	Note	2018 £	2017 £
<b>Current assets</b>			
Amounts due from group undertakings	7	4,270	4,270
Cash at bank		89,074	225,605
Current tax asset		-	4,398
		<b>93,344</b>	<b>234,273</b>
<b>Total assets</b>		<b>93,344</b>	<b>234,273</b>
<b>Current liabilities</b>			
Trade and other payables	8	-	130,000
Accruals, deferred income and other liabilities	9	44,225	28,987
		<b>44,225</b>	<b>158,987</b>
<b>Total liabilities</b>		<b>44,225</b>	<b>158,987</b>
<b>Equity</b>			
Called-up share capital	10	1	1
Profit and loss account		49,118	75,285
<b>Total equity</b>		<b>49,119</b>	<b>75,286</b>
<b>Total liabilities and equity</b>		<b>93,344</b>	<b>234,273</b>

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 6 June 2019 and signed on its behalf by:



M Brandwood  
Director

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2018

	Share capital £	Profit and loss account £	Total £
<b>At 1 January 2017</b>	1	(12,935,506)	(12,935,505)
Capital injection	-	13,175,000	13,175,000
Loss for the year	-	(164,209)	(164,209)
<b>At 31 December 2017</b>	1	75,285	75,286
Dividends paid	-	(10,870)	(10,870)
Loss for the year	-	(15,297)	(15,297)
<b>At 31 December 2018</b>	<b>1</b>	<b>49,118</b>	<b>49,119</b>

Total comprehensive loss for the year of £15,297 (2017: £164,209) was wholly attributable to the equity holders 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 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 which approximates, without material differences, the recoverable value for assets and settlement value for liabilities.

The Company has early adopted all of the amendments to FRS 101 as a result of the Triennial review 2017 amendments with effect from 1 January 2018.

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 12.

The changes to IFRS that were effective from 1 January 2018 have had no material effect on the Company's financial statements for the year ended 31 December 2018.

The intention of the Board of Directors is to liquidate the Company within the next 12 months. International Accounting Standard (IAS) 1 "Presentation of Financial Statements" requires the financial statements in such circumstances to be prepared on a basis other than going concern. The directors do not consider that this has affected the recognition and measurement of the assets or liabilities of the Company as described in the accounting policies below, and no material adjustments have arisen as a result of ceasing to apply the going concern basis. Any cost of the liquidation will be borne by NatWest Markets Plc.

**b) 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.

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.

## 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. Turnover**

	2018 £	2017 £
Other revenue	-	4,270

The Company has not earned any income during the current year. In 2017, there was a one time case receivable from CBRE which was recognised as other revenue.

**4. Administrative expenses**

	2018 £	2017 £
Value added tax	-	130,000
Legal and professional fees	9,238	5,734
Audit fees	6,000	16,987
Other charges	-	4
	<b>15,238</b>	<b>152,725</b>

The auditor's remuneration for statutory audit work for the Company was of £5,000 (2017: £12,000). Auditor's remuneration is subject to VAT of £1,000 (2017: £2,400) 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.

**5. Interest payable**

	2018 £	2017 £
Interest payable to group undertakings	-	19,949

Interest was payable on an overdraft facility from NatWest markets Plc which has been settled in 2017.

**6. Tax**

	2018 £	2017 £
<b>Current tax:</b>		
UK corporation tax credit for the year	-	(3,840)
Under/(over) provision in respect of prior periods	59	(355)
	<b>59</b>	<b>(4,195)</b>
<b>Tax charge/(credit) for the year</b>	<b>59</b>	<b>(4,195)</b>

## NOTES TO THE FINANCIAL STATEMENTS

## 6. Tax (continued)

The actual tax charge/(credit) differs from the expected tax charge/(credit) computed by applying the standard rate of UK corporation tax of 19% (2017: blended tax rate 19.25%) as follows:

	2018 £	2017 £
Loss before tax for the year	(15,238)	(168,404)
Expected tax credit	(2,895)	(32,452)
Non-deductible items	-	40
Current year losses carried forward	2,895	28,572
Adjustments in respect of prior periods	59	(355)
Actual tax charge/(credit) for the year	59	(4,195)

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted at the balance sheet date standing at 19% from 1 April 2017 and 17% from 1 April 2020.

## Deferred Tax

No Deferred Tax asset has been recognised in respect of £nil (2017: £558,496) capital losses due to insufficient evidence of sufficient and appropriate profits arising in the future against which they can be offset.

No Deferred Tax asset has been recognised in respect of £175,271 (2017: £160,033) post cessation losses due to insufficient evidence of sufficient and appropriate profits arising in the future against which they can be offset.

## 7. Amounts due from group undertakings

	2018 £	2017 £
Due from West Register Property Investments Limited	4,270	4,270

## 8. Trade and other payables

	2018 £	2017 £
Value added tax payable	-	130,000

## 9. Accruals, deferred income and other liabilities

	2018 £	2017 £
Accruals	44,225	28,987

The accruals represent the amounts payable for audit fees and legal fees.

## 10. Share capital

	2018 £	2017 £
<b>Equity shares</b>		
<b>Authorised:</b>		
1 Ordinary Share of £1	1	1
<b>Allotted, called-up and fully paid:</b>		
1 Ordinary Share of £1	1	1

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

**NOTES TO THE FINANCIAL STATEMENTS****11. Contingent assets**

In respect of the disposal of Company's hotel property i.e. Best Western Consort Hotel, Rotherham, HMRC advised the sale transaction constituted a taxable supply which results into a VAT liability of £130,000 for the Company. However, the original sale Agreement specifies that buyer shall pay to the seller for an amount equal to the VAT together with any applicable penalties and interest. No receivables have been recognised during the financial year, as the receipt of the consideration is not virtually certain and dependent on future events.

**12. Related parties****UK Government**

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

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

**Group Companies**

At 31 December 2018

The Company's immediate parent was:	West Register Hotels (Holdings) 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 Corporate Governance and Regulatory Affairs, The Royal Bank of Scotland, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

**13. Post balance sheet events**

There have been no significant events between the year end and the date of approval of these financial statements which would require a change to or disclosure in the financial statements.