

**Company Registered No: 03331068**

**PRIORITY SITES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**For the year ended 31 December 2020**



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**OFFICERS AND PROFESSIONAL ADVISERS**

**DIRECTORS:**

F K Cummins  
S K A Michell  
J M Rowney

**COMPANY SECRETARY:**

NatWest Markets Secretarial Services Limited

**REGISTERED OFFICE:**

250 Bishopsgate  
London  
England  
EC2M 4AA

**INDEPENDENT AUDITOR:**

Ernst & Young LLP  
25 Churchill Place  
Canary Wharf  
London  
E145EY

**Registered in England and Wales**

**DIRECTORS' REPORT****ACTIVITIES AND BUSINESS REVIEW**

The 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 the trading and management of development property throughout England.

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 NatWest Group plc review these matters on a group basis. Copies may be requested from Legal, Governance and Regulatory Affairs, NatWest Group plc, Gogarburn, Edinburgh, PO Box 1000 EH12 1HQ, the Registrar of Companies or at [www.natwestgroup.com](http://www.natwestgroup.com).

NatWest Group comprises NatWest Group plc, its subsidiary and associated undertakings.

**Review of the year****Business review**

It is the intention of the directors to wind up the Company within the next 12 months.

**Financial performance**

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

The retained profit for the year was £90,358 (2019: profit £78,886) and this is transferred to reserves. The directors do not recommend payment of dividend (2019: nil).

**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 maturity, interest rate and liquidity. It is undertaken within limits and other policy parameters set by the NatWest Group Asset and Liability Management Committee (NatWest 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 previously mainly comprised development property and trade receivables which exposed it to market and credit risk except that the counterparties were group companies and credit risk was not considered significant.

The principal risks associated with the Company are as follows:

**Market risk**

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

**DIRECTORS' REPORT****Principal risks and uncertainties (continued)****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.

**Going concern**

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

**DIRECTORS AND SECRETARY**

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

From 1 January 2020 to date, there have been no changes to the directors and secretary of the company.

**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. For the reasons stated in note 1(a), the financial statements have not been prepared on a going concern basis but 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**

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

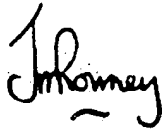
- so far as they are aware there is no relevant audit information of which the Company's auditor is unaware; and
- directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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:

A handwritten signature in black ink, appearing to read 'J M Rowney', with a horizontal line underneath the name.

J M Rowney  
Director  
Date: 22 September 2021

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIORITY SITES LIMITED**

### **Opinion**

We have audited the financial statements of Priority Sites Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 18, 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 2020 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. 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 contained within the annual report.

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.

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 course of 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 themselves. 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 PRIORITY SITES LIMITED**

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies' 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 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIORITY SITES LIMITED

### *Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)*

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Financial Reporting Standard FRS 101 – Reduced Disclosure framework and the Companies Act 2006).
- We understood how the Company is complying with those frameworks by making inquiries of management, those charged with governance and those responsible for legal and compliance matters. We also reviewed meeting minutes of the Board meetings; and gained an understanding of the Company's governance framework.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved making inquiries of those charged with governance and senior management. We also reviewed the ultimate parent company's (NatWest Group plc) legal and claim database and minutes of the Company's Board meetings.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by making inquiries of those charged with governance and senior management and reviewing the minutes of the Board meetings.

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*

**Cassandra Polegri** (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
Date: 24 September 2021

**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 31 December 2020

<b>Discontinuing operations</b>	<b>Notes</b>	<b>2020 £</b>	<b>2019 £</b>
Turnover	3	-	53,865
<b>Gross profit</b>		-	53,865
Other operating income	4	61,952	80,513
Administrative expenses	5	39,492	(65,349)
<b>Operating profit</b>		<b>101,444</b>	69,029
Interest receivable	7	9,283	29,539
<b>Profit before tax</b>	6	<b>110,727</b>	98,568
Tax charge	8	(20,369)	(19,682)
<b>Profit and total comprehensive income for the year</b>		<b>90,358</b>	78,886

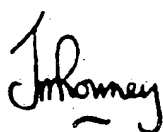
The accompanying notes form an integral part of these financial statements.

