Company Registered No: SC164882

RBS MEZZANINE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:	L E Roberts K D Pereira
SECRETARY:	NatWest Markets Secretarial Services Limited
REGISTERED OFFICE:	24/25 St Andrew Square Edinburgh Scotland EH2 1AF
INDEPENDENT AUDITOR:	Ernst & Young LLP Statutory auditor, Atria One 144 Morrison Street Edinburgh EH3 8EX

Registered in Scotland

DIRECTORS' REPORT

The directors of RBS Mezzanine Limited ("the Company") present their annual report and the audited financial statements for the year ended 31 December 2018.

ACTIVITIES AND BUSINESS REVIEW

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

Principal activity

The principal activity of the Company is the provision of Mezzanine debt finance and term loan funding.

The Company is a subsidiary of The Royal Bank of Scotland 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 the The Royal Bank of Scotland Group plc review these matters on a group basis. Copies can be obtained from Corporate Governance and Regulatory Affairs, RBS Gogarburn, PO Box 1000, Edinburgh EH12 1HQ, the Registrar of Companies or at www.rbs.com.

Review of the year

Business review

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

FINANCIAL PERFORMANCE

The Company's financial performance is presented on pages 8 to 11.

Net interest income increased by £137k (decrease in 2017: £7,505k). The profit for the year was £173k (loss in 2017: £375k).

The directors do not recommend the payment of a dividend during the year (2017: nil).

At the end of the year total assets were £47,207k (2017: £47,774k), including income-generating assets comprising available for sale. of assets £nil (2017: £181k) amounts due from group undertakings of £47,197k (2017: £47,541k) and cash at bank of £10k (2017: £52k) together representing a decrease of 1.19%. Total shareholders' funds were £47,131k (2017: £46,967k).

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 RBS Asset and Liability Management Committee (RBS ALCO).

The Company's assets mainly comprise loans and receivables which expose it to interest, credit, liquidity and market risk except that the counterparties are group companies and credit risk is not considered significant.

The principal risks associated with the company are as follows:

DIRECTORS' REPORT

Principal risks and uncertainties (continued)

Market risk
The Company is exposed to market risk as a result of the assets and liabilities contained within the Company's balance sheet. There has been no change to the nature of the Company's exposure to market risks or the manner in which it manages and measures the risk.

The main component of market risk that the Company faces is interest rate risk. The Company manages interest rate risk by monitoring the interest rate profile of its assets and liabilities.

Currency risk
The Company holds cash at bank in USD and Euros. The carrying amount of the Company's foreign currency assets and liabilities are £nil at the balance sheet date.

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

The Company manages interest rate risk by monitoring the consistency in the interest rate profile of its assets and liabilities, and limiting any re-pricing mismatches.

Credit risk
The objective of credit risk management is to enable the Company to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with approved appetite for the risk that customers will be unable to meet their obligations to the Company.

The key principles of the group's Credit Risk Management Framework are set out below:

- Approval of all credit exposure is granted prior to any advance or extension of credit.
- An appropriate credit risk assessment of the customer and credit facilities is undertaken prior to approval of credit exposure. This includes a review of, amongst other things, the purpose of credit and sources of repayment, compliance with affordability tests, repayment history, capacity to repay, sensitivity to economic and market developments and risk-adjusted return.
- Credit risk authority is delegated by the Board and specifically granted in writing to all individuals involved in the granting of credit approval. In exercising credit authority, the individuals act independently of any related business revenue origination.
- All credit exposures, once approved, are effectively monitored and managed and reviewed periodically against approved limits. Lower quality exposures are subject to a greater frequency of analysis and assessment.

Liquidity risk
Liquidity risk arises where assets and liabilities have different contractual maturities. Management focuses on risk arising from the mismatch of maturities across the balance sheet and from undrawn commitments and other contingent obligations. The Company has no liquidity risk.

Going concern
The directors, having a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, have prepared the financial statements on a going concern basis.

