

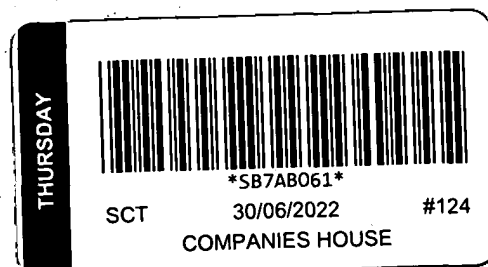
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Company Registered No: 05404150

PREMIER AUDIT COMPANY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2021



PREMIER AUDIT COMPANY LIMITED

05404150

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PREMIER AUDIT COMPANY LIMITED

05404150

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

P Moffat
L M Phillips

COMPANY SECRETARY:

NatWest Group Secretarial Services Limited

REGISTERED OFFICE:

250 Bishopsgate
London
EC2M 4AA

INDEPENDENT AUDITOR:

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

Registered in England and Wales

PREMIER AUDIT COMPANY LIMITED**05404150****DIRECTORS' REPORT****ACTIVITIES AND BUSINESS REVIEW**

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption and therefore does not include a Strategic report.

Activity

The principal activity of Premier Audit Company (the "Company") continues to be auditing and verification of trade debt.

The Company is a subsidiary of NatWest Group 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. A copy of the NatWest Group annual report is available at www.natwestgroup.com and on Companies House website. A copy can also be requested from Legal, Governance and Regulatory Affairs, NatWest Group, Gogarburn, Edinburgh, PO Box 1000, EH12 1HQ.

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

Review of the year**Business review**

The Company saw a significant decline in turnover and profits during the year. Also, 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 7 to 9.

The operating profit before taxation for the year was £148 (2020: £649). The retained profit for the year was £120 (2020: £526).

The directors do not recommend the payment of a dividend (2020: nil).

At the end of the year, total assets were £36,586 (2020: £36,561).

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 NatWest Group Asset and Liability Management Committee.

The Company is funded by facilities from RBS Invoice Finance Limited. These are denominated in sterling which is the functional currency and carry no significant financial risk.

The Company's assets mainly comprise amount due from group companies which would expose it to credit risk except that the counterparties are NatWest Group companies and credit risk is not considered significant.

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 NatWest Group undertakings. Although credit risk arises this is not considered to be significant and no amounts are past due.

Basis of preparation

These financial statements are prepared on a going concern basis, see note 1 a) on page 10.

PREMIER AUDIT COMPANY LIMITED**05404150****DIRECTORS' REPORT*****Principal risks and uncertainties (continued)*****DIRECTORS AND SECRETARY**

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

From 1 January 2021 to date the following changes have taken place:

Directors	Appointed	Resigned
P Moffat	30 December 2021	-
J A Pattara	-	30 December 2021
L M Phillips	31 January 2022	-
C G Rowden	-	31 January 2022

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/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, subject to any material departures disclosed and explained in the financial statements; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the Directors' report and financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

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

AUDITOR

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

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

Peter Moffat

Peter Moffat (Jun 29, 2022 14:18 GMT+1)

P Moffat

Director

Date: 29 June 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PREMIER AUDIT COMPANY LIMITED

Opinion

We have audited the financial statements of Premier Audit Company Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 8, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2021 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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 this gives rise to 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.

PREMIER AUDIT COMPANY LIMITED**05404150****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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and from the requirements 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.

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.

PREMIER AUDIT COMPANY LIMITED**05404150**

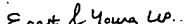
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (Financial Reporting Standard FRS 101 – Reduced Disclosure framework and the Companies Act 2006) and the relevant direct tax compliance regulation in the United Kingdom. In addition, the Company is required to comply with laws and regulations relating to its operations, including health and safety, anti-bribery and corruption and General Data Protection Regulation ('GDPR').
- We understood how the Company is complying with those frameworks by making inquiries of management, those charged with governance, internal audit and those responsible for legal and compliance matters. We corroborated our inquiries through review of meeting minutes of the Board.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved making inquiries of those charged with governance and senior management to understand if they were aware of any non-compliance with laws and regulations affecting the financial statements.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the Company has established to address the risks identified by the entity and to prevent or detect fraud, including in a remote-working environment; and how management monitors these controls. We tested the appropriateness of journal entries recorded in the general ledger and evaluated the business rationale for significant and/or unusual transactions. We verified that the journals selected, where appropriate, are supported by appropriate source documentation.

