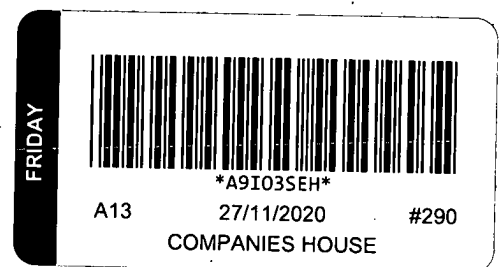


**Company Registered No: 03414708**

**THE ONE ACCOUNT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 December 2019**



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**THE ONE ACCOUNT LIMITED**

**03414708**

**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:**

J Fielding  
L D Matheson

**COMPANY SECRETARY:**

RBS Secretarial Services Limited

**REGISTERED OFFICE:**

250 Bishopsgate  
London  
England  
EC2M 4AA

**INDEPENDENT AUDITOR:**

Ernst & Young LLP  
144 Morrison Street  
Edinburgh  
EH3 8EX

**Registered in England and Wales**

**STRATEGIC REPORT**

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

**ACTIVITIES AND BUSINESS REVIEW****Activity**

The principal activity of the Company continues to be the earning of income from intellectual property rights associated with The One Account brand.

The Company is a subsidiary of NatWest Group plc (formerly known as The Royal Bank of Scotland Group plc (RBSG 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 review these matters on a group basis. Copies can be obtained from Legal Governance and Regulatory Affairs, RBS Gogarburn, PO Box 1000, Edinburgh, EH12 1HQ, the Registrar of Companies or at [www.natwestgroup.com](http://www.natwestgroup.com).

**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 in seeking further opportunities for growth.

**FINANCIAL PERFORMANCE**

The Company's financial performance is presented on pages 9 to 11.

The operating profit before taxation for the year was £12,015k (2018: £12,013k). The retained profit for the year was £10,255k (2018: £9,730k).

The directors declared and paid an interim dividend of £9,000k (2018: £9,000k).

At the end of the year total assets were £8,635k (2018: £7,522k).

**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 The Royal Bank of Scotland plc. These are denominated in sterling which is the functional currency and carry no significant financial risk.

The Company's assets mainly comprise cash at bank and amounts due from Group companies which would not expose it to any significant risk.

**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.

Details of the Company's exposure to interest is detailed below.

**STRATEGIC REPORT****Principal risks and uncertainties (continued)****Interest rate risk**

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

Interest rate risk arises where assets and liabilities have different repricing maturities. The Company is exposed to interest rate risk on amounts owed by group companies.

**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 companies. Although credit risk arises this is not considered to be significant and no amounts are past due.

**Liquidity risk**

Liquidity risk arises where assets and liabilities have different contractual maturities. Management focuses on risk arising from the mismatch of maturities across the balance sheet and from undrawn commitments and other contingent obligations. The Company manages its liquidity risk by having access to group funding.

**Operational risk**

Operational risks are inherent in the Company's business. Operational risk losses occur as the result of fraud, human error, missing or inadequately designed processes, failed systems, damage to physical assets, improper behaviour or from external events. The key mitigating processes and controls include risk and control assessment, scenario analysis, loss data collection, new product approval process, key risk indicators, notifiable events process and the self certification process. The implementation of these processes and controls is facilitated and overseen by operational risk teams, with internal audit providing independent evaluation of the control framework.

**Directors' Duties and Engagement with Stakeholders****Section 172(1) statement**

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.

**Board training and support on s.172(1) duties**

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.

**Engagement with suppliers, customers and others**

Customers are at the heart of everything NatWest Group does and the Board recognises the key role suppliers play in ensuring the company delivers a reliable service to customers. The company is also committed to managing the wider social, environmental and economic impacts of its operations which includes the way it deals with its customers and manages sustainability issues in its supply chain. Refer to [natwestgroup.com](http://natwestgroup.com) for NatWest Group's Modern Slavery Statement and details of the Supplier Code of Conduct, both of which apply to relevant subsidiaries within NatWest Group.