DIRECTORS' REPORT

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

Company law requires the directors to prepare Directors' Report and financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs at the end of the year and the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether FRS 101 has been followed; and
- make an assessment of the Company's ability to continue as a going concern.

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

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

DIRECTORS' REPORT

DIRECTORS AND SECRETARY

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

From 1 January 2018 to date the following changes have taken place:

Directors	Appointed	Resigned
S P Nixon	-	26 April 2019
L E Roberts	26 April 2019	-

Secretary	Appointed	Resigned
RBS Secretarial Services Limited	-	28 September 2018
NatWest Markets Secretarial Services Limited	28 September 2018	-

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:

K. Pereira

K D Pereira
Director
Date:
26 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS MEZZANINE LIMITED

Opinion

We have audited the financial statements of RBS Mezzanine Ltd. for the year ended 31 December 2018 which comprise the Profit and Loss Account, the 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 2018 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 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial Statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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

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

We have nothing to report in this regard.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBS MEZZANINE LIMITED

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:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Ernst & Young LLP

Nathan Pietsch (Senior statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor,
Edinburgh
Date: 27 September 2019

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2018

Income from continuing operations	Notes	2018 £'000	2017 £'000
Interest receivable		267	130
Net interest income	3	267	130
Other operating income	4	-	88
Non-interest income		-	88
Total income		267	218
Operating expenses	5	(53)	114
Profit on ordinary activities before tax		214	332
Tax charge	6	(41)	(707)
Profit/(loss) for the financial year		173	(375)

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

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2018

	2018 £'000	2017 £'000
Profit/(loss) for the financial year	**173**	(375)
Items that will be reclassified subsequently to profit or loss :		
(Decrease)/Increase in fair value of assets held at FVOCI (Fair value through other comprehensive income)	**(11)**	46
Other comprehensive (loss)/income before tax	**(11)**	46
Tax credit/(charge)	**2**	(9)
Other comprehensive (loss)/income after tax	**(9)**	37
Total comprehensive income/(loss) for the year	**164**	(338)

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

BALANCE SHEET
as at 31 December 2018

	Notes	2018 £'000	2017 £'000
Current assets			
Investments - FVOCI	8	-	181
Amounts due from group company	9	47,197	47,541
Cash at bank	10	10	52
Total assets		47,207	47,774
Current liabilities			
Amounts due to group company	11	37	40
Current tax liability		39	767
Total liabilities		76	807
Equity			
Called-up share capital	12	8,000	8,000
FVOCI reserve		-	145
Retained Earnings		39,131	38,822
Total equity		47,131	46,967
Total liabilities and equity		47,207	47,774

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

The financial statements of the Company were approved by the Board of Directors on 26 September 2019 and signed on its behalf by:

K. Pereira

K D Pereira
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2018

	Note	Share capital £'000	Fair Value through Other Comprehensive Income Reserve £'000	Retained Earnings £'000	Total £'000
At 1 January 2017		8,000	108	39,197	47,305
Loss for the year		-	-	(375)	(375)
Increase in fair value of available-for-sale assets		-	46	-	46
Tax charge on fair value adjustment		-	(9)	-	(9)
At 31 December 2017		8,000	145	38,822	46,967
Profit for the year		-	-	**173**	**173**
Decrease in fair value of assets held at FVOCI		-	**(11)**	-	**(11)**
Transfer of FVOCI reserve to retained earnings on disposal of investment			**(136)**	**136**	-
Tax credit on fair value adjustment		-	**2**	-	**2**
At 31 December 2018		**8,000**	**-**	**39,131**	**47,131**

Total comprehensive income for the year of £164k (Loss in 2017: £338k) was wholly attributable to the owners of the Company.

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

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies

a) Preparation and presentation of financial statements
These financial statements are prepared:

- on a going concern basis;
- under Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework in accordance with the recognition and measurement principles of International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU (together IFRS); and
- on the historical cost basis except that the following assets are stated at their fair value: fair value through other comprehensive income financial instruments.

The Company has early adopted all of the amendments to FRS 101 as a result of the Triennial review 2017 amendments with effect from 1st January 2018.

