

Company Registered No: SC046694

RBS COLLECTIVE INVESTMENT FUNDS LIMITED
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS
For the year ended 31 December 2022

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

P B Hunt (executive chair)
S M Eastment (independent non-executive)
M F Frost (independent non-executive)
(Appointed on 1st November 2022)
S W Newey (non-independent non-executive)
(Appointed on 1st April 2022)
L Y Newman (executive)
G S Perceval-Maxwell (independent non-executive)
D B Anderson (non-independent non-executive)
(Resigned on 28th February 2023)

COMPANY SECRETARY:

NatWest Group Secretarial Services Limited

REGISTERED OFFICE:

6-8 George Street
Edinburgh
Scotland
EH2 2PF

INDEPENDENT AUDITOR:

Ernst & Young LLP
Chartered Accountants and Statutory Auditor
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Registered in Scotland

STRATEGIC REPORT

The directors of RBS Collective Investment Funds Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 2022.

ACTIVITIES AND BUSINESS REVIEW**Principal activity**

The principal activity of the Company continues to be acting as the Authorised Corporate Director of RBS Investment Funds ICVC and RBS Stakeholder Investment Fund ICVC (collectively, "the Funds").

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 the 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 subsidiaries and associated undertakings.

Basis of preparation

These financial statements are prepared on a going concern basis, see note 1 (a) on page 15.

Business review

The directors are satisfied with the Company's performance in the year.

In Q4 2022, RBS Asset Management Dublin Limited, also a subsidiary of NatWest Group, transitioned £10bn of assets held in Equator ICAV to RBS Investment Funds ICVC. This contributed to Assets under Management ("AUM") increasing to £13.2bn in 2022 (2021: £3.4bn). In December 2022, the assets of the Stakeholder Fund merged into the Personal Portfolio Balanced Fund. Throughout 2022 the Funds were preparing for these transitions of assets from the Equator ICAV. This included the renaming of existing, and the launching of new sub-funds within the Funds. Following these transitions the majority of the sub-funds within RBS Investment Funds ICVC are now being actively distributed.

Market movements are a key driver of the Company's AUM financial performance. Throughout 2022 there was significant market volatility as a result of global political and economic instability which resulted in market performance across the funds being relatively flat.

Outlook

The outlook for 2023 remains challenging as global markets remain volatile as a result of continued political and economic sensitivities. The Company will continue to identify opportunities to grow the business organically in line with director and shareholder appetite, achieved by active distribution of the sub-funds to new and existing customers. The directors remain confident that the Company is well positioned to meet the continuing challenges of the regulatory landscape, external market and client environment.

Financial performance

The Company's financial performance is presented on pages 12 to 14.

Fees and commissions receivable increased by £3,472k as a result of increased AUM following the transition in Q4 2022 (2021: decreased by £3,615k). Total operating expenses increased by £4,876k (2021: £1,539k) as a result of increased AUM and costs in relation to the transition. The operating profit before taxation for the year was £10,099k (2021: £11,830k). The profit for the year was £8,180k (2021: £9,582k).

A dividend was paid during the year of £28,600k (2021: nil).

At the end of the year total assets were £95,737k (2021: £57,994k) and shareholders' funds were £27,823k (2021: £48,243k).

STRATEGIC REPORT**Principal risks and uncertainties**

The Company has a robust risk management and internal control system in place, which seeks to identify risk, including emerging risks, and manage or otherwise mitigate their impact on the Company.

Management focuses on both the overall financial position 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 Holdings Asset and Liability Management Committee.

The Company is wholly funded by equity held within NatWest Group. This is denominated in Sterling which is the functional and operating currency and carries no significant financial risk.

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.

The Company's revenue is derived from the value of its AUM and is therefore subject to market risk. Adverse movements in equity and bond prices will reduce AUM and, therefore, revenue. The Company is exposed to this risk in the course of its business activity.

Certain expenses are also derived from the value of AUM and can therefore also be affected by market risk.

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, external events and the failure or circumvention of controls employed to address cyber and data security risks.

As the majority of services are outsourced, operational risks at service providers are also important. The key mitigating processes and controls include oversight of service providers, risk management and internal controls, scenario analysis, new product approval process, review of key risk indicators and the notifiable events process. The implementation of these processes and controls is facilitated and overseen by operational risk teams, with NatWest Group's internal audit and compliance functions providing independent evaluation of the control framework.