The company's key stakeholders and the range of engagement methods used by directors to understand their views and interests are employees of NatWest Group plc including Finance, Legal, Group Tax and External Reporting, who contribute to the formation of the yearly statutory accounts of this company signed by directors and are also directly impacted by the operations of the company.

**STRATEGIC REPORT****Engaging colleagues**

Engaging colleagues is crucial to the success of a company and the company benefits from NatWest Group's approach to colleague engagement. NatWest Group has a well-established colleague listening strategy designed to provide an open channel for colleagues to share their views.

NatWest Group's Colleague Advisory Panel (CAP), established in 2018, met twice during 2019, providing a valuable mechanism to engage directly with colleagues on topics of strategic interest affecting NatWest Group. Topics discussed with the CAP included purpose, future strategy, executive pay, inclusion and sustainability. Every year colleagues are asked to share their thoughts on what it's like to work for NatWest Group via a colleague opinion survey. The results are shared with all colleagues and detailed discussions take place across NatWest Group, including the company. Key themes from the results inform and shape people strategy. NatWest Group also has ongoing discussion and engagement with a number of employee representatives such as trade unions and work councils and regularly discuss developments and updates on the progress of strategic plans with the European Employee Council (ECC). Where colleagues wish to report any concerns relating to wrong doing or misconduct, one of the ways they can do this is by raising their concerns via Speak Up, NatWest Group's whistleblowing service.

NatWest Group is proud to be building an inclusive bank which is a great place for all colleagues to work. NatWest Group's inclusion guidelines apply to all colleagues globally and focus on five key priorities - LGBT Innovative, Gender Balanced, Disability Smart, Ethnically Diverse, all leading to Inclusive Culture. Detailed information can be found in the 2019 Annual Report and Accounts of RBSG plc and on [natwestgroup.com](http://natwestgroup.com).

**How stakeholder interests have influenced decision making**

The company recognises the importance of engaging with stakeholders to help inform the company's strategy and board decision making. Relevant stakeholder interests, including those of colleagues, are taken into account by the board when it takes decisions. The company defines principal decisions as those that are material to the company and also those that are significant to any of the company's key stakeholder groups.

All decisions taken by the board during the financial year were routine in nature but took account of relevant stakeholder interests, as appropriate.

Please refer to the Annual Report and Accounts of The Royal Bank of Scotland Group plc for further information on NatWest Group's approach to stakeholder engagement.

**GOING CONCERN**

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

**STRATEGIC 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 Strategic report, 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 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 Strategic report, Directors' report and financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**DISCLOSURE OF INFORMATION TO AUDITOR**

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


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

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

**DIRECTORS' INDEMNITIES**

NatWest Group plc has indemnified all of the directors under the qualifying third party terms.

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



J Fielding  
Director  
Date: 8<sup>th</sup> September 2020

**DIRECTORS' REPORT**

The Strategic report includes the review of the year, risk report, disclosure of information to auditors and directors' indemnities.

**DIRECTORS AND COMPANY 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:

	Appointed	Resigned
<b>Directors</b>		
J Fielding	3 February 2020	
M C Baird		27 September 2019
R A Haley	27 September 2019	3 February 2020

**INDEPENDENT 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:



J Fielding  
Director  
Date: 8<sup>th</sup> September 2020



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ONE ACCOUNT LIMITED**

### **Opinion**

We have audited the financial statements of The One Account Limited ("the Company") for the year ended 31 December 2019 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 13, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit/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**

We draw attention to Notes 1 and 12 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 Company's operations. 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 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 THE ONE ACCOUNT 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 strategic report and 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 strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

### Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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

