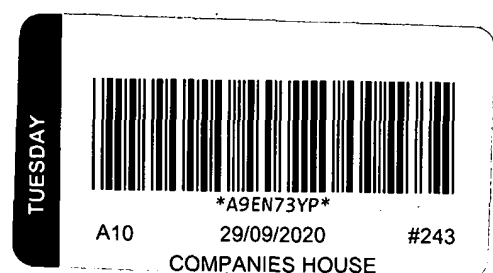


**Company Registered No: 02026375**

**RBOS (UK) LIMITED**

**Annual Report and Financial Statements**

**For the year ended 31 December 2019**



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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:** S C Lowe  
C White

**COMPANY SECRETARY:** NatWest Markets Secretarial Services Limited

**REGISTERED OFFICE:** 250 Bishopsgate  
London  
England  
EC2M 4AA

**INDEPENDENT AUDITOR:** Ernst & Young LLP  
Statutory Auditor  
144 Morrison Street  
Edinburgh  
EH3 8EX

**Registered in England and Wales**

**DIRECTORS' REPORT**

The directors of RBOS (UK) 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.

**Principal Activity**

The former principal activity of the Company was to provide corporate broking services to clients including inter alia, underwriting of shares and equity distribution.

The Company ceased trading during 2012 and since then has been limited to managing remaining interests arising from former activity.

**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 shareholders.

**Financial Performance**

The company's financial performance is presented on pages 6 to 8. The operating profit before taxation for the year was nil (2018: nil). The Company earned a tax credit of £193,447 resulting into retained profit for the year 2019 as £193,546 (2018: nil) and this was transferred to reserves.

An interim dividend paid during the year was nil (2018: £141,336).

At the end of the year, the Balance Sheet showed total assets of £193,547 (2018: £100). Total shareholders' funds were £193,547 (2018: £100).

**Principal risks and uncertainties**

The Company is part of NatWest Group plc ("NWM") which has established a comprehensive framework for managing risks, which is continually evolving as business activities change in response to market, credit, product and other developments.

The Company is only exposed to risk or uncertainty in relation to balances with members of NatWest Group plc. As a result disclosures relating to risk and capital management have not been included.

**Going concern**

These financial statements are prepared on a going concern basis, see note 1 (a) on page 9.

**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:

<b>Directors</b>	<b>Appointed</b>	<b>Resigned</b>
M Cole	-	26 April 2019
S C Lowe	30 April 2018	-
C White	26 April 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether FRS 101 has been followed; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the 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: 22 September 2020

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBOS (UK) LIMITED**

### **Opinion**

We have audited the financial statements of RBOS (UK) 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 8, 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 RBOS (UK) LIMITED (CONTINUED)**  
**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 entitled to take advantage of the small companies' exemption from preparing a Strategic Report.

**Responsibilities of directors**

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

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

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

*Ernst & Young LLP*

Nathan Pietsch (Senior Statutory Auditor)

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

Edinburgh, United Kingdom

Date: 23 September 2020

**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 December 2019

		<b>2019</b>	2018
	<b>Note</b>	<b>£</b>	<b>£</b>
<b>Income from discontinued operations</b>		-	-
<b>Profit on ordinary activities before tax</b>		-	-
<b>Tax credit</b>	<b>4</b>	<b>193,447</b>	-
<b>Total comprehensive income for the year</b>		<b>193,447</b>	-

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



**BALANCE SHEET**

As at 31 December 2019

	Note	2019 £	2018 £
<b>Current assets</b>			
Current tax asset	4	193,447	-
Cash at bank	6	100	100
<b>Total assets</b>		<b>193,547</b>	<b>100</b>
<b>Equity: capital and reserves</b>			
Share capital	7	1	1
Retained earnings		193,546	99
<b>Total equity</b>		<b>193,547</b>	<b>100</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 on 22 September 2020 and signed on its behalf by:



S C Lowe

Director

Date: 22 September 2020

**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 December 2019

	<b>Share capital</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2018</b>	1	141,435	141,436
Dividends paid	-	(141,336)	(141,336)
<b>At 31 December 2018</b>	1	99	100
Profit for the year	-	193,447	193,447
<b>At 31 December 2019</b>	<u>1</u>	<u>193,546</u>	<u>193,547</u>

Total comprehensive income for the year was £193,447 (2018: nil) was wholly attributable to the shareholders 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 Markets Group (the "Group") has a well-developed business continuity plan which includes pandemic response, enabling the Group to quickly adapt to these unprecedented circumstances and continue as viable business.

There remains significant uncertainty regarding the developments of the pandemic and the future economic recovery. The 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 Statements for the year ended 31 December 2019.

**1. Accounting policies (continued)****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, other comprehensive income or in equity. Provision is made for current tax at rates enacted or substantively enacted at the balance sheet date.

**c) Cash at bank**

Cash at bank comprises non-interest bearing deposits held with bank.

**d) Financial assets**

On initial recognition, financial assets are classified and measured at amortised cost.

**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 factors the directors consider most important to the portrayal of the Company's performance and financial condition are discussed below.

**Fair value - financial instruments**

Financial instruments classified as fair value through other comprehensive income are recognised in the Financial Statements at fair value. Unrealised gains and losses on financial assets are recognised directly in equity.

Financial instruments classified as designated as at fair value through profit or loss are recognised in the financial statements at fair value. Changes in fair value are recognised in profit or loss as they arise.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values are determined by reference to observable market prices where available and reliable. Where representative market prices for an instrument are not available or are unreliable because of poor liquidity, the fair value is derived from prices for its components using appropriate pricing or valuation models

**3. Operating expenses**

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.

The auditor's remuneration for statutory audit work of £10,000 (2018: £7,091) for the Company was born by NatWest Markets Plc. Remuneration paid to the auditor for non-audit work for the Company was nil (2018: nil).

**4. Tax**

	2019	2018
	£	£
<b>Current tax:</b>		
Over provision in respect of prior periods	<u>(193,447)</u>	-

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

	2019	2018
	£	£
Profit on ordinary activities before tax	-	-
Adjustments in respect of prior periods	<u>(193,447)</u>	-
Actual tax credit for the year	<u>(193,447)</u>	-

**5. Investments- designated as at fair value**

The Company holds 20,622 Ordinary Shares in Low Carbon Holdings Limited. The Low Carbon Holding Limited is in liquidation for winding up of its affairs. There remain small amounts of cash which may be distributed at the end of the liquidation once all the liquidation cost has been settled. Therefore, the Company has recorded the investment at NIL value for the financial year.

The Company also holds a beneficial interest over three items of deferred consideration in Dakota, Minnesota and Eastern Railroad Company (DM&ERC) following the disposal of shares in this company in 2007. The beneficial interest was deemed to have NIL value at the Balance Sheet date following the shelving of the expansion plans upon which the additional pay-outs were contingent.

**6. Cash at bank**

	2019	2018
	£	£
Cash at bank – RBS Plc	<u>100</u>	100

**7. Share capital**

	2019	2018
	£	£
<b>Authorised:</b>		
20,000,000 ordinary shares of £1 each	<u>20,000,000</u>	20,000,000
<b>Allotted, called up and fully paid:</b>		
Equity Shares		
Ordinary shares of £1 each	<u>1</u>	1

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 and Value Added 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 Corporate 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 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 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.

The Tax credit for £ 193,447 has been received post acceptance from HMRC in April 2020 as against the formal claim submitted in December 2019.

On 9 September 2020, as part of the dissolution of the partnership, £23,809 was received from Dakota, Minnesota and Eastern Railroad Company (DM&E).