

Company Registered No: 03414708

THE ONE ACCOUNT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2018



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS: M C Baird
L D Matheson

COMPANY SECRETARY: RBS Secretarial Services Limited

REGISTERED OFFICE: 250 Bishopsgate
London
England
EC2M 4AA

INDEPENDENT AUDITOR: Ernst & Young LLP
144 Morrison Street
Edinburgh
EH3 8EX

Registered in England and Wales

STRATEGIC REPORT

The directors of The One Account Limited ("the Company") present their annual report together with the audited financial statements for the year ended 31 December 2018.

ACTIVITIES AND BUSINESS REVIEW**Activity**

The principal activity of the Company continues to be the earning of income from intellectual property rights associated with The One Account brand.

The Company is a subsidiary of The Royal Bank of Scotland Group plc ("RBS") 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 RBS 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. 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 9 to 11.

The operating profit before taxation for the year was £12,013k (2017: £11,996k). The retained profit for the year was £9,730k (2017: £9,687k).

The directors declared and paid an interim dividend of £9,000k (2017: £17,000k).

At the end of the year total assets were £7,522k (2017: £6,818k).

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 is funded by facilities from The Royal Bank of Scotland plc. These are denominated in sterling which is the functional currency and carry no significant financial risk.

The Company's assets mainly comprise cash at bank and amounts due from Group companies which would not expose it to any significant risk.

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.

Details of the Company's exposure to interest is detailed below.

STRATEGIC REPORT**Principal risks and uncertainties (continued)****Interest rate risk**

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

Interest rate risk arises where assets and liabilities have different repricing maturities. The Company is exposed to interest rate risk on amounts owed by group companies.

Credit risk

Credit risk is the risk that companies, financial institutions, individuals and other counterparties will be unable to meet their obligations to the Company.

All material loans receivable are with group companies. Although credit risk arises this is not considered to be significant and no amounts are past due.

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 manages its liquidity risk by having access to group funding.

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.

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.

STRATEGIC REPORT**DIRECTORS' RESPONSIBILITIES STATEMENT**

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

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

DISCLOSURE OF INFORMATION TO AUDITOR

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

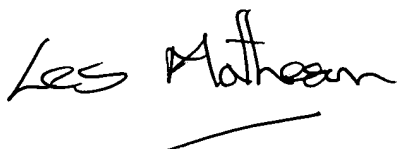
- so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information, and to establish that the Company's auditor is aware of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

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

DIRECTORS' INDEMNITIES

The Royal Bank of Scotland Group plc has indemnified all of the directors under the qualifying third party terms.

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



L D Matheson
Director
Date: 31 May 2019

DIRECTORS' REPORT

The Strategic report includes the review of the year, risk report, disclosure of information to auditors and directors' indemnities.

DIRECTORS AND COMPANY SECRETARY

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

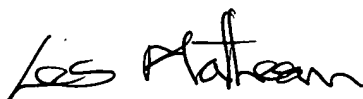
From 1 January 2018 to date the following changes have taken place:

	Appointed	Resigned
Directors		
M Larkin	-	31 May 2018
M C Baird	31 May 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:



L D Matheson
Director
Date: 31 May 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ONE ACCOUNT LIMITED

Opinion

We have audited the financial statements of The One Account Limited ("the Company") for the year ended 31 December 2018 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 13, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ONE ACCOUNT 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 Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report 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 Strategic report and Directors' report.

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ONE ACCOUNT LIMITED

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: 4 June 2019

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2018

		2018	2017
	Notes	£'000	£'000
Income from continuing operations			
Interest receivable		18	4
Net interest income	3	18	4
Other operating income	4	12,000	12,000
Non-interest income		12,000	12,000
Total income		12,018	12,004
Operating expenses	5	(5)	(8)
Profit on ordinary activities before tax		12,013	11,996
Tax charge	6	(2,283)	(2,309)
Profit and total comprehensive income for the financial year		9,730	9,687