Currency risk

Currency risk is the risk of loss due to adverse exchange rate changes affecting the value of transactions and balances that are not denominated in the operating currency of the Company.

The Company's currency exposure is for that part of its income arising from non-Sterling funds. This income is translated to Sterling at the rate of exchange ruling on the date of receipt.

All other Company transactions and balances are denominated only in Sterling.

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.

The Company's exposure to credit risk is limited to cash amounts held in facilities offered with other banks. These facilities are either immediate access facilities or recoverable with one month's notice. The credit ratings of counterparty banks are monitored for compliance with NatWest's credit risk management framework.

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.

STRATEGIC REPORT**Principal risks and uncertainties (continued)****Capital risk**

The Company is regulated by the Financial Conduct Authority ("FCA") and required to retain sufficient capital to operate effectively, meet minimum regulatory requirements and support strategic goals. Capital is the total value of issued share capital and retained earnings.

The Company's exposure to capital risk is limited to incurring losses of a scale that would result in capital being below the minimum regulatory requirement. This risk is considered low as the Company is expected to be profitable in the foreseeable future and has £10m of share capital, with the Company forecast to exceed the minimum regulatory requirement over the long-term.

GOVERNANCE**The Board**

The Board is collectively responsible for the long-term success of the Company, and the delivery of sustainable value to its shareholder and other stakeholders, including investors in the Funds. It monitors and maintains the consistency of the Company's activities within the strategic direction of NatWest Group. It reviews and approves risk appetite for strategic and material risks, taking account of NatWest Group's Risk Appetite Framework, and it monitors performance against risk appetite for the Company. It approves the Company's key financial objectives and keeps the capital and liquidity positions of the Company under review.

The Board is chaired by Mr Hunt, an executive director. The Board previously comprised five members: two executive directors; and three non-executive directors ("NED's"), two of whom are independent. In order to ensure the orderly refreshment of the Board during the year, the Board undertook a recruitment exercise to recruit an additional independent NED. An independent external consultant was engaged and Mrs Frost was subsequently appointed on 1 November 2022. The Board's refreshment exercise also enabled it to broaden the skill sets on the Board to cover distribution with the appointment of Mr Newey as a NED on 1 April 2022, who replaced Mr Anderson who retired on 28 February 2023.

In order to ensure its effective independent oversight of the appointed Investment Manager (Coultts & Company), the Board has delegated authority to a Board Investment Oversight Committee which has two members. During the year the members were an independent non-executive director, who acted as Chair, and one non-independent non-executive director. The latter has now been replaced with another independent non-executive director.

Board Investment Oversight Committee

The Board Investment Oversight Committee supports the Board in discharging its responsibilities for monitoring the Investment Management process. In particular, this includes monitoring investment performance, fund parameters, the management and control of investments in line with applicable regulations, and any other matters as may be required from time to time.

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

This section of the Strategic Report forms the directors' statement required under section 414CZA of The Companies Act 2006 ('the Act'), describing how the directors have had regard to the matters set out in section 172(1) of the Act.

Section 172(1) contains one of the statutory duties of the directors: it requires them to promote the success of the Company for the benefit of its members as a whole, whilst having regard to other stakeholders and matters as set out in s.172(1) (a) to (f). These include the likely long-term consequences of directors' decisions; employee interests; the need to foster the Company's business relationships with service providers, customers and others; the Company's impact on the community and environment; its reputation, and the need to act fairly between the Company's shareholders:

The NatWest Group's purpose – "We champion potential, helping people, families and businesses to thrive" is considered in Board discussions and decision making. This purpose forms a foundation for Board discussions and decisions and is formally built into all proposals and updates.

STRATEGIC REPORT**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 s.172(1), and regular 'teach-in' sessions are held on relevant topics.

Key Stakeholders

The Company's key stakeholders are investors in the Funds ("customers"), NatWest employees ("colleagues", being full time, part time, contractors and agency staff employed by NatWest Group) engaged in the Company's work, material suppliers such as Investment Manager (Coutts & Co), Transfer Agents, Fund Accountants, the Depositary, BlackRock (which co-manufactures some investment funds with the Investment Manager) as well as the Company's shareholder. These key stakeholders have been identified by virtue of contracts held by those stakeholders either directly with the Company, or with the funds managed by the Company.

