Company Registered No 00296471

PULLEY'S NOMINEES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2011

Group Secretariat
The Royal Bank of Scotland Group plc
PO Box 1000
Gogarburn
Edinburgh
EH12 1HQ

PULLEY'S NOMINEES LIMITED **00296471**

DIRECTORS' REPORT AND FINANCIAL STATEMENTS 2011

CONTENTS **Page**

PULLEY'S NOMINEES LIMITED **00296471**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS.	S J Mould R J Lawrence
SECRETARY.	K L A Fernandes
REGISTERED OFFICE	250 Bishopsgate London EC2M 4AA
AUDITOR	Deloitte LLP Hill House, 1 Little New Street London EC4A 3TR

Registered in England and Wales

DIRECTORS' REPORT

The directors of Pulley's Nominees Limited ("the Company") present their report and the audited financial statements for the year ended 31 December 2011

ACTIVITIES AND BUSINESS REVIEW

Principal activity

The principal activity of the Company continues to be the holding of securities as nominee

The Company is a subsidiary of The Royal Bank of Scotland Group plc ("the Group") 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 Royal Bank of Scotland Group plc review these matters on Group basis Copies can be obtained from Group Secretariat, RBS Gogarburn, Edinburgh, EH12 1HQ, the Registrar of Companies or through the Group's website at rbs com

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 made neither a profit nor loss for the year ended 31 December 2011 (2010 £nil) The Company retained no profit or loss for the year (2010 £nil)

At the end of the year total assets were £3,080 (2010 £3,292)

Principal risks and uncertainties

The Company's financial risk management objectives and policies regarding the use of financial instruments are set out in notes 7 and 8 to these financial statements

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 AND SECRETARY

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

DIRECTORS' REPORT (continued)

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 and the directors have elected to prepare them in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union (EU) Under company law the directors 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 for the financial year of the Company In preparing these financial statements, under International Accounting Standard 1, the directors are required to

- select suitable accounting policies and then apply them consistently,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions of the entity's financial position and performance, 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

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

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

AUDITOR

Deloitte LLP has expressed its willingness to continue in office as auditor

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

S J Mould
Director
Date 13th July 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PULLEY'S NOMINEES LIMITED

We have audited the financial statements of Pulley's Nominees Limited ('the Company') for the year ended 31 December 2011 which comprise the Balance Sheet, the Cash Flow Statement and the related notes 1 to 12 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union (EU)

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, 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 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 2011 and of its results for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PULLEY'S NOMINEES LIMITED (continued)

Matters on which we are required to report by exception

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

Simon Hardy, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor,
London, United Kingdom
2012

PULLEY'S NOMINEES LIMITED 00296471

BALANCE SHEET
As at 31 December 2011

	Notes	2011 £	2010 £
Current assets			
Cash at bank	5	**3,080**	3,292
Total assets		**3,080**	3,292
Liabilities			
Other payables	6	**2,980**	3,192
Total liabilities		**2,980**	3,192
Equity			
Share capital	9	**100**	100
Total equity		**100**	100
Total liabilities and equity		**3,080**	3,292

The accompanying notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors on 13th July 2012 and signed on its behalf by

S J Mould
Director

CASH FLOW STATEMENT
For the year ended 31 December 2011

	Notes	2011 £	2010 £
Operating activities			
Profit for the year before tax		-	-
(Decrease)/increase in other payables		(212)	209
Net cash flows from operating activities		(212)	209
Net (decrease)/increase in cash and cash equivalents		(212)	209
Cash and cash equivalents at beginning of the year		3,292	3,083
Cash and cash equivalents at end of the year	5	3,080	3,292

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

a) Presentation of financial statements
The financial statements are prepared on a going concern basis and in accordance with IFRS 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 with "IFRS")

The financial statements are prepared on the historical cost basis

The Company's financial statements are presented in Sterling which is the functional currency of the Company

The Company is incorporated in the United Kingdom and registered in England and Wales The Company's accounts are presented in accordance with the Companies Act 2006

