

Company Registration No: 01920933

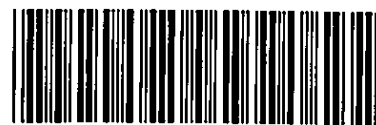
RBS TRADE SERVICES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2008

**Group Secretariat
The Royal Bank of Scotland Group plc
Gogarburn
P.O. Box 1000
Edinburgh
EH12 1HQ**

TUESDAY



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16/06/2009
COMPANIES HOUSE

RBS TRADE SERVICES LIMITED

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RBS TRADE SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS: N Kapur
M S Whitaker

SECRETARY: L H Cameron

REGISTERED OFFICE: Waterhouse Square
138-142 Holborn
London
EC1N 2TH

AUDITORS: Deloitte LLP
London

Registered in England and Wales.

RBS TRADE SERVICES LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2008.

ACTIVITIES AND BUSINESS REVIEW

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 417(1) of the Companies Act 2006.

Activity

The Company was previously in the business of making loans for the purpose of trade finance, however the Company did not trade during the year under review nor the prior year and is not expected to in the foreseeable future.

The retained profit for the period was £21,888 (2007 retained profit £22,272) and this was transferred to reserves. The directors do not recommend the payment of a dividend for the current year (2007 £NIL).

The directors, having made such enquiries as they considered appropriate, have prepared the financial statements on a going concern basis. They considered the financial statements of The Royal Bank of Scotland Group plc for the year ended 31 December 2008, approved on 25 February 2009, which were prepared on a going concern basis.

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

DIRECTORS AND SECRETARY

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

From 1 January 2008 to date the following changes have taken place:

Secretary	Appointed	Resigned
LH Cameron	1 August 2008	
DJ Lewis		30 June 2008

RBS TRADE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Acts 1985 and 2006 to prepare a directors' report and financial statements for each financial year and have elected to prepare them in accordance with International Financial Reporting Standards as adopted by the European Union. They are responsible for preparing financial statements that present fairly the financial position, financial performance and cash flows of the Company. 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 applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records which 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 Acts 1985 and 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.

USE OF FINANCIAL INSTRUMENTS

The Company's financial risk management policies and exposure in relation to the respective risks are detailed in note 9 of the financial statements.

RBS TRADE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE OF INFORMATION TO AUDITORS

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

- (a) so far as he is aware there is no relevant audit information of which the Company's auditors are unaware; and
- (b) the director has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and shall be interpreted in accordance with the provisions of section 234ZA of the Companies Act 1985.

POLICY AND PRACTICE ON PAYMENT OF CREDITORS

The Company follows the policy and practice on payment of creditors determined by The Royal Bank of Scotland Group plc ('RBSG'), as outlined below.

RBSG is committed to maintaining a sound commercial relationship with its suppliers. Consequently, it is RBSG's policy to negotiate and agree terms and conditions with its suppliers, which includes the giving of an undertaking to pay suppliers within 30 days of receipt of a correctly prepared invoice submitted in accordance with the terms of the contract or such other payment period as may be agreed.

AUDITORS

Deloitte LLP have expressed their willingness to continue in office as auditors.

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



M S Whitaker
Director

Date: 28/5/09

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RBS TRADE SERVICES LIMITED

We have audited the financial statements of RBS Trade Services Limited ('the Company') for the year ended 31 December 2008 which comprise the income statement, the statement of changes in equity, the balance sheet, the cash flow statement and the related notes 1 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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 AUDITORS

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the financial statements and Directors' Responsibilities in the Directors' Report.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report for the above year and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Directors' Report.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company, consistently applied and adequately disclosed.

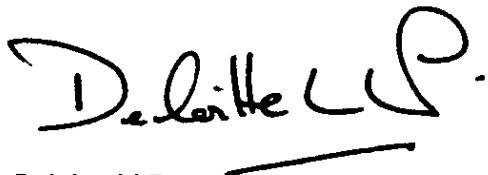
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RBS TRADE SERVICES LIMITED

OPINION

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2008 and of its profit for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

A handwritten signature in black ink that reads "Deloitte LLP." with a horizontal line underneath.