Customers

Servicing customers is one of the key pillars of the NatWest Group purpose: to champion potential, helping people, families and businesses to thrive. The Board pays careful attention to the outcomes that the Funds deliver to its customers and, through the Assessment of Value, sets out any proposed improvements to deliver on this commitment. This has been evidenced through a number of activities during 2022 including the launch of a number of new sub-funds, amendments to existing sub-funds, as well as a significant transfer of assets and customers into these under a scheme of reorganisation. This resulted in the delivery of a reduction in ongoing charges for customers benefitting from the increase in scale achieved during the year. The FCA's Consumer Duty has brought into regulatory focus the Board's ongoing cornerstone of delivering good customer outcomes.

Colleagues

A highly engaged workforce is crucial in helping NatWest Group to achieve its purpose. To achieve this, NatWest Group is striving to ensure it is a really great place to work.

Twice a year our colleagues are asked to share their views on what it is like to work for NatWest Group via a collective opinion survey. Our latest survey shows NatWest Group ahead in the majority of categories against the Global Financial Services norms.

Service providers

The Board recognises the key role service providers - such as the Depositary, Risk Manager, Fund Administrators, Transfer Agent, Investment Manager and Distributor - work to ensure that the Company delivers a reliable service to customers. During the year, the Board held regular 'deep dive' sessions with individual service providers as part of a regular Board-level engagement programme, in addition to the regular interactions and monitoring that took place at management level.

At the end of January 2022, the Company employed a new Customer Administrator for the Stakeholder Fund. However, service levels dropped below the Board's expectations, largely because the volume of inbound telephone calls was significantly higher than expected. The Board has worked closely with the new Administrator to resolve these service issues and the majority have now been addressed.

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 www.natwestgroup.com for NatWest Group's Modern Slavery Statement and details of the Group's new Supplier Charter, both of which apply to relevant subsidiaries within NatWest Group, including the Company.

The Supplier Charter, which replaced the Group's previous Supplier Code of Conduct, sets out expectations in terms of ethical business conduct, human rights, environmental sustainability, and diversity and inclusion. In line with the Group's purpose, it details not only what the Company expects from its suppliers, but also outlines what the Company's own commitments are in these key areas.

STRATEGIC REPORT**Community and Environment**

The Company and NatWest Group are committed to tackling climate change. Investments held by the Funds are analysed by the Investment Manager on environmental, social and governance ("ESG") factors. Two ambitions have been set by the Investment Manager to reach net-zero emissions across our managed investments by 2050 ⁽¹⁾:

- 50% of in-scope AUM aligned to a net zero trajectory by 2025, increasing to 70% by 2030
- 50% reduction in the level of (scope 1 and scope 2) carbon intensity ⁽²⁾ of the equity and corporate fixed income holdings of our in-scope AUM by the end of 2030 (compared with 31 December 2019).

Shareholder

The Company recognises the benefits that being part of a wider group provides, for example in terms of the ability to call on extensive IT and other specialist resources such as on cyber-crime defences. The shareholder's perspective is provided through interactions at management and board levels.

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 are taken into account by the Board when it takes decisions.

The Company defines principal decisions as those that are material or of strategic importance to the Company and also those that are significant to any of the Company's key stakeholder groups. In making its decisions, the Board considers the outcomes of relevant stakeholder engagement, as well as the need to maintain a reputation for high standards of business conduct and to consider the long-term consequences of its decisions.

During 2022 the directors considered the impact of merging RBS Stakeholder Investment Fund into the Personal Portfolio Balanced Fund and the transition of assets held in Equator ICAV to RBS Investment Funds ICVC. To support the Board in its decision-making, it received comprehensive papers prepared by management. During its discussions the Board noted the stakeholder impacts of this decision, notably to customers, and were mindful of their duties under section 172.

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

(1) These targets apply to all discretionarily managed assets under management that are considered in-scope for net zero. For more information about NatWest Group interim targets, please see pages 38 to 39 of the Net Zero Asset Managers Initiative's Initial Target Disclosure Report (May 2022).

(2) Carbon intensity is calculated as tons of scope 1 and 2 carbon emissions per \$1 million of sales.

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 ("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, refer to note 1(a).

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 information relevant to the audit, 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

In terms of Section 236 of the Companies Act 2006, all directors listed on page 1 have been granted Qualifying Third Party Indemnity Provisions by NatWest Group.