Adoption of new and revised standards
There are a number of changes to IFRS that were effective from 1 January 2011 They have had no material effect on the Company's financial statements for the year ended 31 December 2011

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

c) 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, except those that are classified as available-for-sale or as held-for-trading, or designated as at fair value through profit or loss Loans and receivables are initially recognised at fair value plus directly related transaction costs They are subsequently measured at amortised cost using the effective interest method less any impairment losses The effective interest 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

d) Cash and cash equivalents
In the Cash Flow Statement, cash and cash equivalents comprise cash and demand deposits with banks together with short-term highly liquid investments that are readily convertible to known amounts of cash and subject to insignificant risk of change in value

NOTES TO THE FINANCIAL STATEMENTS (continued)

e) Accounting developments

The IASB issued IFRS 9 'Financial Instruments' in November 2009 simplifying the classification and measurement requirements in IAS 39 in respect of financial assets The standard reduces the measurement categories for financial assets to two fair value and amortised cost A financial asset is classified on the basis of the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset Only assets with contractual terms that give rise to cash flows on specified dates that are solely payments of principal and interest on principal and which are held within a business model whose objective is to hold assets in order to collect contractual cash flows are classified as amortised cost All other financial assets are measured at fair value Changes in the value of financial assets measured at fair value are generally taken to profit or loss

In October 2010, IFRS 9 was updated to include requirements in respect of the classification and measurement of liabilities These do not differ markedly from those in IAS 39 except for the treatment of changes in the fair value of financial liabilities that are designated as at fair value through profit or loss attributable to own credit, these must be presented in other comprehensive income

In December 2010, the IASB issued amendments to IFRS 9 and to IFRS 7 'Financial Instruments Disclosures' delaying the effective date of IFRS 9 to annual periods beginning on or after 1 January 2015 and introducing revised transitional arrangements including additional transition disclosures If an entity implements IFRS 9 in 2012 the amendments permit it either to restate comparative periods or to provide the additional disclosures The additional transition disclosures must be given if implementation takes place after 2012

IFRS 9 makes major changes to the framework for the classification and measurement of financial instruments however these will not have a significant effect on the Company's financial statements The Company is assessing the effect of IFRS 9 which will depend on the outcome of the other phases of the IASB's IAS 39 replacement project and on the outcome the IASB's tentative decision at its December 2011 meeting to reconsider the following topics

- additional application guidance to clarify how the instrument characteristics test was intended to be applied
- bifurcation of financial assets, after considering any additional guidance for the instrument characteristics test
- expanded use of other comprehensive income or a third business model for some debt instruments

'Disclosures - Transfers of Financial Assets (Amendments to IFRS 7)' was published by the IASB in October 2010 This replaces IFRS 7's existing derecognition disclosure requirements with disclosures about (a) transferred assets that are not derecognised in their entirety and (b) transferred assets that are derecognised in their entirety but where an entity has continuing involvement in the transferred asset The amendments are effective for annual periods beginning on or after 1 July 2011

The IASB issued an amendment to IAS 12 'Income Taxes' in December 2010 to clarify that recognition of deferred tax should have regard to the expected manner of recovery or settlement of the asset or liability The amendment and consequential withdrawal of SIC 21 'Deferred Tax Recovery of Underlying Assets', effective for annual periods beginning on or after 1 January 2012, is not expected to have a material effect on the Company

In May 2011, the IASB issued six new or revised standards

IFRS 10 'Consolidated Financial Statements' which replaces SIC-12 'Consolidation - Special Purpose Entities' and the consolidation elements of the existing IAS 27 'Consolidated and Separate Financial Statements' The new standard adopts a single definition of control a reporting entity controls another entity when the reporting entity has the power to direct the activities of that other entity to generate returns for the reporting entity

NOTES TO THE FINANCIAL STATEMENTS (continued)

1 Accounting Policies (continued)

e) Accounting developments (continued)
IAS 27 'Separate Financial Statements' which comprises those parts of the existing IAS 27 that dealt with separate financial statements

