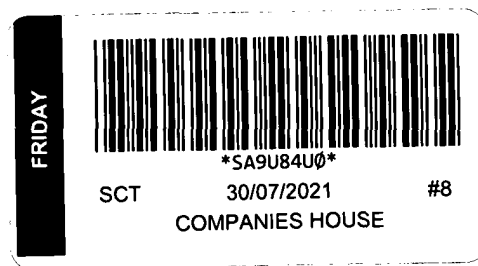


Company Registered No: SC196328

RBSG INTERNATIONAL HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2020



COMPANIES HOUSE

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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS: R Begbie
S M Thomson

COMPANY SECRETARY: NatWest Group Secretarial Services Limited

REGISTERED OFFICE: 175 Glasgow Road
Edinburgh
EH12 1HQ

INDEPENDENT AUDITOR: Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Registered in Scotland

DIRECTORS' REPORT

The directors of RBSG International Holdings Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 2020.

CHANGE OF REGISTERED OFFICE

On 03 August 2020, the Registered Office of the Company changed from 24/25, St Andrew Square, Edinburgh, EH2 1AF to 175 Glasgow Road, Edinburgh, EH12 1HQ.

ACTIVITIES AND BUSINESS REVIEW

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

Activity

The principal activity of the Company was to act as a holding company before it disposed of its entire investment in 2018.

The Company is a subsidiary of NatWest Group plc (the "Group") (formerly known as The Royal Bank of Scotland Group plc (RBSG plc)) which provides the Company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the directors believe that performance indicators specific to the Company are not necessary or appropriate for an understanding of the development, performance or position of the business. The annual reports of NatWest Group plc review these matters on a Group basis. Copies may be requested from Legal, Governance and Regulatory Affairs, NatWest Group plc Gogarburn, Edinburgh, PO Box 1000 EH12 1HQ, the Registrar of Companies or at www.natwestgroup.com.

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

Review of the year**Business review**

The company disposed of all of its remaining investments in 2018. The directors do not anticipate the Company will do any business in the near future.

Financial performance

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

The loss before tax for the year was £4k (2019: £7k). The loss after tax for the year was £3k (2019: £6k).

No distributions were paid during the year (2019: £nil). No further distributions are proposed in respect of 2020.

At the end of the year, the Balance Sheet showed total assets of £127k (2019: £139k). Total equity was £111k (2019: £114k).

Principal risks and uncertainties

The Company seeks to minimise its exposure to financial risks other than equity and credit risk.

Management focuses on both the overall balance sheet structure and the control, within prudent limits, of risk arising from mismatches, including liquidity. It is undertaken within limits and other policy parameters set by the Group Asset and Liability Management Committee ("Group ALCO").

The Company is funded by facilities from RBS AA Holdings (UK) Limited. These are denominated in the functional currency and carry no significant financial risk.

The Company's assets mainly comprise short term deposits with Group companies which would expose it to liquidity risk and operational risk.

DIRECTORS' REPORT**Principal risks and uncertainties (continued)****Operational risk**

Operational risk is the risk of unexpected losses attributable to human error, systems failures, fraud or inadequate internal financial controls and procedures. The Company manages this risk, in line with the NatWest Group framework, through systems and procedures to monitor transactions and positions, the documentation of transactions and periodic review by internal audit. The Company also maintains contingency facilities to support operations in the event of disasters.

Going concern

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

DIRECTORS AND SECRETARY

The present directors and secretary, who have served throughout the year and to the date of this report are listed on page 1.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare a Directors' Report and financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 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 the Directors' Report and financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

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

- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- 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' INDEMNITIES**

Qualifying third party indemnity provisions for the benefit of the directors were in force during the year under review and remain in force as at the date of approval of the annual report and financial statements.

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:


S M Thomson [Jul 22, 2021 09:10 GMT+1]

S M Thomson
Director
Date: 22 July 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBSG INTERNATIONAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of RBSG International Holdings Limited (the 'Company') for the year ended 31st December 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 10, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2020 and of its loss 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 the provisions available for small entities, in the circumstances set out in the Directors' report to the financial statements, 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 at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBSG INTERNATIONAL HOLDINGS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and 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 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RBSG INTERNATIONAL HOLDINGS LIMITED

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006 and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework".
- We understood how RBSG International Holdings Limited is complying with those frameworks by making inquiries of management and those charged with governance. We also reviewed minutes of the Board and gained an understanding of the company's governance framework.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the controls that the company has established to address fraud risks identified, or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiries with the management and the directors. We also reviewed minutes of the Board meetings.

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

Use of our report

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

Ernst & Young LLP.

Jean-Philippe Faillat (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date 22 July 2021

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2020

	Notes	2020 £'000	2019 £'000
Income from continuing operations			
Investment income	3	-	1
Operating expenses	4	(4)	(8)
Loss before tax		(4)	(7)
Tax credit	5	1	1
Loss for the financial year		(3)	(6)

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

BALANCE SHEET
as at 31 December 2020

	Notes	2020 £'000	2019 £'000
Assets			
Current assets			
Cash at bank	6	126	138
Current tax asset	5	1	1
Total assets		127	139
Current liabilities			
Accruals, deferred income and other liabilities	7	15	10
Amounts due to group companies	8	1	15
		16	25
Total liabilities		16	25
Equity			
Called up share capital	9	-	-
Profit and loss account		111	114
Total equity		111	114
Total liabilities and equity		127	139

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 22 July 2021 and signed on its behalf by:

S M Thomson

S M Thomson (Jul 22, 2021 09:16 GMT+1)

S M Thomson
Director

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

	Share capital £'000	Retained earnings £'000	Total £'000
At 1 January 2019	-	120	120
Loss for the financial year	-	(6)	(6)
At 31 December 2019	-	114	114
Loss for the financial year	-	(3)	(3)
At 31 December 2020	-	111	111

Total comprehensive loss for the year of £3k (2019: £6k) 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.