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



P B Hunt
Director
Date: 5 April 2023

DIRECTORS' REPORT

The Strategic report includes the review of the year, risk report, disclosure of information to auditors, directors' indemnities and note of post balance sheet events. Details of the Board's engagement with employees, customers, service provider and others, and how these stakeholders' interests have influenced board decision making are set out on pages 2 to 7 of the Strategic report which includes a section 172(1) statement.

DIRECTORS AND COMPANY SECRETARY

The present directors and company secretary, who have served throughout the year except where noted below, are listed on page 1.

From 1 January 2022 to date the following changes have taken place;

	Appointed	Resigned
Director		
S W Newey	01 April 2022	-
M Frost	01 November 2022	-
D B Anderson	-	28 February 2023

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:



P B Hunt
Director
Date: 5 April 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS COLLECTIVE INVESTMENT FUNDS LIMITED

Opinion

We have audited the financial statements of RBS Collective Investment Funds Limited ("the Company") for the year ended 31 December 2022 which comprise Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14, 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 2022 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 12 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS COLLECTIVE INVESTMENT FUNDS LIMITED

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.

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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS COLLECTIVE INVESTMENT FUNDS LIMITED

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.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are United Kingdom Generally Accepted Accounting Practice including FRS 101 and the Companies Act 2006.
- We understood how the Company is complying with those frameworks through discussion with management and those charged with governance and a review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through discussions with management and from our knowledge of the business. We also considered the risk of management override, specifically management's propensity to influence the indirect cost allocation model resulting in misstated expenses. We identified a fraud risk in relation to the incorrect or incomplete accounting of the cost allocation, and in response to this risk reviewed and challenged management's assessment of the data inputs and assumptions used, agreeing inputs to source information and checking the arithmetical accuracy.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

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

Use of our report

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

David Reeves

David Reeves (Apr 5, 2023 15:23 GMT+1)

David Reeves (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Edinburgh
5 April 2023

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2022

	Notes	2022 £'000	2021 £'000
Continuing operations			
Fees and commissions receivable		31,885	28,413
Fees and commissions payable		(1,860)	(1,533)
Non-interest income		30,025	26,880
Operating expenses	3	(19,926)	(15,050)
Operating profit before tax		10,099	11,830
Tax charge	4	(1,919)	(2,248)
Profit and total comprehensive income for the year		8,180	9,582

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

BALANCE SHEET
as at 31 December 2022

	Notes	2022 £'000	2021 £'000
Current assets			
Trade and other receivables	5	50,773	2,469
Amounts due from group companies	6	31,314	49,581
Prepayments, accrued income and other assets	7	11,745	2,663
Cash at bank	8	1,905	3,281
Total assets		95,737	57,994
Current liabilities			
Trade and other payables	9	46,506	1,809
Current tax liabilities		1,919	2,248
Amounts due to group companies	10	16,006	3,682
Accruals, deferred income and other liabilities	11	3,483	2,012
Total current liabilities		67,914	9,751
Equity			
Share capital	12	10,000	10,000
Retained earnings		17,823	38,243
		27,823	48,243
Total liabilities and equity		95,737	57,994

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

The financial statements were approved by the Board of Directors on 3 April 2023 and signed on its behalf by:



P B Hunt
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2021	10,000	28,661	38,661
Profit for the year	-	9,582	9,582
At 31 December 2021	10,000	38,243	48,243
Dividend paid	-	(28,600)	(28,600)
Profit for the year	-	8,180	8,180
At 31 December 2022	10,000	17,823	27,823

Total comprehensive income for the year of £8,180k (2021: £9,582k) was wholly attributable to the equity holders 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 after assessing principal risks, and other relevant evidence over the twelve months from the date the financial statements are approved and under FRS 101 *Reduced Disclosure Framework*; and
- on the historical cost basis.

b) Revenue recognition

Revenue is recognised upon transfer of control of promised services to customers i.e. when (or as) a performance obligation is satisfied, in an amount that reflects consideration to which the Company is entitled in exchange for those services net of VAT. The Company includes variable consideration as part of its transaction price when it is highly probable that a significant reversal will not occur.