Deloitte LLP
Chartered Accountants and Registered Auditors
London, United Kingdom

Date:

28 May 2009

RBS TRADE SERVICES LIMITED

INCOME STATEMENT **for the year ended 31 December 2008**

	Note	2008 £	2007 £
Discontinued operations			
Operating charges	5	<u>(45)</u>	<u>(60)</u>
Operating loss		(45)	(60)
Finance income	4	<u>30,676</u>	<u>31,903</u>
Profit before tax		30,631	31,843
Tax	6	<u>(8,743)</u>	<u>(9,571)</u>
Profit for the year		<u>21,888</u>	<u>22,272</u>

RBS TRADE SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2008

	Share capital £	Retained earnings £	Total equity £
Balance at 1 January 2007	250,000	306,012	556,012
Profit for the year	-	22,272	22,272
At 31 December 2007	<u>250,000</u>	<u>328,284</u>	<u>578,284</u>
Balance at 1 January 2008	250,000	328,284	578,284
Profit for the year	-	21,888	21,888
Balance at 31 December 2008	<u>250,000</u>	<u>350,172</u>	<u>600,172</u>

RBS TRADE SERVICES LIMITED

BALANCE SHEET at 31 December 2008

	Note	2008 £	2007 £
Current Assets:			
Cash and cash equivalents	3c	618,487	587,855
Total Assets		<u>618,487</u>	<u>587,855</u>
Current Liabilities:			
Corporation tax payable		(18,315)	(9,571)
Total Liabilities		<u>(18,315)</u>	<u>(9,571)</u>
Net Assets		<u>600,172</u>	<u>578,284</u>
Equity:			
Share capital	8	250,000	250,000
Reserves		350,172	328,284
Total Equity		<u>600,172</u>	<u>578,284</u>

The financial statements were approved by the board of directors and authorised for issue on 22/05/09 and were signed on its behalf by:



M S Whitaker
Director

The notes on pages 11 to 15 form a part of these financial statements.

RBS TRADE SERVICES LIMITED**CASH FLOW STATEMENT****for the year ended 31 December 2008**

	Note	2008 £	2007 £
Cash flow from operating activities			
Interest received		30,676	31,903
Corporation tax paid		-	(12,104)
Other cash payments		(45)	(60)
Net cash from operating activities		<u>30,631</u>	<u>19,739</u>
Net increase in cash and cash equivalents		30,631	19,739
Cash and cash equivalents at 1 January	3c	<u>587,856</u>	<u>568,116</u>
Cash and cash equivalents at 31 December	3c	<u>618,487</u>	<u>587,855</u>

RBS TRADE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2008

1 General information

RBS Trade Services Limited is a company incorporated in Great Britain under the Companies Act 1985. The address of the registered office is on page 1. The nature of the Company's principal activities are set out in the Directors' Report.

2 Adoption of new and revised Standards

In the current year the Company has not adopted any additional Standards as none have become effective for this reporting period.

Three Interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current year. These are: IFRIC 11 *IFRS2 - Group and Treasury Share Transactions*, IFRIC 12 *Service Concession Arrangements* and IFRIC 14 *IAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*. The adoption of these has not led to any changes in the Company's accounting policies.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective: IFRS 8 *Operating Segments*, IFRIC 13 *Customer Loyalty Programmes*, IFRIC 15 *Agreements for the Construction of Real Estate*, IFRIC 16 *Hedges of a Net Investment in a Foreign Operation*, IFRIC 17 *Distributions of Non-cash Assets to Owners* and IFRIC 18 *Transfers of Assets from Customers*. The directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company.

3 Accounting policies

a. Accounting convention

The financial statements which should be read in conjunction with the Directors' Report have been prepared in accordance with 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 (together IFRS) as adopted by the European Union.

