Company Registered No: SC140588

WEST REGISTER (PROPERTY INVESTMENTS) 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:	NatWest Markets Secretarial Services Limited
REGISTERED OFFICE:	RBS Gogarburn 175 Glasgow Road Edinburgh EH12 1HQ
INDEPENDENT AUDITOR:	Ernst & Young LLP Atria One 144 Morrison Street Edinburgh EH3 8EX

Registered in Scotland

DIRECTORS' REPORT

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

CHANGE OF REGISTERED OFFICE

On 9 September 2020, the registered office of the Company changed from 24/25, St Andrew Square, Edinburgh, EH2 1AF to, RBS Gogarburn, 175 Glasgow Road, Edinburgh, EH12 1HQ.

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 was that of a property investment company and currently existing as an investment holding company.

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

The Company's objective was to maximise the overall recovery for the shareholder (NatWest Group plc) through the active management and eventual realisation of assets purchased. The Company acted 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 NatWest group company.

The Company is a subsidiary of NatWest 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 RBS Group review these matters on a group basis. Copies can be obtained from Legal Governance & Regulatory Affairs, RBS, Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ, the Registrar of Companies or at www.natwestgroup.com.

The NatWest Group comprises NatWest Group plc and its subsidiaries.

Review of the year

Business review

The directors are satisfied with the Company's performance in the year. Post balance sheet events are described in note 15 to the financial statements

Financial performance

The Company's financial performance is presented on pages 9 to 11. The profit before taxation for the year was £267,486 (2018: £8,083,850). The retained profit for the year was £305,774 (2018: £8,066,253).

At the end of the year total assets were £4,827,080 (2018: £4,573,017).

No dividend was declared or paid in the current year (2018: £45,000,000).

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 Company's assets mainly comprise of bank balances and trade receivables which would expose it to interest, credit, liquidity and market risk.

The principal risks associated with the Company are as follows:

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.

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 repricing mismatches.

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.

Credit risk
Credit risk management seeks to match the risk of credit failure to price of credit on granting a facility 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.

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 NatWest 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.

DIRECTORS' REPORT

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 plc 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 plc.

Going concern

These financial statements are prepared on a going concern basis, see note 1(a) on page 12.

DIRECTORS AND SECRETARY

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

From 1 January 2019 to date the following changes have taken place:

Secretary	Appointed	Resigned
NatWest Group Secretarial Services Limited (formerly RBS Secretarial Services Limited)	-	1 October 2019
NatWest Markets Secretarial Services Limited	1 October 2019	-

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 year. 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.

DIRECTORS' 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 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 has been indemnified under the qualifying third-party terms.

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:

JMRowney

J M Rowney
Director
Date: 15 December 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST REGISTER (PROPERTY INVESTMENTS) LIMITED

Opinion

We have audited the financial statements of West Register (Property Investments) 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 15, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 (PROPERTY INVESTMENTS) 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' exemptions 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 4, 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 (PROPERTY INVESTMENTS) 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

Nathan Pietsch (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
17 December 2020

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2019

Income from continuing operations	Note	2019 £	2018 £
Turnover	3	-	102,239
Gross profit		-	102,239
Loss on disposal of assets	4	-	(4,100,000)
Reversal of onerous lease provision		-	4,100,000
Other operating income	5	211,815	8,076,217
Administrative expenses	6	55,671	(94,606)
Profit before tax		267,486	8,083,850
Tax credit/(charge)	7	38,288	(17,597)
Profit and total comprehensive income for the financial year		305,774	8,066,253

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

BALANCE SHEET
as at 31 December 2019

	Note	2019 £	2018 £
Non-current assets			
Investments in group companies	8	**49,120**	3
		49,120	3
Current assets			
Amounts due from group companies	9	**43,019**	110
Trade and other receivables	10	**196,186**	386,781
Cash at bank		**4,538,755**	2,110,897
Current tax assets		**-**	2,075,226
		4,777,960	4,573,014
Total assets		**4,827,080**	4,573,017
Current liabilities			
Amounts due to group companies	11	**41,899**	4,900
Accruals, deferred income and other liabilities	12	**14,999**	124,507
Current tax liabilities		**20,798**	-
		77,696	129,407
Total liabilities		**77,696**	129,407
Equity			
Called up share capital	13	**2**	2
Capital contribution		**31,000,000**	31,000,000
Profit and loss account		**(26,250,618)**	(26,556,392)
Total equity		**4,749,384**	4,443,610
Total liabilities and equity		**4,827,080**	4,573,017

