Company Registered No: SC261224

RBS PROPERTY VENTURES INVESTMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2019

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:	P D Eyre S C Lowe
COMPANY SECRETARY:	NatWest Markets Secretarial Services Limited
REGISTERED OFFICE:	24/25 St Andrew Square Edinburgh EH2 1AF
INDEPENDENT AUDITOR:	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY

Registered in Scotland

DIRECTORS' REPORT

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

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 property investment.

Review of the year

Business review
The directors are satisfied with the Company's performance in the year. The Company will be guided by its shareholder in seeking further opportunities for growth through its investments.

Post balance sheet events are described in note 9 to the financial statements.

Financial performance
The Company's financial performance is presented on pages 8 to 10.

Expenses fell by £23,658 (2018 rose by: £28,187). The loss for the year was £5,748 (2018: £24,907), a decrease of 76.92% over 2018.

The directors do not recommend the payment of a dividend (2018: nil).

At the end of the year, the balance sheet showed total assets of £635,315 (2018: £640,081).

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 investment and cash and cash equivalents which would expose it to credit risk except that the counterparties are group companies and credit risk is not considered significant.

Market risk
Market risk is the potential for loss as a result of adverse changes in risk factors including interest rates, foreign currency and equity prices together with related parameters such as market volatilities.

The principal market risk to which the Company is exposed is interest rate.

Interest rate risk
Structural interest rate risk arises where assets and liabilities have different repricing maturities.

The Company manages interest rate risk by monitoring the consistency in the interest rate profile of its assets and liabilities, and limiting any re-pricing mismatches.

DIRECTORS' REPORT

Principal risks and uncertainties (continued)

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 is the risk that companies, financial institutions, individuals and other counterparties will be unable to meet their obligations to the Company.

All material loans receivable are with group undertakings. Although credit risk arises this is not considered to be significant and no amounts are past due.

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.

Going concern
These financial statements are prepared on a going concern basis, see note 1(a) on page 11.

DIRECTORS AND SECRETARY

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

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

	Appointed	Resigned
Directors		
S C Lowe	1 February 2019	-
D A Middleton	-	4 February 2019
Secretary		
NatWest Markets Secretarial Services Limited	4 February 2019	-
RBS Secretarial Services Limited	-	4 February 2019

DIRECTORS' REPORT

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.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

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

AUDITOR

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

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

S C Lowe
Director
Date: 4 August 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS PROPERTY VENTURES INVESTMENTS LIMITED

Opinion

We have audited the financial statements of RBS Property Ventures Investments Limited ("the Company"), which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity for the year ended 31 December 2019 and the related notes 1 to 9, 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 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 – Effects of Covid-19

We draw attention to Notes 1(a) and 9 of the financial statements, which describe the economic and social disruption the company is facing as a result of Covid-19, which is impacting the current business operations and financial markets. Our opinion is not modified in respect of this matter.

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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS PROPERTY VENTURES INVESTMENTS LIMITED

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.

Opinion on other matter 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 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; or
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS PROPERTY VENTURES INVESTMENTS LIMITED

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

David Gonnelli (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

Date: 6th August 2020

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2019

	Notes	2019	2018
Income from continuing operations		**£**	£
Administrative expenses	**3**	**(7,092)**	(30,750)
Loss before tax		**(7,092)**	(30,750)
Tax credit	**4**	**1,344**	5,843
Loss and total comprehensive loss for the year		**(5,748)**	(24,907)

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

BALANCE SHEET
as at 31 December 2019

	Notes	2019 £	2018 £
Non current assets			
Other investments	**5**	**41**	41
Current assets			
Current tax asset		**1,344**	5,843
Cash at bank		**633,930**	634,197
		635,274	640,040
Total assets		**635,315**	640,081
Current liabilities			
Amount due to group companies	**6**	**18,105**	17,123
Total liabilities		**18,105**	17,123
Equity			
Called up share capital	**7**	**2**	2
Capital contribution		**15,500,000**	15,500,000
Profit and loss account		**(14,882,792)**	(14,877,044)
Total Equity		**617,210**	622,958
Total liabilities and equity		**635,315**	640,081

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

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

S C Lowe
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	15,500,000	(14,852,137)	647,865
Loss for the year	-	-	(24,907)	(24,907)
At 31 December 2018	2	15,500,000	(14,877,044)	622,958
Loss for the year	-	-	**(5,748)**	**(5,748)**
At 31 December 2019	**2**	**15,500,000**	**(14,882,792)**	**617,210**

Total comprehensive loss for the year of £5,748 (2018: £24,907) 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 accounts
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 Markets 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. 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 and
  - 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 8.

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) Taxation
Income tax expense or income, comprising current 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 recoverable in respect of the taxable 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.

c) Other investments
Other investments are stated at cost less any impairment.

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.

f) 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.

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

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. In accordance with their responsibilities for these financial statements, there are no estimates the directors consider most important to the portrayal of the Company's performance and financial condition.

3. Administrative expenses

	2019	2018
	£	£
VAT written off	2,000	-
Sundry expenses	20	-
Bank charges	72	72
Management fees	-	25,678
Audit fees	5,000	5,000
	7,092	30,750

Management fees for 2018 include the costs of staff and director borne by other members of the group, none of which can be apportioned meaningfully in respect of services to the Company. There were no such charges for 2019 due to the change in the central recharging process in the current year.

4. Tax

	2019	2018
	£	£
Current taxation:		
UK corporation tax credit for the year	(1,344)	(5,843)

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

	2019	2018
	£	£
Expected tax credit	(1,348)	(5,843)
Non-deductible items	4	-
Actual tax credit for the year	(1,344)	(5,843)

5. Other investments

	2019	2018
	£	£
Higher Broughton (GP) Limited	41	41

The Company owns 41% of the ordinary share capital of Higher Broughton (GP) Limited, a company registered in England and Wales with an accounting reference date of 31 December. Higher Broughton (GP) Limited acts as the General Partner to the Higher Broughton Partnership LP whose principal business is that of property redevelopment. The registered address of Higher Broughton (GP) Limited is Floor 3, 1 St. Ann Street, Manchester, M2 7LR.

NOTES TO THE FINANCIAL STATEMENTS

6. Amount due to group companies

	2019	2018
	£	£
National Westminster Bank plc	**18,105**	17,123

7. Share capital

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

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

8. 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.

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.

9. Post Balance Sheet Event

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 1a 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.