IFRS 11 'Joint Arrangements', which supersedes IAS 31' Interests in Joint Ventures', distinguishes between joint operations and joint ventures Joint operations are accounted for by the investor recognising its assets and liabilities including its share of any assets held and liabilities incurred jointly and its share of revenues and costs Joint ventures are accounted for in the investor's consolidated accounts using the equity method

IAS 28 'Investments in Associates and Joint Ventures' covers joint ventures as well as associates, both must be accounted for using the equity method The mechanics of the equity method are unchanged

IFRS 12 'Disclosure of Interests in Other Entities' covers disclosures for entities reporting under IFRS 10 and IFRS 11 replacing those in IAS 28 and IAS 27 Entities are required to disclose information that helps financial statement readers evaluate the nature, risks and financial effects associated with an entity's interests in subsidiaries, in associates and joint arrangements and in unconsolidated structured entities

IFRS 13 'Fair Value Measurement' which sets out a single IFRS framework for defining and measuring fair value and requiring disclosures about fair value measurements

The standards are effective for annual periods beginning on or after 1 January 2013 Earlier application is permitted The Company is reviewing the standards to determine their effect on the Company's financial reporting

In June 2011, the IASB issued amendments to two standards

Amendments to IAS 1 'Presentation of Items of Other Comprehensive Income' require items that will never be recognised in profit or loss to be presented separately in other comprehensive income from those that are subject to subsequent reclassification The amendments are effective for annual periods beginning on or after 1 July 2012 Earlier application is permitted

Amendments IAS 19 'Employee Benefits' require the immediate recognition of all actuarial gains and losses eliminating the 'corridor approach', interest cost to be calculated on the net pension liability or asset at the appropriate corporate bond rate, and all past service costs to be recognised immediately when a scheme is curtailed or amended The amendments are effective for annual periods beginning on or after 1 January 2013 Earlier application is permitted

The Company is reviewing the amendments to determine their effect on the company's financial reporting

In December 2011, the IASB issued 'Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)' and 'Disclosures-Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)' The amendment to IAS 32 adds application guidance on the meaning of 'a legally enforceable right to set off' and on simultaneous settlement IFRS 7 is amended to require disclosures facilitating comparisons between those entities reporting under IFRS and those reporting under US GAAP The amendments are effective for annual periods beginning on or after 1 January 2014 and are required to be applied retrospectively

The IASB issued "Annual Improvements to IFRSs 2009-2011 Cycle" in May 2012 implementing minor changes to IFRSs, making non-urgent but necessary amendments to standards, primarily to remove inconsistency and to clarify wording The revisions are effective for annual accounting periods beginning on or after 1 January 2013 and are not expected to have a material effect on the Company

NOTES TO THE FINANCIAL STATEMENTS (continued)

2 Statement of Comprehensive Income

The Company has not traded during the accounting period It received no income and incurred no expenditure and consequently has made neither a profit nor a loss A Statement of Comprehensive Income is therefore not presented

3 Statement of Changes in Equity

The Company did not trade during the financial year or the preceding financial year It received no income and incurred no expenditure The Company has no reserves and the only equity is the share capital as disclosed in Note 9 Consequently a Statement of Changes in Equity has not been prepared

4 Operating expenses

The directors of the Company do not receive remuneration for specific services provided to the Company (2010 £nil)

None of the directors had any material interest in any contract of significance in relation to the business of the Company in the year ended 31 December 2011 (2010 £nil)

The Company did not have any employees in the year ended 31 December 2011 (2010 none)

The auditor's remuneration of £5,583 (2010 £5,583) for statutory audit work for the Company was borne by RBS Management Services (UK) Limited Remuneration paid to the auditor of the Company for non-audit work for the Company was £nil (2010 £nil)

5 Cash at bank

	2011	2010
	£	£
Cash at bank	**3,080**	3,292

6 Other payables

	2011	2010
	£	£
Other creditors	**2,980**	3,192

7. Financial instruments

Categories of financial instrument

The following tables analyse the Company's financial assets and liabilities in accordance with the categories of financial instruments in IAS 39 'Financial Instruments, Recognition and Measurement' Assets and liabilities outside the scope of IAS 39 are shown separately