**BALANCE SHEET**  
**as at 31 December 2020**

	Notes	2020 £	2019 £
<b>Current assets</b>			
Deferred tax asset	8	2,990	3,262
Investment in group companies	9	1,000	1,000
Trade and other receivables	10	267	-
Amount due from Group Companies	11	3,501,500	3,494,558
Prepayments, accrued income and other assets	12	-	101,289
Cash at bank	13	7,073,556	7,245,945
		<b>10,579,313</b>	<b>10,846,054</b>
<b>Total assets</b>		<b>10,579,313</b>	<b>10,846,054</b>
<b>Current Liabilities</b>			
Trade and other payables	14	-	62,569
Current tax liabilities	8	20,097	18,498
Amount due to Group Companies	15	10,000	251,945
Accruals, deferred income and other liabilities	16	17,096	71,280
<b>Total liabilities</b>		<b>47,193</b>	<b>404,292</b>
<b>Equity</b>			
Share capital	17	5,812,000	5,812,000
Retained earnings		4,720,120	4,629,762
<b>Total equity</b>		<b>10,532,120</b>	<b>10,441,762</b>
<b>Total liabilities and equity</b>		<b>10,579,313</b>	<b>10,846,054</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 22 September 2021 and signed on its behalf by:



J M Rowney  
Director

**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2020

	Share capital £	Retained earnings £	Total £
<b>At 1 January 2019</b>	5,812,000	4,550,876	10,362,876
Profit for the year	-	78,886	78,886
<b>At 31 December 2019</b>	5,812,000	4,629,762	10,441,762
Profit for the year	-	<b>90,358</b>	<b>90,358</b>
<b>At 31 December 2020</b>	<b>5,812,000</b>	<b>4,720,120</b>	<b>10,532,120</b>

Total comprehensive profit for the year of £90,358 (2019: income £78,886) 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 other than going concern basis. Under this basis, the assets have been measured at recoverable values and liabilities at settlement/transfer values. All other accounting policies remain unchanged from *FRS 101 Reduced Disclosures Framework*.
- 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 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.

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. The costs of liquidation will be borne by NatWest Markets Plc.

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.

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:
  - comparative information in respect of certain assets;
  - cash-flow statement;
  - standards not yet effective;
  - related party transaction;
  - 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 NatWest Group plc, these accounts are available to the public and can be obtained as set out in note 18.

The changes to IFRS that were effective from 1 January 2020 have had no material effect on the Company's financial statement for the year ended 31 December 2020.

**b) Consolidated financial statements**

The financial statements contain information about Priority Sites Limited 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, NWG, a public company registered in Scotland whose registered address is 36 St Andrew Square, Edinburgh, EH2 2YB.

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

Turnover represents the total value of construction works on developments sold during the year. Construction work in progress, classified as current assets, represents construction and development work stated at the lower of cost or net realisable value. Cost represents direct materials, labour and production. Profit on each development is taken to the profit and loss account on completion and sale of that development to the parent or other group company, and the transfer of all related risks and rewards of ownership.

Rental income from operating leases is recognised in the profit and loss account on a straight line basis over the lease term unless another systematic basis better represents the time pattern of the asset's use.

**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, 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.

**e) Investments in group companies**

Investments in group companies are stated at cost less any impairment.

**f) Financial instruments**

Financial instruments are classified either by product, by business model or by reference to the IFRS default classification.

Classification by product relies on specific designation criteria which are applicable to certain classes of financial assets or circumstances where accounting mismatches would otherwise arise. Classification by business model reflects how the Company manages its financial assets to generate cash flows. A business model assessment determines if cash flows result from holding financial assets to collect the contractual cash flows; from selling those financial assets; or both.

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 (FVTPL) 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)

## f) 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.

## g) Impairment of financial assets

At each balance sheet date each financial asset or portfolio of loans measured at amortised cost or at fair value through other comprehensive income, issued financial guarantee and loan commitment is assessed for impairment. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

## h) Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired or when it has been transferred and the transfer qualifies for derecognition in accordance with IFRS 9 "Financial Instruments".

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

## i) Cash at bank

Cash at bank represents deposits with banks.

## 2. Critical accounting policies and key sources of estimation uncertainty

The reported results of the Company are sensitive to the accounting policies, assumptions and estimates that underlie the preparation of its financial statements. In accordance with their responsibilities for these financial statements, the estimates the directors consider most important to the portrayal of the Company's performance and financial condition are discussed below.

## 3. Turnover

	2020 £	2019 £
Sale of development property	-	53,700
Other income	-	165
	<u>-</u>	<u>53,865</u>

## 4. Other operating income

	2020 £	2019 £
CBRE liability written off	<u>61,952</u>	<u>80,513</u>

## 5. Administrative expenses

	2020 £	2019 £
Legal & professional fees	668	58,840
Audit fees	10,000	-
General Rates	(6,940)	-
Other charges	(43,220)	6,509
	<u>(39,492)</u>	<u>65,349</u>

## 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.

## NOTES TO THE FINANCIAL STATEMENTS

## 5. Administrative expenses (continued)

Other charges include sundry expenses, repairs and maintenance. The movement in other charges were due to reduction in sundry expenses and repair and maintenance charges as majorly all the properties were sold by year 2018.

## 6. (Loss)/profit before tax

(Loss)/profit before tax is stated after charging:

	2020 £	2019 £
Auditor's remuneration - audit services	10,000	10,000

The actual audit fees for the year being the sum of £10,000 (2019: £10,000). Audit remuneration payable in regards to non-audit services during the year was nil (2019: nil).

