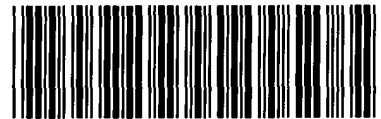


Company Registered No: SC115060

RBS PROPERTY DEVELOPMENTS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
For the year ended 31 December 2017

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RBS PROPERTY DEVELOPMENTS LIMITED

SC115060

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RBS PROPERTY DEVELOPMENTS LIMITED

SC115060

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR: N T B Miller

COMPANY SECRETARY: RBS Secretarial Services Limited

REGISTERED OFFICE: 36 St Andrew Square
Edinburgh
Scotland
EH2 2YB

INDEPENDENT AUDITOR: Ernst & Young LLP
Statutory auditor
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Registered in Scotland

DIRECTOR'S REPORT

The director of RBS Property Developments Limited (the Company) presents the annual report together with the audited financial statements for the year ended 31 December 2017.

ACTIVITIES AND BUSINESS REVIEW

The Director's 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.

Principal activity

The principal activity of the Company was that of a property development services company employed by The Royal Bank of Scotland plc (RBS plc) to undertake a number of branch and other property developments on its behalf.

Business review

There are no plans for the Company to begin any new property development projects in the foreseeable future and steps will now be taken to wind up the company in next 12 months.

FINANCIAL PERFORMANCE

At the end of the year, the Balance Sheet showed total assets of £2 (2016: £3). Total equity was £2 (2016: £2)

Dividends

No dividend was paid during the year (2016: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The Company seeks to minimise its exposure to financial risks.

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 RBS Asset and Liability Management Committee (RBS ALCO).

Going Concern

The director, having taken into account their intention to liquidate the Company within the next 12 months, has prepared the financial statements on a basis other than that of going concern. The director does not consider this basis of preparation has affected the recognition and measurement of the assets or liabilities of the Company.

DIRECTORS AND COMPANY SECRETARY

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

From 1 January 2017 to date, the following changes have taken place:

	Appointed	Resigned
Directors		
R G Solomon	-	21 March 2017
A M Webb	-	30 April 2018

DIRECTOR'S REPORT**DIRECTOR'S RESPONSIBILITIES STATEMENT**

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare a Director's Report and financial statements for each financial year. Under that law, the director has 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 he is 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 director is 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 the Director's Report and note 1(a), the financial statements have not been prepared on a going concern basis.

The director is 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 Director's Report and financial statements comply with the requirements of the Companies Act 2006. He is 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

The director 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 director has 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.

DIRECTOR'S INDEMNITIES

The Royal Bank of Scotland Group plc has not indemnified the director under the qualifying third party terms.

INDEPENDENT AUDITOR

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

Approved and signed by the Sole Director:



N T B Miller

Director

Date: 21st September 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS PROPERTY DEVELOPMENTS LIMITED

Opinion

We have audited the financial statements of RBS Property Developments Limited (the Company) for the year ended 31 December 2017 which comprise the Balance Sheet and the related notes 1 to 7, 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice). The financial statements have been prepared on a basis other than a going concern as disclosed in note 1(a).

In our opinion the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2017 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 director is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS PROPERTY DEVELOPMENTS 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- director's 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 director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director's were not entitled to take advantage of the small companies' exemption from preparing a Strategic report.

Responsibilities of director

As explained more fully in the director's responsibilities statement [set out on page 3], the director is 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 director 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

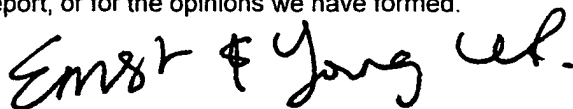
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Matthew Philpott (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Statutory Auditor
Edinburgh, United Kingdom

24/9/18.