In the first quarter of 2020, the World Health Organisation declared the Covid-19 outbreak to be a pandemic. Many governments, including the UK, have taken stringent measures to contain and delay the spread of the virus. Actions taken in response to the spread of Covid-19 have resulted in severe disruption to business operations and a significant increase in economic uncertainty, with more volatile asset prices and currency exchange rates, and a marked decline in long-term interest rates in developed economies.

The NatWest Group plc has a well-developed business continuity plan which includes pandemic response, enabling the Group to quickly adapt to these unprecedented circumstances and continue as a viable business.

Management continue to monitor further impacts on profitability, assets, operations and liquidity however, at this stage do not consider there to be any additional material issues for the Company.

In assessing going concern, a Covid-19 impact analysis was performed across the NatWest Group. The directors have also considered the uncertainties associated with Covid-19 including the different ways in which this could impact the cash flows, capital, solvency and liquidity position of the Company and any mitigations management have within their control to implement. Based on this assessment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and have prepared the financial statements 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 European Union (EU) (together IFRS); and
- on the historical cost basis. Historical cost is based on the fair value of the consideration exchanged on initial recognition.

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;
 - related party transactions.
 - disclosure requirements of IFRS 7 "Financial Instruments: Disclosure and IFRS 13 "Fair value Measurement"

Where required, equivalent disclosures are given in the group accounts of NatWest Group plc, these financial statements are available to the public and can be obtained as set out in note 10.

The Company improved the presentation of some disclosures and comparative information has been adjusted to be consistent with the new presentation.

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

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

Interest income or expense relates to financial instruments measured at amortised cost and debt instruments classified as fair value through OCI using the effective interest rate method, the effective part of any related accounting hedging instruments and finance lease income recognised at a constant periodic rate of return before tax on the net investment. Negative effective interest accruing to financial assets is presented in interest payable.

c) Taxation

Income tax, 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.

d) Cash at bank

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

e) Financial instruments

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

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

The product classifications apply to financial assets that are either designated at fair value through profit or loss (DFV), or to equity investments designated as at fair value through other comprehensive income (FVOCI). In all other instances, fair value through profit or loss (MFVTPL) is the default classification and measurement category for financial assets

Regular way purchases of financial assets classified as amortised cost, are recognised on the settlement date; all other regular way transactions in financial assets are recognised on the trade date.

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

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

Most financial assets are held to collect the contractual cash flows that comprise solely payments of principal and interest and are measured at amortised cost. Certain financial assets managed under a business model of both to collect contractual cash flows comprising solely of payments of principal and interest, and to sell, are measured at fair value through other comprehensive income ('FVOCI').

f) Derecognition

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

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

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. There are no particular judgements and assumptions involved in the Company's accounting policies that are considered by the Board to be significant to the portrayal of its financial condition.

3. Investment Income

	2020 £'000	2019 £'000
Interest receivable	-	1

4. Operating expenses

	2020 £'000	2019 £'000
Audit fees	(4)	(6)
Other expenses	-	(2)
	<u>(4)</u>	<u>(8)</u>

Directors' emoluments

The company does not remunerate directors nor can remuneration from elsewhere in the group be apportioned meaningfully in respect of their services to the Company. There are no other staff.

5. Tax

	2020 £'000	2019 £'000
Current Tax:		
UK corporation tax credit for the year	(1)	(1)
Tax credit for the year	<u>(1)</u>	<u>(1)</u>

The actual tax credit does not differ from the expected tax credit computed by applying the standard rate of UK corporation tax of 19% (2019: standard tax rate 19%) as follows:

	2020 £'000	2019 £'000
Loss before tax:	(4)	(7)
Expected tax credit	(1)	(1)
Actual tax credit for the year	<u>(1)</u>	<u>(1)</u>

In the current period, the substantively enacted UK Corporation Tax rate applicable to the company from 1 April 2020 was increased from 17% to 19%. Since the balance sheet date, it was announced in the UK Government's Budget on 3 March 2021 that the main UK Corporation Tax rate will increase to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021.

6. Cash at bank

	2020 £'000	2019 £'000
Cash at bank	<u>126</u>	<u>138</u>

NOTES TO THE FINANCIAL STATEMENTS

7. Accruals, deferred income and other liabilities

	2020 £'000	2019 £'000
Audit fees payable	15	10

8. Amounts due to group companies

	2020 £'000	2019 £'000
The National Westminster Bank plc	1	15

9. Share capital

	2020 £	2019 £
Authorised: 3,000,000,000 Ordinary Share of £1 each	3,000,000,000	3,000,000,000
Allotted, called up and fully paid: 2 Ordinary Share of £1 each	2	2

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

10. Related parties

UK Government

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

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

Group companies

At 31 December 2020

The Company's immediate parent was:	RBS AA Holdings (UK) Limited
The smallest consolidated accounts including the Company were prepared by:	NatWest Group plc
The ultimate parent company was:	NatWest Group plc

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