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 15 December 2020 and signed on its behalf by:

JMRowney

J M Rowney
Director

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

	Share capital	Capital contribution	Profit and loss account	Total
	£	£	£	£
At 1 January 2018	2	31,000,000	10,377,355	41,377,357
Profit for the financial year	-	-	8,066,253	8,066,253
Dividends paid	-	-	(45,000,000)	(45,000,000)
At 31 December 2018	2	31,000,000	(26,556,392)	4,443,610
Profit for the financial year	-	-	**305,774**	**305,774**
At 31 December 2019	**2**	**31,000,000**	**(26,250,618)**	**4,749,384**

Total comprehensive income for the year of £305,774 (2018: £8,066,253) 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 a going concern basis. 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.

  NatWest Holdings 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 most likely expected financial impact is in respect of the Company's profitability, assets, operations and liquidity which management continues to monitor.

  In assessing going concern, a Covid-19 impact analysis was performed across the NatWest Group. The directors have also considered the uncertainties associated with Covid-19 including the different ways in which this could impact the cash flows, capital, solvency and liquidity position of the Company and any mitigations management have within their control to implement. Refer to note 15 for further details on factors considered. Based on this assessment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and have prepared the financial statements 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.

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:
  - comparative information in respect of certain assets;
  - 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 14.

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

b) Consolidated financial statements
The financial statements contain information about West Register (Property Investments) Limited ("the Company") as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under IFRS 10 Consolidated Financial Statements and section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as in accordance with IFRS 10 the Company and its subsidiaries are included by full consolidation in the IFRS consolidated financial statements of its parent, The Royal Bank of Scotland Group plc, a public company registered in Scotland whose registered address is 36 St Andrew Square, Edinburgh, EH2 2YB.

c) Revenue recognition
Turnover represents the total value of construction works on developments sold during the year. Development property represents construction and development work stated at the lower of cost or net realisable value. Cost represents direct materials, labour, production and capitalised interest incurred during the period of development.

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.

Investment property - Rental income from investment property is recognised on a straight-line basis over the term of the lease. 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 profit or loss.

d) 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.

e) Investment in subsidiaries
Investments in group companies are stated at cost less any impairment.

f) 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.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

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 FVOCI.

g) 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.

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 in accordance with IFRS 9 "Financial Instruments".

A financial liability is removed from the balance sheet when the obligation is discharged, or cancelled, or expires.

i) Cash at bank
Cash at bank represents deposits with banks.

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. In accordance with their responsibilities for these financial statements, the directors have considered whether there are any estimates important to the portrayal of the Company's performance and concluded that given the limited activity and resources of the Company in 2019 there are none to disclose.

NOTES TO THE FINANCIAL STATEMENTS

3. Turnover

	2019	2018
	£	£
Rental income	-	102,239

4. Loss on disposal of assets

	2019	2018
	£	£
Loss on disposal of assets	-	(4,100,000)

In the previous year 2018, the Company acquired the lease of South Woodham Ferrers for a total consideration of £7,000,000. The lease was subsequently sold for a consideration of £2,900,000 resulting in the loss of disposal of £4,100,000 which was equal to the onerous lease provision of £4,100,000 made in the year 2017 and hence this provision was subsequently released in 2018 on account of sale of lease.

5. Other operating income

	2019	2018
	£	£
Dividend income from group companies	**51,677**	7,733,329
Other income	**160,138**	342,888
	211,815	8,076,217

Note:

(1) During the year, the Company reclassified other income to other operating income. The reclassification represents a more accurate presentation of financial statements. Comparatives have been restated.

6. Administrative expenses

	2019	2018
	£	£
Property related expenses	**(53,476)**	(2,698)
Legal and professional fees	**(2,195)**	69,743
Management fees	-	27,561
	(55,671)	94,606

Management fees for 2018

Management fees include the costs of staff and directors borne by other members of the group, none of which can be apportioned meaningfully in respect of services to the Company. These were re-charged by NatWest Markets Plc, a fellow group undertaking.