BALANCE SHEET
as at 31 December 2017

	Note	2017 £	2016 £
Current assets			
Amounts due from group undertakings	4	2	3
Total assets		<u>2</u>	<u>3</u>
Current liabilities			
Amounts due to group undertakings	5	-	1
Total liabilities		<u>-</u>	<u>1</u>
Equity			
Called-up share capital	6	2	2
Total equity		<u>2</u>	<u>2</u>
Total liabilities and equity		<u>2</u>	<u>3</u>

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

The financial statements of the Company were approved by the sole Director and authorised for issue on 21st September 2018.



N T B Miller
Director

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies****a) Preparation and presentation of financial statements**

These financial statements are prepared:

- on a basis other than that of going concern. Under this basis, the assets have been measured at recoverable values and liabilities at settlement values. No material adjustments have arisen as a result of ceasing to apply the going concern basis; and
- under Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework in accordance with the recognition and measurement principles of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and Interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the European Union (EU) (together IFRS).

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

The Company is incorporated in the UK and registered in Scotland and the financial statements are presented:

- in accordance with the Companies Act 2006;
- in Sterling which is the functional currency of the Company; and
- with the benefit of the disclosure exemptions permitted by FRS 101 with regard to:
 - cash-flow statement;
 - standards not yet effective; and
 - related party transactions.

Where required, equivalent disclosures are given in the group accounts of The Royal Bank of Scotland Group plc, these financial statements are available to the public and can be obtained as set out in note 7.

The intention of the director is to liquidate the Company with the next 12 months. International Accounting Standard (IAS) 1 "Presentation of Financial Statements" requires the financial statements in such circumstances to be prepared on a basis other than going concern. The director do not consider that this has affected the recognition and measurement of the assets or liabilities of the Company.

The few changes to IFRS that were effective from 1 January 2017 have had no material effect on the Company's financial statements for the year ended 31 December 2017.

b) Financial assets

On initial recognition, financial assets are classified into loans and receivables.

Loans and receivables

Non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market are classified as loans and receivables, except those that are classified as available-for-sale or as held-for-trading, or designated as at fair value through profit or loss. Loans and receivables are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment losses. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial carrying amount. Calculation of the effective interest rate takes into account fees payable or receivable, that are an integral part of the instrument's yield, premiums or discounts on acquisition or issue, early redemption fees and transaction costs. All contractual terms of a financial instrument are considered when estimating future cash flows.

Under the basis other than that of going concern, this equates the recoverable value.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

c) Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets classified as loans and receivables is impaired. A financial asset or portfolio of financial assets is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

d) 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.

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. UK company law and IFRS require the director, in preparing the Company's financial statements, to select suitable accounting policies, apply them consistently and make judgements and estimates that are reasonable and prudent. In the absence of an applicable standard or interpretation, IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', requires management to develop and apply an accounting policy that results in relevant and reliable information in the light of the requirements and guidance in IFRS dealing with similar and related issues and the IASB's Framework for the Preparation and Presentation of Financial Statements.

3. Profit and loss account and Statement of changes in equity

The Company did not trade during the financial year or the preceding financial year. It received no income and incurred no expenditure. Profit and loss account is therefore not presented. The Company has no reserves and the only equity is the share capital as disclosed in note 6. Consequently, a statement of changes in equity has not been prepared.

4. Amounts due from group undertakings

	2017	2016
	£	£
Parent: The Royal Bank of Scotland plc	2	3

5. Amounts due to group undertakings

	2017	2016
	£	£
Fellow subsidiary: National Westminster Properties No1 Limited	-	1

NOTES TO THE FINANCIAL STATEMENTS

6. Share capital

	2017 £	2016 £
Authorised:		
25,000,000 Ordinary Shares of £1	<u>25,000,000</u>	<u>25,000,000</u>
Allotted, called up and fully paid:		
2 Ordinary Shares of £1	<u>2</u>	<u>2</u>

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

7. Related parties

UK Government

The UK Government through HM Treasury is the ultimate controlling party of The Royal Bank of Scotland Group plc. Its shareholding is managed by UK Financial 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 undertakings

At 31 December 2017

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

On 29 April 2018 The Royal Bank of Scotland plc changed its name to NatWest Markets Plc.

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