

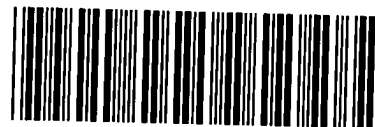
Company Registered No: SC238163

ROBOSCOT VENTURES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2016

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CONTENTS**Page****OFFICERS AND PROFESSIONAL ADVISERS****1****DIRECTORS' REPORT****2****INDEPENDENT AUDITOR'S REPORT****5****PROFIT AND LOSS ACCOUNT****7****BALANCE SHEET****8****STATEMENT OF CHANGES IN EQUITY****9****NOTES TO THE FINANCIAL STATEMENTS****10**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

G H Cato
R D Hook

SECRETARY:

RBS Secretarial Services Limited

REGISTERED OFFICE:

24/25 St Andrew Square
Edinburgh
Scotland
EH2 1AF

INDEPENDENT AUDITOR:

Ernst & Young LLP
Statutory Auditors
25 Churchill Place
Canary Wharf
London
E14 5EY
United Kingdom

Registered in Scotland

DIRECTORS' REPORT

The directors of Roboscot Ventures Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 2016.

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 continues to be to provide payment of carried interest entitlement, where appropriate to the members of Royal Bank Ventures Limited (RBV) Carried Interest Scheme.

The directors do not anticipate any material change in the type or level of activities of the Company.

Business review

The directors are satisfied with the Company's performance in the year. The Company will be guided by its shareholders in seeking further opportunities for growth.

Financial performance

The Company's financial performance is presented on pages 7 to 9.

Income decreased by £422 (2015: increased by £54) and expenses decreased by £138 (2015: £25). Profit for the year was £3 (2015: £229), a decrease of 99% over 2015.

The directors do not recommend the payment of dividend for 2016 (2015: £95,349).

At the end of the year, the balance sheet showed total assets of £12,914 (2015: £12,969), including income generating assets comprising investments in group companies of £1 (2015: £1) representing a decrease of 0.4%. Total shareholders' funds were £12,914 (2015: £12,911).

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 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 principal risks associated with the Company are as follows:

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 or from external events. The key mitigating processes and controls include risk and control assessment, scenario analysis, loss data collection, new product approval process, key risk indicators, notifiable events process and the self certification process. The implementation of these processes and controls is facilitated and overseen by operational risk teams, with internal audit providing independent evaluation of the control framework.

DIRECTORS' REPORT**PRINCIPAL RISKS AND UNCERTAINTIES (continued)****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 material liquidity risk as it has access to Group funding.

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; and
- 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.

The Company's exposure to credit risk is not considered to be significant as the credit exposures are with Group companies.

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 has no material market risk as the exposure is within Group undertakings.

Interest rate risk

Structural interest rate risk arises where assets and liabilities have different repricing maturities. The Company is exposed to interest rate risk on its loans and receivables.

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 AND SECRETARY**

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

From 1 January 2016 to date there has been no change in the directors and secretary of the Company.

DIRECTORS' RESPONSIBILITIES STATEMENT

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

Company law requires the directors to prepare a Directors' Report and financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard (FRS) 101 Reduced Disclosure Framework, and must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs at the end of the year and the profit or loss of the Company for that 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
- directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of that information.

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

AUDITOR

Ernst & Young LLP was appointed as auditor on 9 September 2016 and has expressed its willingness to continue in office as auditor.

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



R D Hook
Director

Date: 8th September 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBOSCOT VENTURES LIMITED

We have audited the financial statements of Roboscot Ventures Limited ("the Company") for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 10. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement 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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

The directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ROBOSCOT VENTURES LIMITED

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified no material misstatements in the directors' report.

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

- adequate accounting records have not been kept; or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in not preparing the Strategic Report.

Ernst & Young LLP

Simon Michaelson (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London, United Kingdom
Date **28.9.17**

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2016

		2016	2015
Income from continuing operations	Notes	£	£
Interest receivable	2	3	425
Interest payable		-	(138)
Profit on ordinary activities before tax		3	287
Tax charge	4	-	(58)
Profit and other comprehensive income for the year		3	229

The Company had no recognised income or expenses in the financial year or preceding financial year other than those dealt with in the Profit and Loss Account.

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

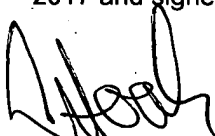
BALANCE SHEET

as at 31 December 2016

	Notes	2016 £	2015 £
Fixed and non current assets			
Investments in Group companies	6	1	1
		<u>1</u>	<u>1</u>
Current assets			
Loans and receivables	7	-	7,968
Cash at bank	8	12,913	5,000
Total assets		<u>12,914</u>	<u>12,969</u>
Creditors: amounts falling due within one year			
Current tax liabilities		-	58
Total liabilities		<u>-</u>	<u>58</u>
Equity: capital and reserves			
Called up share capital	9	401	401
Profit and loss account		12,513	12,510
Total shareholders' funds		<u>12,914</u>	<u>12,911</u>
Total liabilities and shareholders' funds		<u>12,914</u>	<u>12,969</u>

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 8th September 2017 and signed on its behalf by:


R.D. Hook
Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2016

	Note	Share capital £	Profit and loss account £	Total £
At 1 January 2015		401	107,630	108,031
Profit for the year		-	229	229
Dividends paid	5	-	(95,349)	(95,349)
At 31 December 2015		401	12,510	12,911
Profit for the year		-	3	3
At 31 December 2016		401	12,513	12,914

Total comprehensive income for the year of £3 (2015: £229) 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;
- 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.