RBS TRADE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

b. Taxation

Provision is made for taxation at current enacted rates on taxable profits, arising in income or in equity taking into account relief for overseas taxation where appropriate. Deferred taxation is accounted for in full for all temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes except in relation to overseas earning where remittance is controlled by the group.

Deferred tax assets are only recognised to the extent that it is probable that they will be removed.

c. Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short term highly liquid investments that are readily convertible to a known amount of cash are subject to an insignificant risk of changes in value.

4 Finance Income

	2008 £	2007 £
Interest receivable due from parent company	30,676	31,903
	<u>30,676</u>	<u>31,903</u>

5 Operation Charges

	2008 £	2007 £
Bank fees	45	60
	<u>45</u>	<u>60</u>

The company had no employees in the current year (2007 NIL).

RBS TRADE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 Tax Charge on Profit before Tax

(a) Analysis of charge for the year

	2008	2007
	£	£
Charge for the year	8,743	9,571
Actual tax charge	8,743	9,571

(b) Factors affecting the tax charge for the year

The actual tax charge differs from the expected tax charge computed by applying the standard rate of UK corporation tax of 28.5% (2007 30%) as follows

	2008	2007
	£	£
Expected tax charge	8,730	9,553
Non Deductible Items	13	18
Actual tax charge	8,743	9,571

7 Auditors' Remuneration

Fees payable to the Company's auditors for the audit of the Company's financial statements are £5,000 (2007 £5,000). There was no charge in either the current or prior year's financial statements for the auditor's remuneration as the fees were charged in the financial statements of the immediate parent, The Royal Bank of Scotland plc.

8 Share Capital

	2008	2007
	£	£
Authorised:		
250,000 (2007 250,000) ordinary shares of £1 each	250,000	250,000
Allotted, called up and fully paid		
250,000 (2007 250,000) ordinary shares of £1 each	250,000	250,000

RBS TRADE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9 Financial Instruments

The Company uses a comprehensive framework for managing risks established by The Royal Bank of Scotland plc group of companies. The risks associated with the Company's businesses are as follows

The Company has no significant market risk and all balances are denominated in Sterling.

Interest rate risk

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

The Company had no significant interest rate risk.

Currency risk

The Company had no significant currency risk as all balances are denominated in Sterling.

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.

The Company has no significant credit risk as all loans and receivables are with group undertakings, and there are no amounts past due.

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 Royal Bank of Scotland Group plc 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.

Capital risk management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of only equity attributable to equity holders of the Company, comprising issued capital and retained earnings as disclosed the Statement of Changes in Equity. The Company is not subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Sensitivity factors

The major sensitivity factor affecting the Company is movement in interest rates.

A movement of +/- 1% in interest rates, when applied to statistical models, will have the following impact on the profit and equity in the financial statements.

<u>Risk Factor</u>	<u>Variability</u>	<u>2008</u> £	<u>2007</u> £
Interest rates	+1%	6,000	5,780
Interest rates	-1%	(6,000)	(5,780)

10 Related Parties

The Company's immediate parent and ultimate controlling party is described in note 11.

The table below details balances and transactions with group undertakings

	Opening Balance	Net Payments	Net Interest Received	Closing Balance
Banking members of the group parent	587,856	(45)	30,676	618,487

No emoluments were paid to any director by the Company during the year (2007 NIL).

None of the directors had any material interest in any contract of significant in relation to the business of the Company (2007 NIL)

There were no other related party transactions or balances requiring disclosure

11 Parent Companies

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.

The Group's ultimate holding company is The Royal Bank of Scotland Group plc and its immediate parent company is The Royal Bank of Scotland plc. Both companies are incorporated in Great Britain and registered in Scotland.

As at 31 December 2008, The Royal Bank of Scotland Group plc heads the largest group in which the Group is consolidated and The Royal Bank of Scotland plc heads the smallest group in which the Group is consolidated. Copies of the consolidated accounts of both companies may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogaburn, PO Box 1000, Edinburgh EH12 1HQ.