2011	Loans and receivables £	At amortised cost £	Non financial assets/ liabilities £	Total £
Assets				
Cash at bank	3,080	-	-	3,080
	3,080	-	-	3,080
Liabilities				
Other payables	-	2,980	-	2,980
	-	2,980	-	2,980
Equity				100
				3,080

2010	Loans and receivables £	At amortised cost £	Non financial assets/ liabilities £	Total £
Assets				
Cash at bank	3,292	-	-	3,292
	3,292	-	-	3,292
Liabilities				
Other payables	-	3,192	-	3,192
	-	3,192	-	3,192
Equity				100
				3,292

8. Financial risk management

The principal risks associated with the Company are as follows

Interest rate risk

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

The financial liabilities of the Company consist of amounts due to group undertakings The amounts due to group undertakings do not have any significant interest rate risk as they are due primarily on demand

Currency risk

The Company has no currency risk as all transactions and balances are denominated in Sterling

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Financial risk management (continued)

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

The Company's exposure to credit risk is not considered to be significant as the credit exposures are with Group companies At 31 December 2011 there were no outstanding or impaired loans due to the Company (2010 £nil)

Liquidity risk

Liquidity risk arises where assets and liabilities have different contractual maturities

Management focuses on both overall balance sheet structure and the control, within prudent limits, of risk arising from the mismatch of maturities across the balance sheet and from undrawn commitments and other contingent obligations It is undertaken within limits and other policy parameters set by Group Asset and Liability Management Committee (GALCO)

The Company has no material liquidity risk

Market risk

Market risk is the potential for loss as a result of adverse changes in risk factors including interest rates, foreign currency and equity prices together with related parameters such as market volatilities

The Company has no material risk as exposures are with Group undertakings

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Share capital

	2011 £	2010 £
Authorised		
100 Ordinary Shares of £1 each	**100**	100
Allotted, called up and fully paid		
100 Ordinary Shares of £1each	**100**	100

The Company has one class of Ordinary Shares which carry no right to fixed income Holders of the Ordinary Shares have the right to receive notice of, to attend and to vote in respect of any resolution of the Company Each Ordinary Share carries an equal entitlement to receive dividends out of the funds of the Company that are legally available for distribution

10 Capital resources

The Company's capital consists of equity comprising issued share capital and retained earnings The Company is a member of The Royal Bank of Scotland Group of companies which has regulatory disciplines over the use of capital In the management of capital resources, the Company is governed by the Group's policy which is to maintain a strong capital base it is not separately regulated The Group has complied with the Financial Service Authority's (FSA) capital requirements throughout the year

11. Related parties

UK Government

On 1 December 2008, the UK Government through HM Treasury became the ultimate controlling party of The Royal Bank of Scotland Group plc The UK Government's shareholding is managed by UK Financial Investments Limited, a company wholly owned by the UK Government As a result, the UK Government and UK Government controlled bodies became related parties of the Company

There have been no transactions between the Company and the UK Government and UK Government controlled bodies during current year or preceding year

Group undertakings

The immediate parent company is RBS AA Holdings (UK) Limited which is incorporated in Great Britain and registered in England and Wales

The Company's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in Great Britain and registered in Scotland

As at 31 December 2011, The Royal Bank of Scotland Group plc heads the largest and smallest group in which the Company is consolidated Copies of the consolidated accounts may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ

Balances with other Group companies at 31 December comprised

	2011 £	2010 £
Amounts due to Group undertakings	**2,980**	3,192

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Related parties (continued)

Key management
The Company is a subsidiary of The Royal Bank of Scotland Group plc whose policy is for companies to bear the costs of their full time staff The time and costs of executives and other staff who are primarily employed by the Group are not specifically recharged However, the Group recharges subsidiaries for management fees which include an allocation of certain staff and administrative support costs

In the Company and the Group, key management comprise directors of the Company and members of the Group Executive Management Committee The emoluments of the directors of the Company are met by the Group

The directors of the Company do not receive remuneration for specific services provided to the Company

12 Post balance sheet event

There are no significant events between the year end and the date of approval of these financial statements which would require a change to or disclosure in the financial statements