Date: 10<sup>th</sup> September 2020

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2019

		2019	2018
	Notes	£'000	£'000
<b>Income from continuing operations</b>			
Interest receivable	3	20	18
<b>Net interest income</b>		20	18
Other operating income	4	12,000	12,000
<b>Non-interest income</b>		12,000	12,000
<b>Total income</b>		12,020	12,018
Operating expenses	5	(5)	(5)
<b>Profit on ordinary activities before tax</b>		12,015	12,013
Tax charge	6	(1,760)	(2,283)
<b>Profit and total comprehensive income for the financial year</b>		10,255	9,730


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

**BALANCE SHEET**  
as at 31 December 2019

	Notes	2019 £'000	2018 £'000
<b>Current assets</b>			
Amounts due from group companies	8	3,008	2,152
Deferred tax asset	6	19	25
Cash at bank		5,608	5,345
<b>Total assets</b>		<b>8,635</b>	<b>7,522</b>
<b>Current liabilities</b>			
Amounts due to group companies	9	53	196
Current tax liabilities		2,278	2,277
Accruals, deferred income and other liabilities	10	10	10
<b>Total liabilities</b>		<b>2,341</b>	<b>2,483</b>
<b>Equity</b>			
Called-up share capital	11	-	-
Profit and loss account		6,294	5,039
<b>Total equity</b>		<b>6,294</b>	<b>5,039</b>
<b>Total liabilities and equity</b>		<b>8,635</b>	<b>7,522</b>

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

The financial statements of the Company were approved and authorised for issue by the Board of Directors on 8<sup>th</sup> September 2020 and signed on its behalf by:



J Fielding  
Director

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

	Note	Share capital £'000	Profit and loss account £'000	Total £'000
<b>At 1 January 2018</b>		-	4,309	4,309
Profit for the year		-	9,730	9,730
Dividends paid	7	-	(9,000)	(9,000)
<b>At 31 December 2018</b>		-	5,039	5,039
Profit for the year		-	10,255	10,255
Dividends paid	7	-	(9,000)	(9,000)
<b>At 31 December 2019</b>		-	6,294	6,294

Total comprehensive income for the year of £10,255k (2018: £9,730k) 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 operations, which management continues to monitor.

In assessing going concern, a Covid-19 impact analysis was performed across the 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 has adopted all of the amendments to FRS 101 as a result of the Triennial review 2017 amendments with effect from 1st January 2018.

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

The Company is incorporated in the UK and registered in 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; and
  - disclosure requirements of IFRS 7 "Financial Instruments: Disclosure and IFRS 13 "Fair value Measurement"

Where required, equivalent disclosures are given in the group financial statements of The Royal Bank of Scotland Group plc, these financial statements are available to the public and can be obtained as set out in note 12.

The changes to IFRS that were effective from 1 January 2018 have had no material effect on the Company's Financial Statements for the year ended 31 December 2019.

**NOTES TO THE FINANCIAL STATEMENTS****1. Accounting policies (continued)****b) Revenue recognition**

Interest income or expense on financial instruments that are measured at amortised cost is determined using the effective interest rate method. The effective interest rate allocates the interest income or interest expense over the expected life of the asset or liability at the rate that exactly discounts all estimated future cash flows to equal the instrument's initial carrying amount. Calculation of the effective interest rate takes into account fees payable or receivable that are an integral part of the instrument's yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows. Negative effective interest accruing to financial assets is presented in interest payable.

Fees in respect of services are recognised as the right to consideration accrues through the provisions of services to customers. The arrangements are generally contractual and the cost of providing the service is incurred as the service is rendered. The price is usually fixed and always determinable.

**c) 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.

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.

**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.

## NOTES TO THE FINANCIAL STATEMENTS

## 1. Accounting policies (continued)

## d) Financial instruments (continued)

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) 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.

## 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.

## 3. Net Interest income

	2019 £'000	2018 £'000
Interest receivable	20	18

## 4. Other operating income

	2019 £'000	2018 £'000
Fees and commission receivable	12,000	12,000

Other operating income is attributable to the fees paid by RBS plc to the Company for the intellectual property rights associated with The One Account brand.

