

Company Registered No: 02580393

NATWEST CORPORATE INVESTMENTS

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2019

FRIDAY



A9EB31VC

A36

25/09/2020

#88

COMPANIES HOUSE

NATWEST CORPORATE INVESTMENTS**02580393****CONTENTS****Page**

Officers and professional advisers

1

Directors' report

2

Independent auditor's report

5

Statement of comprehensive income

7

Balance sheet

8

Statement of changes in equity

9

Notes to the financial statements

10

NATWEST CORPORATE INVESTMENTS

02580393

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS: C Catherall
R A Horrocks

COMPANY SECRETARY: RBS Secretarial Services Limited

REGISTERED OFFICE: 250 Bishopsgate
London
England
EC2M 4AA

INDEPENDENT AUDITOR: Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Registered in England and Wales

DIRECTORS' REPORT

The directors of NatWest Corporate Investments ("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 special provisions available to companies entitled to the small companies exemption and therefore does not include a Strategic report.

Activity

The principal activity of the Company was to hold investments in The Royal Bank of Scotland Finance (Ireland) Unlimited Company.

The NatWest Group comprises NatWest Group plc (formerly known as The Royal Bank of Scotland Group plc (RBSG 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 8 to the financial statements. The company has no plans to run any new business. It is the Director's intention to commence the process to wind up the company in the next 12 months.

Financial performance

The Company's financial performance is presented on pages 7 to 9.

The Company had received a dividend in 2019 for £814,815 (2018: £1,324,964). Profit for the year was £814,813 (2018: £1,314,510), a decrease of 38% over 2018.

The directors do not recommend the payment of dividend for 2019 (2018: £nil).

At the end of the year, the balance sheet showed total assets of £6,436,016 (2018: £5,637,936).

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's assets mainly comprise investments which would not expose it to any material risk except that the counterparties are group companies. As the Company is a holding company with no customers, other risks such as market risk, interest risk, currency risk, liquidity risk or credit risk are not material and would not expose it to any significant risk.

Future development

The financial statements of the Company have been prepared on a basis other than going concern because the directors intend to wind up the Company within 12 months from the date of this report. Under this basis assets are recorded at their recoverable value and liabilities are recorded at their expected settlement value.

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' REPORT**Directors' Duties (continued)**

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

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

SHARE CAPITAL

The Company reduced its share capital to 2 ordinary shares on 22 November 2019; details mentioned in note 6.

DIRECTORS AND SECRETARY

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

From 1 January 2019 to date no changes have taken place.

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. For the reason stated in Note 1 a), the financial statements have been prepared 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.

DIRECTORS' REPORT

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:



C Catherall
Director
Date: 16th September 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATWEST CORPORATE INVESTMENTS

Opinion

We have audited the financial statements of NatWest Corporate Investments ("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 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.

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 NATWEST CORPORATE INVESTMENTS

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.

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.

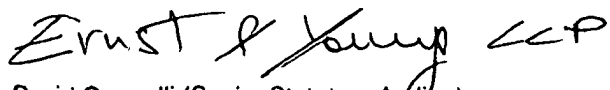
Auditor's responsibilities for the audit of the financial statements

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.



David Gonnelli (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2019

	Notes	2019 £	2018 £
Income from discontinued operations			
Dividend income		814,815	1,324,964
Bank charges		-	(27)
Operating profit before impairment losses		814,815	1,324,937
Impairment loss	5	(2)	-
Profit on ordinary activities before tax		814,813	1,324,937
Tax charge	4	-	(10,427)
Profit and total comprehensive income for the financial year		814,813	1,314,510

The Company had not recognised income or expenses in the period ended 31 December 2019 other than those dealt with in the Profit and Loss Account.

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

BALANCE SHEET
as at 31 December 2019

	Notes	2019 £	2018 £
Current assets			
Investment in group companies	5	-	2
Cash at bank		6,436,016	5,637,934
		<u>6,436,016</u>	<u>5,637,936</u>
Total assets		<u>6,436,016</u>	<u>5,637,936</u>
Current liabilities			
Current tax liabilities		-	16,733
		-	<u>16,733</u>
Total liabilities		-	<u>16,733</u>
Equity			
Called up share capital	6	2	3,000,000
Profit and loss account		6,436,014	2,621,203
Total equity		<u>6,436,016</u>	<u>5,621,203</u>
Total liabilities and equity		<u>6,436,016</u>	<u>5,637,936</u>

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 16th September 2020 and signed on its behalf by:



C Catherall
Director

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

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2018	3,000,000	1,306,693	4,306,693
Profit for the year	-	1,314,510	1,314,510
At 31 December 2018	3,000,000	2,621,203	5,621,203
Capital reduction	(2,999,998)	2,999,998	-
Profit for the year	-	814,813	814,813
At 31 December 2019	2	6,436,014	6,436,016

Total comprehensive income for the year of £814,813 (2018: £1,314,510) was wholly attributable to the owners of the company.