## 7. Interest receivable

	2020 £	2019 £
Interest receivable from group companies	9,283	29,539

## 8. Tax

	2020 £	2019 £
<b>Current taxation:</b>		
UK corporation tax charge for the year	20,097	18,496
Under provision in respect of prior periods	-	2
	20,097	18,498
<b>Deferred taxation:</b>		
Charge for the year	272	1,184
Tax charge for the year	20,369	19,682

The actual tax charge differs from the expected tax charge computed by applying the standard rate of UK corporation tax of 19% (2019: 19%) as follows:

	2020 £	2019 £
Expected tax charge	21,038	18,726
Non-deductible items	-	570
Income not taxable	(285)	-
Movement in deferred tax following change in rate of UK corporation tax	(384)	384
Adjustments in respect of prior periods	-	2
Actual tax charge for the year	20,369	19,682

In the current period, the substantively enacted UK Corporation tax rate applicable to the company from 1 April 2020 was increased from 17% to 19%. The closing deferred tax assets and liabilities have been calculated at 19% and accordingly a rate change adjustment has arisen as the opening deferred tax balance had been calculated taking into account the previously enacted rate of 17%.

Since the balance sheet date, it was announced in the UK Government's Budget on 3 March 2021 that the main UK corporation tax rate will increase to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021. As a result, existing temporary differences on which deferred tax has been provided may unwind in periods subject to the 25% rate. This post balance sheet date change in tax rate is not expected to be material.



## NOTES TO THE FINANCIAL STATEMENTS

## 8. Tax (continued)

## Deferred tax

Net deferred tax asset comprises:

	Capital allowances £
At 1 January 2019	4,446
Charge to profit and loss	(1,184)
At 31 December 2019	3,262
Charge to profit and loss	(272)
At 31 December 2020	<u>2,990</u>

## 9. Investments in group companies

Investments in group companies are carried at cost less impairment. There were no movements during the year.

	2019 £	2018 £
At 1 January and 31 December	<u>1,000</u>	<u>1,000</u>

The Company's investment in Priority Sites Investments Limited was not impaired during the year. The investment in subsidiary undertakings held as a current asset represents the investment in Priority Sites Investments Limited (PSIL). The subsidiary is expected to be wound up within the next 12 months. It is expected that any residual cash remaining in PSIL after all receivables and payables are settled will be passed up to PSL.

The subsidiary undertaking of the Company is shown below:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
Priority Sites Investments Limited (Subsidiary) <sup>(1)</sup>	England and Wales	100	100	Property investment company

<sup>(1)</sup> The registered office is 250 Bishopsgate, London, EC2M 4AA.

## 10. Trade and other receivables

	2020 £	2019 £
Value added tax	<u>267</u>	-

The fair value of all receivables approximates to their carrying amount in the balance sheet.

## 11. Amount due from Group Companies

	2020 £	2019 £
NatWest Markets plc	3,500,000	3,494,558
Priority Sites Investments Ltd	1,500	-
	<u>3,501,500</u>	<u>3,494,558</u>

## NOTES TO THE FINANCIAL STATEMENTS

## 12. Prepayment, accrued income and other assets

	2020 £	2019 £
Prepayments and other assets	-	101,289

Prepayments and other assets comprise of cash held with CBRE to support ongoing management activity and the amount of £101,289 was received in 2020.

## 13. Cash at bank

	2020 £	2019 £
Cash at bank	7,073,556	7,245,945

Cash at bank comprises cash and short term bank deposits with an original maturity of three months or less. The directors consider that carrying value of these assets approximates to their fair value.

## 14. Trade and other payables

	2020 £	2019 £
Trade payables	-	61,952
Value added tax	-	617
	-	62,569

The fair value of all payables approximates to their carrying value in the balance sheet.

## 15. Amounts due to group companies

	2020 £	2019 £
Priority Sites Investments Limited	-	188,935
KUC Properties Limited	-	63,010
NatWest Markets plc	10,000	-
	10,000	251,945

	2020 £	2019 £
Amounts falling due within one year	10,000	251,945

The fair value of amounts due to group undertakings approximates to their carrying value in the balance sheet.

## 16. Accruals, deferred income and other liabilities

	2020 £	2019 £
Accruals	17,096	71,280

## 17. Share capital

	2020 £	2019 £
<b>Allotted, called-up and fully paid:</b>		
<b>Equity shares</b>		
5,812,000 ordinary shares of £1	5,812,000	5,812,000

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

## NOTES TO THE FINANCIAL STATEMENTS

## 18. 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 2020

The Company's immediate parent was:	NatWest Markets plc
The smallest consolidated accounts including the Company were prepared by:	
The ultimate parent company was:	NatWest Group plc

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