Revenue represents contractual fee income received from RBS plc.

## 5. Operating expenses

	2019 £'000	2018 £'000
Audit fees expense	5	5

## Directors' emoluments

The Company does not remunerate directors nor can remuneration from elsewhere in the group be apportioned meaningfully in respect of their services to the Company. There are no other staff.

The auditor's remuneration for statutory audit work of the Company was £5,000 (2018: £5,000) borne by the Company.



## NOTES TO THE FINANCIAL STATEMENTS

## 6. Tax

	2019 £'000	2018 £'000
<b>Current Tax:</b>		
UK corporation tax charge for year	2,278	2,277
Over provision in respect of prior periods	(524)	-
	<u>1,754</u>	<u>2,277</u>
<b>Deferred tax:</b>		
Charge for the year	6	6
Tax charge for the year	<u>1,760</u>	<u>2,283</u>

The actual tax charge does not differ from the expected tax charge computed by applying the standard rate of UK corporation tax of 19% (2018:19%) as follows:

	2019 £'000	2018 £'000
<b>Profit on ordinary activities before tax</b>	<b>12,015</b>	<b>12,013</b>
Expected tax charge	2,283	2,283
Adjustment in respect of prior periods	(524)	-
Reduction in deferred tax liability following change in UK corporation tax	1	-
Actual tax charge for the year	<u>1,760</u>	<u>2,283</u>

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the rates substantively enacted at the balance sheet date standing at 19% from 1 April 2017 and 17% from 1 April 2020. The closing deferred tax assets and liabilities have been calculated taking into account these rates, as these were substantively enacted at the balance sheet date.

Since the balance sheet date, it was announced in the UK Government's Budget on 11 March 2020 that the reduction in the UK Corporation rate to 17% from 1 April 2020 will not proceed. Instead, the UK Corporation tax rate will remain at 19%. This change was substantively enacted on 17 March 2020 and is therefore a non adjusting post balance sheet event.

As a result, existing temporary differences on which deferred tax has been provided may unwind in periods subject to the 19% rate. The impact of the post balance sheet date change in tax rate is not expected to be material.

**Deferred Tax**

The following are the major tax assets and liabilities recognised by the Company, and the movements thereon.

	Accelerated capital allowances £'000
<b>At 1 January 2018</b>	31
Charge to Profit and Loss Account	(6)
<b>At 31 December 2018</b>	25
Charge to Profit and Loss Account	(6)
<b>At 31 December 2019</b>	<u>19</u>
	2019 £'000
Net Deferred tax	<u>19</u>
	2018 £'000
	<u>25</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 7. Ordinary Dividends

	2019	2018
	£'000	£'000
Dividends paid	<u>9,000</u>	<u>9,000</u>

## 8. Amounts due from group companies

	2019	2018
	£'000	£'000
Parent: RBS plc	<u>3,008</u>	<u>2,152</u>

## 9. Amounts due to group companies

	2019	2018
	£'000	£'000
Parent: RBS plc	<u>53</u>	<u>196</u>

## 10. Accruals, deferred income and other liabilities

	2019	2018
	£'000	£'000
Accruals	<u>10</u>	<u>10</u>

## 11. Share Capital

	2019	2018
	£000	£000
<b>Equity shares</b>		
<b>Authorised:</b>		
100,000,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
<b>Allotted, called up and fully paid:</b>		
1 Ordinary Shares of £1 each	<u>-</u>	<u>-</u>

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

## 12. 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 consist of corporation tax and Value Added Tax.

**Group companies**

At 31 December 2019

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

NOTES TO THE FINANCIAL STATEMENTS

**12. Related parties (continued)**

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.

Cash at bank is held within internal bank accounts.

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

**13. 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 operations and the directors continue to monitor this, however, at this stage do not consider there to be any material issues for the Company.