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Preparation and presentation of financial statements

These financial statements are prepared:

- on other than going concern basis. Under this basis, the assets have been measured at recoverable values and liabilities at settlement values. The directors, having regard to their intention to place the Company in liquidation within the next 12 months, have prepared the accounts on a basis other than as a going concern. The directors do not consider that this basis affects the measurement of the assets or the liabilities of the Company.
In the first quarter of 2020, the World Health Organisation declared the Covid-19 outbreak to be a pandemic. Many governments, including the UK, have taken stringent measures to contain and/or delay the spread of the virus. Actions taken in response to the spread of Covid-19 have resulted in severe disruption to business operations and a significant increase in economic uncertainty, with more volatile asset prices and currency exchange rates, and a marked decline in long-term interest rates in developed economies.
The NatWest Group Plc (the "Group") has a well-developed business continuity plan which includes pandemic response, enabling the Group to quickly adapt to these unprecedented circumstances and continue as viable business.
There remains significant uncertainty regarding the developments of the pandemic and the future economic recovery. The directors have considered the impact of Covid-19 on the Company and, given the decision to place the Company in liquidation within the next 12 months, the directors do not consider that the Covid-19 pandemic will have a material impact on the Company in the future; and
- under Financial Reporting Standard (FRS) 101 *Reduced Disclosure Framework* in accordance with the recognition and measurement principles of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU (together IFRS).

The Company meets the definition of a qualifying entity under FRS 100 Application of Financial Reporting Requirements issued by the Financial Reporting Council.

The Company is incorporated in the UK and registered in England and Wales 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:
 - 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 7.

The intention of the board of directors is to liquidate the company within the next 12 months. International Accounting Standards (IAS) 1 "Presentation of Financial Statements" required the financial statements in such circumstances to be prepared on the 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 National Westminster Bank Plc.

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.

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies (continued)****b) Consolidated financial statements**

The financial statements contain information about 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

Dividend income is recognised when the paying entity is obliged to make the payment.

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.

e) Investment in group companies

Investment in group companies are stated at cost less 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.

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').

g) 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.

h) Cash at bank

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, the factors the directors consider most important to the portrayal of the Company's performance and financial condition are discussed in the notes to financial statements.

3. Operating expenses**Staff costs, number of employees and directors' emoluments**

All staff and directors were employed by group companies and the financial statements of The Royal Bank of Scotland Group plc contain full disclosure of employee benefit expenses incurred in the period including share-based payments and pensions. The Company has no employees. 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 for the Company of £7,000 (2018: £7,091) was borne by NatWest Group plc.

4. Tax

	2019 £	2018 £
Current taxation		
UK Corporation tax charge for the year	-	10,427
Tax charge for the year	-	10,427

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

	2019 £	2018 £
Operating profit before tax	814,813	1,324,937
Expected tax charge	154,814	251,738
Non taxable item	(154,814)	(251,743)
Imputed interest	-	10,432
Actual tax charge for the year	-	10,427

5. Investment in group companies

Investment in group companies are carried at accumulated cost less impairment. Movements during the year were as follows:

	2019 £	2018 £
At 1 January	2	2
Impairment loss	(2)	-
At 31 December	-	2

NOTES TO THE FINANCIAL STATEMENTS

5. Investment in group companies (continued)

Name of subsidiary	Country of incorporation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
The Royal Bank of Scotland Finance (Ireland) Unlimited Company	Republic of Ireland	100	100	General financial trading company

The subsidiary of the Company are shown below:

The registered office for The Royal Bank of Scotland Finance (Ireland) Unlimited Company is at Third Floor, Ulster Bank Group Centre, George's Quay, Dublin, 2 and it has an accounting reference date of 31st December 2019.

During the year the Company has written-off its investment in the Royal Bank of Scotland Finance (Ireland) Unlimited Company which was liquidated later in February 2020.

6. Share capital

	2019 £	2018 £
Authorised:		
428,974,484 Ordinary shares of £1 each	<u>428,974,484</u>	<u>428,974,484</u>
Allotted, called up and fully paid:		
2 Ordinary shares of £1 each	<u>2</u>	<u>3,000,000</u>

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

During the year the Company reduced its share capital from 3,000,000 ordinary shares to 2 ordinary shares in accordance with the special resolution passed on 22 November 2019.

7. 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 corporation tax which is separately disclosed in note 4.

Group companies

As at 31 December 2019

The Company's immediate parent was:	National Westminster Bank Plc
The smallest consolidated accounts including the Company were prepared by:	National Westminster Bank Plc
The ultimate parent company was:	The Royal Bank of Scotland Group plc

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

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

NOTES TO THE FINANCIAL STATEMENTS

8. Subsequent 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 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, the directors continue to monitor this, however, at this stage do not consider there to be any material issues for the Company.