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

The Company is incorporated in the UK and registered in 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:
    a. cash-flow statement;
    b. standards not yet effective;
    c. related party transactions; and
    d. 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 The Royal Bank of Scotland Group plc, these accounts are available to the public and can be obtained as set out in note 10.

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

IFRS 9 changed the classification categories from IAS 39. There has been no restatement of prior years. Assets held for trading were reclassified to mandatory fair value through profit or loss. Loans and receivables were reclassified to amortised costs assets, available for sale assets were reclassified as fair value through other comprehensive income unless they were deemed to be in a fair value business model or failed the contractual cash flow requirements under IFRS 9. There were no changes in the classification and measurement of financial liabilities.

b) Foreign currencies
Transactions in foreign currencies are translated into Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Foreign exchange differences arising on translation are reported in the Profit and Loss Account.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

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

Fees in respect of services are recognised as the right to consideration accrues through the provisions of services to customers. The arrangements are generally contractual and the cost of providing the service is incurred as the service is rendered. The price is usually fixed and always determinable. Fees charged for managing investments are recognised as revenue as the services are provided. Incremental costs that are directly attributable to securing an investment management contract are deferred and charged as expense as the related revenue is recognised.

d) Taxation
Income tax expense or income, comprising current tax and deferred tax, is recorded in the Profit and Loss Account except income tax on items recognised outside profit or loss which is credited or charged to other comprehensive income or to equity as appropriate.

Current tax is income tax payable or recoverable in respect of the taxable profit or loss for the year arising in income or in equity. Provision is made for current tax at rates enacted or substantively enacted at the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable in respect of temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered. Deferred tax is not recognised on temporary differences that arise from initial recognition of an asset or liability in a transaction (other than a business combination) that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is calculated using tax rates expected to apply in the periods when the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, at the balance sheet date.

e) Investments in group companies
Investments in group companies are stated at cost less accumulated impairment.

f) Cash at bank
Cash at bank comprises non-interest bearing deposits held with banks.

1. Accounting policies (continued)

g) Financial instruments

On initial recognition, financial instruments are measured at fair value. Subsequently they are measured at amortised cost.

Amortised cost assets – have to meet both the following criteria:

a) the asset is held within a business model whose objective is solely to hold assets to collect contractual cash flows; and
b) the contractual terms of the financial asset are solely payments of principal and interest on the outstanding balance.

Amortised cost liabilities – all liabilities that are not subsequently measured at fair value are measured at cost.

Assets designated at fair value through other comprehensive income – An equity instrument may be designated irrevocably at fair value through other comprehensive income. Other assets have to meet both the following criteria:

a) the asset is held within a business model whose objective is both to hold assets to collect contractual cash flows and selling financial assets; and
b) the contractual terms of the financial asset are solely payments of principal and interest on the outstanding balance.

Reclassifications – financial liabilities cannot be reclassified. Financial assets are only reclassified where there has been a change in the business model.

Business model assessment – business models are assessed at portfolio level, being the level at which they are managed. This is expected to result in the most consistent classification of assets because it aligns with the stated objectives of the portfolio, its risk management, manager's remuneration and the ability to monitor sales of assets from a portfolio. The criteria for classifying cash flows as solely principal and interest are assessed against the contractual terms of a facility, with attention to leverage features; prepayment and extension terms; and triggers that might reset the effective rate of interest.

h) Impairment of financial assets

At each balance sheet date each financial asset or portfolio of loans measured at amortised cost or at fair value through other comprehensive income, issued financial guarantee and loan commitment is assessed for impairment. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses. 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. On a significant increase in credit risk, allowances are recognised without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations. On restructuring a financial asset without causing derecognition of the original asset 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.