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.

DocuSigned by:

A handwritten signature in black ink, appearing to read "Ernst & Young LLP", is written over a circular DocuSign verification stamp.

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Robin Enstone (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol

29 June 2022

PREMIER AUDIT COMPANY LIMITED**05404150****STATEMENT OF COMPREHENSIVE INCOME**
for the year ended 31 December 2021

		2021	2020
Income from continuing operations	Notes	£	£
Turnover	3	4,556	18,299
Operating expenses	4	(4,408)	(17,650)
Profit before tax		148	649
Tax charge	5	(28)	(123)
Profit and total comprehensive income for the year		120	526

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

PREMIER AUDIT COMPANY LIMITED**05404150****BALANCE SHEET**
as at 31 December 2021

	Notes	2021 £	2020 £
Current assets			
Amounts due from NatWest Group companies	6	36,586	36,561
Total assets		36,586	36,561
Current liabilities			
Current tax liability		28	123
Total liabilities		28	123
Equity			
Share capital	7	2	2
Retained earnings		36,556	36,436
Total Equity		36,558	36,438
Total liabilities and equity		36,586	36,561

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

The financial statements were approved by the Board of Directors on 29 June 2022 and signed on its behalf by:

Peter Moffat
Peter Moffat (Jun 29, 2022 14:18 GMT+1)

P Moffat
Director

PREMIER AUDIT COMPANY LIMITED**05404150****STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021**

	Share Capital	Retained earnings	Total
	£	£	£
At 1 January 2020	2	35,910	35,912
Profit for the year	-	526	526
At 31 December 2020	2	36,436	36,438
Profit for the year	-	120	120
At 31 December 2021	2	36,556	36,558

Total comprehensive income for the year of £120 (2020: £526) was wholly attributable to the owners of the Company.

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

PREMIER AUDIT COMPANY LIMITED**05404150****NOTES TO THE FINANCIAL STATEMENTS****1. Accounting policies****a) Preparation and presentation of accounts**

The directors have prepared the financial statements:

- on a going concern basis after assessing principal risks and other relevant evidence over twelve months from the date the financial statements are approved and under FRS 101 *Reduced Disclosure Framework*; and
- on the historical cost basis

In assessing going concern, a Covid-19 impact analysis was performed across the NatWest Group. The directors have also considered the uncertainties associated with Covid-19 including the different ways in which this could impact the cash flows, capital, solvency and liquidity position of the Company and any mitigations management have within their control to implement. Based on this assessment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for twelve months from the date the financial statements are approved and therefore have prepared the financial statements on a going concern basis.

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

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

Where required, equivalent disclosures are given in the group accounts of NatWest Group plc, these accounts are available to the public and can be obtained as set out in note 8.

The changes to IFRS that were effective from 1 January 2021 have had no material effect on the Company's financial statements for the year ended 31 December 2021.

b) Revenue recognition

Turnover comprises income from charges to clients for verification services related to the facilitation of finance activity by the invoice financing businesses of RBS Invoice Finance Limited and arises in the United Kingdom from continuing activities.

Interest income or expense relates to financial instruments measured at amortised cost and debt instruments classified as fair value through other comprehensive income using the effective interest rate method, the effective part of any related accounting hedging instruments. Finance lease income recognised at a constant periodic rate of return before tax on the net investment.

Other interest relating to financial instruments measured at fair value is recognised as part of the movement in fair value.