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

Management fees are recognised as the services are performed over time. Such fees are based on an agreed-upon percentage of the net asset value of each collective investment scheme under the management of the Company and stated in the applicable prospectus of those schemes. These fees are affected by changes to net asset value, including market appreciation and depreciation, foreign exchange movements and net inflows or outflows. Management fees are shown net of fees waived pursuant to contractual expense limitations of the funds or voluntary waivers. Management fees are generally invoiced monthly in arrears. Fees are not collected in advance.

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) Provisions

The Company recognises a provision for a present obligation resulting from a past event when it is more likely than not that it will be required to transfer economic benefits to settle the obligation and the amount of the obligation can be estimated reliably.

e) Cash at bank

Cash at bank comprises cash and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

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, there are no particular judgements and assumptions involved in the Company's accounting policies that are considered by the directors to be significant to the portrayal of the Company's performance and financial condition.

NOTES TO THE FINANCIAL STATEMENTS

3. Operating expenses

	2022	2021
	£'000	£'000
Outsourcing & consulting fees ⁽¹⁾	17,850	13,340
Other administrative expenses	1,580	918
Financial services compensation scheme levy	449	735
Auditor's remuneration- audit services	47	57
	19,926	15,050

Note:

(1) Outsourcing and consulting fees were all recurring expenses in 2022 & 2021.

Operating expenses include:

	2022	2021
	£'000	£'000
Auditor's remuneration - audit services	47	47
Auditor's remuneration - fund audit Services	-	10
Auditor's remuneration - client money audit	38	25
Management recharge to NatWest Group companies	1,724	1,404
	1,808	1,486

Directors' emoluments

	2022	2021
	£'000	£'000
Amounts paid to Non-Executive Directors:	191	120

Fees for Non-Executive Directors are shown above. The Company does not remunerate Executive Directors. There are no other employees.

4. Tax

	2022	2021
	£'000	£'000
Current taxation :		
UK corporation tax charge for the year	1,919	2,248
Tax charge for the year	1,919	2,248

The actual tax charge matches the expected tax charge.

The UK Corporation tax rate for the year was 19%. On 24 May 2021 the UK Government substantively enacted an increase in the UK Corporation Tax rate from 19% to 25% with effect from 1 April 2023.

5. Trade and other receivables

	2022	2021
	£'000	£'000
Trade receivables	50,823	2,525
Less: provisions	(50)	(56)
	50,773	2,469

Trade receivables primarily relate to debtors arising from i) the sale of fund units to the investors ii) amounts due from the fund following the cancellation of units.

NOTES TO THE FINANCIAL STATEMENTS

6. Amounts due from group companies

	2022	2021
	£'000	£'000
The Royal Bank of Scotland plc	31,314	49,581

Amounts due from The Royal Bank of Scotland plc relate to a non-interest bearing deposit. The balance is recoverable immediately upon demand.

This has been assessed for impairment under IFRS 9. The balance is in stage 1 and there is no material charge to apply.

7. Prepayments, accrued income and other assets

	2022	2021
	£'000	£'000
Accrued income	11,553	2,443
Prepayments	191	220
	11,745	2,663

8. Cash at bank

	2022	2021
	£'000	£'000
Cash at bank	1,905	3,281

9. Trade and other payables

	2022	2021
	£'000	£'000
Trade creditors	46,506	1,809

Trade creditors mainly relates to the purchase of fund units from the underlying investors and amounts due to the fund following the creation of units.

10. Amounts due to group companies

	2022	2021
	£'000	£'000
Coutts & Company	240	1,836
National Westminster Group Plc	15,766	1,846
	16,006	3,682

11. Accruals, deferred income and other liabilities

	2022	2021
	£'000	£'000
Amounts falling due within one year:		
Accruals	3,436	1,993
Other liabilities	47	19
	3,483	2,012

NOTES TO THE FINANCIAL STATEMENTS

12. Share capital

	2022 £'000	2021 £'000
Authorised:		
301,210,438 ordinary shares of £0.50 each	150,605	150,605
Allotted, called up and fully paid:		
20,000,000 ordinary shares of £0.50 each	10,000	10,000

The Company has one class of ordinary shares which carry no right to fixed income.

13. 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. This includes the payment of UK corporation tax.

Group companies

At 31 December 2022

The Company's immediate parent was:	RBSG Collective Investments Holdings Limited
The smallest consolidated accounts including the Company were prepared by:	NatWest Holdings Limited
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.

14. Events subsequent to the end of the financial year

There were no subsequent events post 31st December 2022.