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

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

- in accordance with the Companies Act 2006;
- in Sterling which is the functional currency of the Company; and
- with the benefit of the disclosure exemptions permitted by FRS 101 with regard to:
 - comparative information in respect of certain assets;
 - cash-flow statement;
 - standards not yet effective;
 - related party transactions; and
 - disclosure requirements of IFRS 7 "Financial Instruments: Disclosure and IFRS 13 "Fair value measurement".

Where required, equivalent disclosures are given in the group accounts of 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 few changes to IFRS that were effective from 1 January 2016 have had no material effect on the Company's financial statements for the year ended 31 December 2016.

b) Revenue recognition

Interest income on financial assets that are classified as loans and receivables is determined using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability. 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.

Revenue from carried interest entitlement is recognised in income statement when the income is realised.

c) Taxation

Income tax expense or income, comprising current 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.

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting policies (continued)

d) Investments in Group undertakings

Investments in Group undertakings are stated at cost less accumulated impairment.

e) Financial assets

On initial recognition, financial assets are classified as 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. 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 (see accounting policy 1(b)) less any impairment losses.

f) Financial liabilities

On initial recognition financial liabilities are classified at amortised cost. Other than derivatives, which are recognised and measured at fair value, all other financial liabilities are measured at amortised cost using the effective interest method (see accounting policy 1(b)).

g) Cash at bank

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

2. Interest receivable

	2016 £	2015 £
Interest on short term deposit - Group	3	425

3. Operating expenses

Staff costs, number of employees and directors' emoluments

All staff and directors were employed by group companies and the financial statements of The Royal Bank of Scotland Group plc which contain full disclosure of employee benefit expenses incurred in the period including share based payments and pensions. The Company has no employees. 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.

The auditor's remuneration for statutory audit work of £8,104 (2015: £8,104) for the Company was borne by The Royal Bank of Scotland plc.

4. Tax

	2016 £	2015 £
Current tax:		
UK corporation tax charge for the year	-	58

The actual tax charge does not differ from the expected tax charge computed by applying the standard UK corporation tax of 20% (2015: 20.25%)

5. Ordinary dividends

	2016 £	2015 £
Dividends paid on C ordinary Shares	-	95,349

NOTES TO THE FINANCIAL STATEMENTS

6. Investments in Group undertakings

Investments in Group undertakings are carried at cost less impairment. There were no movements during the year:

	2016 £	2015 £
At 1 January and 31 December	1	1

The details of the investment in Group undertaking are shown below. Its capital consists of one 'B' Ordinary Share.

Name of Group undertaking	Country of incorporation and operation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
Royal Bank Ventures Investments Limited	UK	24%	0%	Equity investments

7. Loans and receivables

	2016 £	2015 £
Short term deposits - Group	-	7,968

8. Cash at bank

	2016 £	2015 £
Cash at bank - Group	12,913	5,000

NOTES TO THE FINANCIAL STATEMENTS

9. Share capital

	2016 £	2015 £
Authorised:		
100 A Ordinary Shares of 1p each	1	1
10,000 B Ordinary Shares of 1p each	100	100
10,000 C Ordinary Shares of 1p each	100	100
10,000 D Ordinary Shares of 1p each	100	100
10,000 E Ordinary Shares of 1p each	100	100
	401	401
Allotted, called up and fully paid:		
100 A Ordinary Shares of 1p each	1	1
10,000 B Ordinary Shares of 1p each	100	100
10,000 C Ordinary Shares of 1p each	100	100
10,000 D Ordinary Shares of 1p each	100	100
10,000 E Ordinary Shares of 1p each	100	100
	401	401

Ordinary 'A' Shares

The holders of these Shares are entitled to attend and vote at general meetings of the Company.

Ordinary 'B' Shares

The holders of these Shares are not entitled to attend and vote at general meetings of the Company. The shareholders are entitled to receive such dividends as are equal to the 'carried interest entitlement' under the RBV Carried Interest Scheme in respect of the RBV investment portfolio.

Ordinary 'C' Shares

The holders of these Shares are not entitled to attend and vote at general meetings of the Company. The shareholders are entitled to receive such dividends as are equal to the 'carried interest entitlement' under the RBV Carried Interest Scheme in respect of the Natwest IT Fund investment portfolio.

Ordinary 'D' Shares

The holders of these Shares are not entitled to attend and vote at general meetings of the Company. The shareholders are entitled to receive such dividends as are equal to the 'carried interest entitlement' under the RBV Carried Interest Scheme in respect of the Other Fund investment portfolio.

Ordinary 'E' Shares

The holders of these Shares are not entitled to attend and vote at general meetings of the Company. The shareholders are entitled to receive such dividends as are equal to the 'carried interest entitlement' under the RBV Co-Investment Carried Interest Scheme in respect of the RBV Co-investment portfolio.

On a return of capital on liquidation, the surplus assets of the Company remaining after payment of its liabilities shall be applied first to pay any arrears of any 'B', 'C', 'D' or 'E' dividends, second to repay the par value of the Shares to the 'B', 'C', 'D', 'E' shareholders, with any remaining balance being distributed to the 'A' shareholders.

NOTES TO THE FINANCIAL STATEMENTS**10. 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 consisted solely of corporation tax which is separately disclosed in note 4.

Group Companies

The Company's immediate parent company is The Royal Bank of Scotland plc, a company incorporated in the UK. As at 31 December 2016, The Royal Bank of Scotland plc heads the smallest group in which the Company is consolidated. Copies of the consolidated financial statements may be obtained from Corporate Governance and Regulatory Affairs, The Royal Bank of Scotland plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

The Company's ultimate holding company is The Royal Bank of Scotland Group plc, a company incorporated in the UK, heads the largest group in which the Company is consolidated. Copies of the consolidated financial statements may be obtained from Corporate Governance and Regulatory Affairs, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.