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

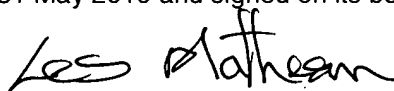
BALANCE SHEET

as at 31 December 2018

	Notes	2018 £'000	2017 £'000
Current assets			
Amounts due from group companies	8	2,152	2,153
Deferred tax asset	10	25	31
Cash at bank		5,345	4,634
Total assets		7,522	6,818
Current liabilities			
Amounts due to group companies	9	196	197
Current tax liabilities		2,277	2,302
Accruals, deferred income and other liabilities	11	10	10
Total liabilities		2,483	2,509
Equity			
Called-up share capital	12	-	-
Profit and loss account		5,039	4,309
Total equity		5,039	4,309
Total liabilities and equity		7,522	6,818

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

The financial statements of the Company were approved and authorised for issue by the Board of Directors on 31 May 2019 and signed on its behalf by:



L D Matheson
Director



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

	Note	Share capital £'000	Profit and loss account £'000	Total £'000
At 1 January 2017		-	11,622	11,622
Profit for the year		-	9,687	9,687
Dividends paid	7	-	(17,000)	(17,000)
At 31 December 2017		-	4,309	4,309
Profit for the year		-	9,730	9,730
Dividends paid	7	-	(9,000)	(9,000)
At 31 December 2018		-	5,039	5,039

Total comprehensive income for the year of £9,730k (2017: £9,687k) 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.

The Company has 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 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:
 - 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 financial statements 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 13.

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.

b) Revenue recognition

Interest income or expense on financial instruments that are measured at amortised cost 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.

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.

c) 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, other comprehensive 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) Taxation (continued)**

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) 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:

- the asset is held within a business model whose objective is solely to hold assets to collect contractual cash flows; and
- 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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

3. Net Interest income

	2018 £'000	2017 £'000
Interest receivable	18	4

4. Other operating income

	2018 £'000	2017 £'000
Fees and commission receivable	12,000	12,000

Other operating income is attributable to the fees paid by RBS plc to the Company for the intellectual property rights associated with The One Account brand.

Revenue represents contractual fee income received from RBS plc.

5. Operating expenses

	2018 £'000	2017 £'000
Audit fees expenses	5	5
Other administrative expenses	-	3
	5	8

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.

The auditor's remuneration for statutory audit work of the Company was £5,000 (2017: £5,000) borne by the Company.

6. Tax

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax charge for the year	2,277	2,302
	2,277	2,302
Deferred tax:		
Charge for the year	6	7
Tax charge for the year	2,283	2,309

NOTES TO THE FINANCIAL STATEMENTS

6. Tax (continued)

The actual tax charge does not differ from the expected tax charge computed by applying the standard rate of UK corporation tax of 19% (2017: actual tax charge differs from expected tax charge computed by applying the blended tax rate of 19.25%) as follows:

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	12,013	11,996
Expected tax charge	2,283	2,308
Non deductible items	-	1
Actual tax charge for the year	2,283	2,309

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted at the balance sheet date standing at 19% from 1 April 2017 and 17% from 1 April 2020. The closing deferred tax assets and liabilities have been calculated taking into account that existing temporary differences may unwind in periods subject to the reduced rates.

7. Ordinary dividends

	2018 £'000	2017 £'000
Dividends paid	9,000	17,000

8. Amounts due from group companies

	2018 £'000	2017 £'000
Parent: RBS plc	2,152	2,153

9. Amounts due to group companies

	2018 £'000	2017 £'000
Parent: RBS plc	196	197

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax

The following are the major tax assets and liabilities recognised by the Company, and the movements thereon.

	Accelerated capital allowances £'000	
At 1 January 2017	38	
Charge to Profit and Loss Account	(7)	
At 31 December 2017	31	
Charge to Profit and Loss Account	(6)	
At 31 December 2018	25	
	2018	2017
	£'000	£'000
Net Deferred tax	25	31

11. Accruals, deferred income and other liabilities

	2018	2017
	£'000	£'000
Accruals	10	10

12. Share capital

	2018	2017
	£	£
Equity shares		
Allotted, called up and fully paid:		
1 Ordinary Shares of £1 each	1	1

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 consist of corporation tax and Value Added Tax.

NOTES TO THE FINANCIAL STATEMENTS

13. Related parties (continued)

Group companies

At 31 December 2018

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

Cash at bank is held within internal bank accounts.