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

Fees in respect of services are recognised as the right to consideration accrues through the performance of each distinct service obligation to the customer. 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

Tax encompassing 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.

d) Financial instruments

All financial instruments are measured at fair value on initial recognition.

Financial assets are classified either, by business model, by product 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. The product classifications apply to financial assets that are either designated at fair value through profit or loss, or to equity investments designated as at fair value through other comprehensive income. In all other instances, fair value through profit or loss is the default classification and measurement category for financial assets.

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.

Financial assets that are held to collect the contractual cash flows and comprise solely payments of principal and interest are measured at amortised cost. 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.

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 liabilities not subsequently measured at fair value are measured at amortised cost.

e) Impairment of financial assets

At each balance sheet date each financial asset or portfolio of loans measured at amortised cost or at fair value through other comprehensive income, issued financial guarantee and loan commitment is assessed for impairment. Any change in impairment is reported in the profit and loss account. 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.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

f) Impairment of financial assets (continued)

Expected credit losses are a probability-weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. In the absence of a change in credit rating, allowances are recognised when there is reduction in the net present value of expected cash flows. Following a significant increase in credit risk, ECL are adjusted from 12 months to lifetime. This will lead to a higher impairment charge.

On restructuring where a financial asset is not derecognised the revised cash flows are used in re-estimating the credit loss. Where restructuring causes derecognition of the original financial asset, the fair value of the replacement asset is used as the closing cash flow of the original asset.

Where, in the course of the orderly realisation of a loan, it is exchanged for equity shares or investment property, the exchange is accounted for as the sale of the loan and the acquisition of equity securities or investment property. Where the Company's acquired interest is in equity shares, relevant policies for control, associates and joint ventures apply.

f) Derecognition

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

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

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 directors have considered whether there are any estimates important to the portrayal of the Company's performance and concluded that given the limited activity and resources of the Company in 2021 there are none to disclose.

3. Turnover

	2021 £	2020 £
Debt verification and audit fees	4,536	18,162
Interest receivable	20	137
	<u>4,556</u>	<u>18,299</u>

4. Operating expenses

	2021 £	2020 £
Management fees	<u>4,408</u>	<u>17,650</u>

Management fees

Management fees include the costs of staff and directors borne by other members of the NatWest Group, none of which can be apportioned meaningfully in respect of services to the Company.

Auditor's remuneration

The auditor's remuneration for statutory audit work of £5,000 (2020: £5,000) for the Company was borne by RBS Invoice Finance Limited.

PREMIER AUDIT COMPANY LIMITED**05404150****NOTES TO THE FINANCIAL STATEMENTS****5. Tax**

	2021 £	2020 £
Current taxation:		
UK corporation tax charge for the year	<u>28</u>	<u>123</u>

The actual tax charge matches the expected tax charge computed by applying the standard rate of UK corporation tax of 19% (2020: 19%) as follows:

	2021 £	2020 £
Expected tax charge	<u>28</u>	<u>123</u>
Actual tax charge for the year	<u>28</u>	<u>123</u>

The UK Corporation tax rate applicable to the Company from 1 April 2020 is 19%.

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.

6. Amount due from NatWest Group companies

	2021 £	2020 £
RBS Invoice Finance Limited	<u>36,586</u>	<u>36,561</u>

7. Share capital

	2021 £	2020 £
Allotted, called up and fully paid:		
Equity shares		
2 Ordinary shares of £1. each	<u>2</u>	<u>2</u>

8. Related parties**UK Government**

The UK Government through HM Treasury is the ultimate controlling party of NatWest Group plc. Its shareholding is managed by UK Government Investments Limited, a company it wholly-owns and as a result, the UK Government and UK Government controlled bodies are related parties of the Company.

The Company enters into transactions with these bodies on an arms' length basis; they include the payment of taxes including UK corporation tax and Value Added Tax.

NatWest Group Companies

At 31 December 2021

The Company's immediate parent was:	RBS Invoice Finance Limited
The smallest consolidated accounts including the Company were prepared by:	National Westminster Bank Plc
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.