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 staffs.

The auditor's remuneration for statutory audit work for the Company was £15,000 (2018: £15,000).

7. Tax

	2019 £	2018 £
Current tax:		
UK corporation tax charge/(credit) for the year	**21,582**	(2,051,400)
Over provision in respect of prior periods	**(59,870)**	(21,209)
Tax credit for the year	**(38,288)**	(2,072,609)
Deferred tax:		
Charge for the year	**-**	2,090,206
Tax (credit)/charge for the year	**(38,288)**	17,597

The actual tax (credit)/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 £
Expected tax charge	**50,822**	1,535,932
Non-deductible items	**1,616**	(27,793)
Non-taxable items	**(9,819)**	(1,469,333)
Capital losses brought forward and utilised	**(21,037)**	-
Adjustments in respect of prior periods	**(59,870)**	(21,209)
Actual tax (credit)/charge for the year	**(38,288)**	17,597

Deferred tax

Deferred tax assets comprise:

	Accelerated capital allowances £'000
At 1 January 2018	(2,090,206)
Charge to income statement	2,090,206
At 31 December 2018 and 2019	-

A deferred tax asset has not been recognised on chargeable losses of approximately £3,790,000 (2018 - £4,207,715) as there was insufficient evidence as to their recoverability.

8. Investment in group companies

	2019 £	2018 £
At 1 January	**3**	3
Additions	**49,119**	-
Disposals	**(2)**	-
At 31 December	**49,120**	3

NOTES TO THE FINANCIAL STATEMENTS

8. Investment in group companies (continued)

The subsidiary undertakings of the Company, which have accounting reference date of 31 December, are:

Name of subsidiary	Note	Proportion of ownership interest and voting power (%)	Country of incorporation	Principal activity
West Register Hotels (Holdings) Limited	(1)	100	Scotland	Property Company
West Register (Hotels Number 3) Limited	(1)	100	Scotland	Property Company

(1) The registered office is RBS Gogarburn, 175 Glasgow Road, Edinburgh, EH12 1HQ.

Note:

(a) West Register (Residential Property Investments) Limited was dissolved on 18 January 2019.
(b) West Register Hotels (Holdings) Limited was placed into liquidation on 30 December 2019.
(c) West Register (Hotels Number 3) Limited was acquired from West Register Hotels (Holdings) Limited at nil consideration by way of dividend in specie. The book value of the entity which matched the dividend was funded out of the reserves of West Register (Hotels Number 3) Limited and transferred to West Register (Property Investments) Limited.

9. Amounts due from group companies

	2019	2018
	£	£
West Register (Hotels Number 3) Limited	**6,000**	-
West Register (Realisations) Limited	**23,082**	110
Land Options (West) Limited	**13,937**	-
	43,019	110

10. Trade and other receivables

	2019	2018
	£	£
Due within one year		
VAT recoverable	**-**	13,158
Other receivables	**196,186**	76,515
Aylesbury Escrow	**-**	297,108
	196,186	386,781

Note:

(1) During the year, the Company reclassified other assets under prepayments, accrued income and other assets to other receivables under trade and other receivables. The reclassification represents a more accurate presentation of financial statements. Comparatives have been restated.

11. Amounts due to group companies

	2019	2018
	£	£
West Register (Hotels Number 3) Limited	**-**	4,270
West Register (Realisations) Limited	**-**	630
National Westminster Bank Plc	**41,899**	-
	41,899	4,900

12. Accruals, deferred income and other liabilities

	2019	2018
	£	£
Accruals	14,999	120,111
Other liabiities	-	4,396
	14,999	124,507

13. Share capital

	2019	2018
	£	£
Authorised:		
1,000 Ordinary shares of £1 each	1,000	1,000
Alloted, called up and fully paid:		
2 Ordinary shares of £1 each	2	2

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

14. 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 taxes including UK corporation tax and Value Added Tax.

14. Related parties (continued)

Group companies

At 31 December 2019

The Company's immediate parent was:	NatWest Markets Plc
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.

15. 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 could be an impact on profitability, assets, operations, liquidity and the directors continue to monitor this, however, at this stage do not consider there to be any material issues for the Company.