NOTES TO THE FINANCIAL STATEMENTS

2. Critical accounting policies and key sources of estimation uncertainty

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

Fair value - financial instruments
Financial instruments classified as fair value through other comprehensive income are recognised in the Financial Statements at fair value. Unrealised gains and losses on financial assets are recognised directly in equity

Financial instruments classified as designated as at fair value through profit or loss are recognised in the financial statements at fair value. Changes in fair value are recognised in profit or loss as they arise.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values are determined by reference to observable market prices where available and reliable. Where representative market prices for an instrument are not available or are unreliable because of poor liquidity, the fair value is derived from prices for its components using appropriate pricing or valuation models

3. Net Interest income

	2018 £'000	2017 £'000
Interest receivable from NatWest Markets plc	267	130
	267	130

4. Other operating income

	2018 £'000	2017 £'000
Dividend income	-	86
Other income	-	2
	-	88

5. Operating expenses

	2018 £'000	2017 £'000
Administrative expenses	33	(134)
Auditor's remuneration - audit services	20	20
	53	(114)

Directors' emoluments and audit fees
The Company does not remunerate directors nor can remuneration from elsewhere in the Group be apportioned meaningfully in respect of their services to the Company. There are no other staff.

The auditor's remuneration for statutory audit work for the year was £20,260 (2017: £20,260) was borne by the Company. Remuneration paid to the auditor for non-audit work for the Company was £nil (2017: £nil).

6. Tax

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax charge/(credit) for the year	41	47
Under provision in respect of prior periods	-	660
	41	707
Deferred tax:		
Charge for the year	-	-
Tax charge for the year	41	707

The actual tax charge/(credit) differs from the expected tax charge computed by applying the standard rate of UK corporation tax of 19% (2017: blended tax rate 19.25%) as follows:

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	214	332
Expected tax charge	41	64
Non-taxable items	-	(17)
Adjustments in respect of prior periods	-	660
Actual tax charge for the year	41	707

7. Investments in group undertakings

The details of subsidiary undertakings of the Company are shown below:

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest %	Principal activity
RBSM Capital Limited	United Kingdom	99.99	Investment company

RBSM Capital Limited has only one class of Ordinary Share and has issued share capital of £5,000,002. The interest in the subsidiary was acquired during 2008 from RBS at £nil consideration. The registered office for RBSM Capital Limited is 24/25, St Andrew Square, Edinburgh, EH2 1AF, Scotland.

8. Investments - FVOCI

	2018 £'000	2017 £'000
Equity shares	-	181

Movement in FVOCI investments during the year were as follows:

	2018 £'000	2017 £'000
As at 1 January	**181**	135
Unrealised (loss)/gain on change in fair value	**(11)**	46
Proceeds from disposal of investment	**(170)**	-
As at 31 December	**-**	181

NOTES TO THE FINANCIAL STATEMENTS

Investment comprised of shares held in Aspire Oil Services Limited. Aspire Oil Services Limited was liquidated and liquidation distributions were received resulting in derecognition of this investment. As a result, the number of shares held at 31 December 2018 is nil (2017: 6,169,744).

9. Amounts due from group company

	2018	2017
	£'000	£'000
Amounts due from NatWest Markets plc	**47,197**	47,541

10. Cash at bank

	2018	2017
	£'000	£'000
Cash at bank RBS plc	**10**	52

11. Amounts due to group company

	2018	2017
	£'000	£'000
Amounts due to NatWest Markets plc	**37**	40

12. Called up Share Capital

	2018	2017
	£'000	£'000
Authorised:		
10,000,000 Ordinary Shares of £1 each	**10,000**	10,000
Allotted, called-up and fully paid:		
Equity shares		
8,000,000 Ordinary Shares of £1 each	**8,000**	8,000

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 The Royal Bank of Scotland 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 together with banking transactions such as loans and deposits undertaken in the normal course of banker-customer relationships.

Group companies
At 31 December 2018

The Company's immediate parent was:	NatWest Markets plc
The smallest consolidated accounts including the company were prepared by:	NatWest Markets 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 plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

14. Post balance sheet events

On 15 April 2019, the subsidiary RBSM Capital Limited reduced its share capital from 5,000,002 ordinary shares to 2 ordinary shares. One share is owned by RBS Mezzanine Limited, thus changing the proportion of ownership interest to 50% from 99.99%.