Company Registration No· 02354214

LOMBARD VENTURE FINANCE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2009

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

LOMBARD VENTURE FINANCE LIMITED

Company Registration No 02354214

CONTENTS

LOMBARD VENTURE FINANCE LIMITED

Company Registration No 02354214

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:	**A D Baldock** **A D Barnard** **N T J Clibbens**
SECRETARY:	**L H Cameron**
REGISTERED OFFICE:	**3 Princess Way** **Redhill** **Surrey** **RH1 1NP**
AUDITORS:	**Deloitte LLP** **London**

Registered in England and Wales.

LOMBARD VENTURE FINANCE LIMITED

Company Registration No 02354214

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2009

ACTIVITIES AND BUSINESS REVIEW

This directors' report has been prepared in accordance with the special provisions available to companies entitled to the small companies exemption

Activity

The principal activity of the Company continues to be the provision of credit finance by way of leasing

The Company traded at a loss during the year but it is expected to trade profitably in the future

Review of the year

The loss for the year was £61,000 (2008 loss of £70,000) and this was met from reserves
No dividend was paid during the year (2008 £nil)

Going concern

The Company's business activities and review are outlined above and the Company's financial position, cash flows and liquidity position are set out in the financial statements

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 except where noted below, are listed on page 1

From 1 January 2009 to date the following changes have taken place

Directors	Appointed	Resigned / Cessation of appointment
N Kapur		1 February 2010
A D Barnard	1 February 2010	
R M Priestman		20 July 2010

DIRECTORS' RESPONSIBILITIES

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 the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union 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 as concern members of the company In preparing these financial statements, under International Accounting Standard 1, the directors are required to

- select suitable accounting policies and 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 IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial 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

USE OF FINANCIAL INSTRUMENTS

The Company's financial risk management policies and exposure in relation to the respective risks are detailed in note 15 of the financial statements

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 418 of the Companies Act 2006

LOMBARD VENTURE FINANCE LIMITED

Company Registration No 02354214

DIRECTORS' REPORT (Continued)

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

A D Barnard
Director

Date 21 JUL 2010

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LOMBARD VENTURE FINANCE LIMITED

We have audited the financial statements of Lombard Venture Finance Limited ('the Company') for the year ended 31 December 2009 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and the related notes 1 to 18 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

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 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

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 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 (APB'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

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 2009 and of its loss 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 AUDITORS' REPORT TO THE MEMBERS OF LOMBARD VENTURE FINANCE 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, or
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report

Kari Hale

Kari Hale (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
London, United Kingdom

Date 21 July 2010

LOMBARD VENTURE FINANCE LIMITED

Company Registration No 02354214

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Continuing operations			
Revenue	4	41	27
Other operating income	5	-	7
Operating (charges)/ credits	6	(56)	14
Operating (loss)/ profit		(15)	48
Finance costs	7	(70)	(148)
Loss before tax		(85)	(100)
Tax	8	24	30
Loss for the year		(61)	(70)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year attributable to the equity holders of the Company	14	(61)	(70)

The notes on pages 11 to 21 form a part of these financial statements

LOMBARD VENTURE FINANCE LIMITED

Company Registration No 02354214

BALANCE SHEET
at 31 December 2009

	Note	2009 £'000	2008 £'000
Current assets			
Finance lease receivables	10	-	4
Loans and receivables	11	**106**	110
Total assets		**106**	114
Current liabilities			
Amounts owed to group undertakings	12	**68**	15
Total liabilities		**68**	15
Net assets		**38**	99
Equity			
Share capital	13	-	-
Reserves	14	**38**	99
Total equity attributable to the equity holders of the Company		**38**	99

The financial statements were approved by the board of directors and authorised for issue on 21 JUL 2010 and were signed on its behalf by

A Barnard

A D Barnard
Director

The notes on pages 11 to 21 form a part of these financial statements

LOMBARD VENTURE FINANCE LIMITED

Company Registration No 02354214

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2009

	Share capital £'000	Retained earnings £'000	Total equity £'000
At 1 January 2008	-	(4,649)	(4,649)
Total comprehensive loss for the year	-	(70)	(70)
Capital contribution	-	4,818	4,818
At 31 December 2008	-	99	99
At 1 January 2009	-	99	99
Total comprehensive loss for the year	-	(61)	(61)
At 31 December 2009	**-**	**38**	**38**

The capital contribution arose from an intercompany loan that was waived

The notes on pages 11 to 21 form a part of these financial statements

LOMBARD VENTURE FINANCE LIMITED

Company Registration No 02354214

CASH FLOW STATEMENT
for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Operating activities			
Loss before tax		**(85)**	(100)
Adjustments for			
Finance costs	7	70	148
Operating profit before changes in working capital		**(15)**	48
Decrease in finance lease receivables		**4**	-
Decrease in trade and other receivables		-	6
Increase/(decrease) in amounts owed to group undertakings		**81**	(4,706)
Net cash generated from/(used in) the operations		**70**	(4,652)
Interest paid		-	(85)
Net cash from/(used in) operating activities		**70**	(4,737)
Net cash from investing activities		-	-
Financing activities			
Repayment of finance lease liabilities		-	(18)
Capital contribution		-	4,818
Interest paid		**(70)**	(63)
Net cash (used in)/from financing activities		**(70)**	4,737
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

The notes on pages 11 to 21 form a part of these financial statements

LOMBARD VENTURE FINANCE LIMITED

Company Registration No 02354214

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2009

1 General information

Lombard Venture Finance Limited is a company incorporated in Great Britain and registered in England and Wales The address of the registered office is on page 1 The nature of the Company's principal activities is set out in the Directors' Report The financial statements are presented in accordance with the Companies Act 2006

2 Adoption of new and revised Standards

In the current year the Company has adopted the revisions to IAS 1 *Presentation of Financial Statements* which introduced a single performance statement, the 'Statement of Comprehensive Income' The adoption of this has not lead to any changes in the Company's accounting policies, nor has it lead to any items being restated or reclassified

In addition the following Standards issued by the International Accounting Standards Board and Interpretations issued by the International Financial Reporting Interpretations Committee have become effective during the current year

IFRS 7 (*revised 2009*)	*Financial Instruments Disclosures*
IFRS 8	*Operating Segments,*
IFRIC 13	*Customer Loyalty Programmes,*
IFRIC 14	*IAS 19 The Limit on a Defined Benefit Asset,*
IFRIC 15	*Agreements for the Construction of Real Estate,*
IFRIC 16	*Hedges of a Net Investment in a Foreign Operation*

The adoption of these has not lead to any changes in the Company's accounting policies and has had no material impact on the financial statements

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 1 (*revised 2008*)	*First-time Adoption of International Financial Reporting Standards*
IFRS 3 (*revised 2008*)	*Business Combinations*
IFRS 5 (*revised 2008*)	*Non-current Assets Held for Sale and Discontinued Operations*
IFRS 9	*Financial Instruments - Classification and Measurement,*
IAS 24 (*revised 2009*)	*Related Party Disclosures - Revised definition of related parties*
IAS 27 (*amended*)	*Consolidated and Separate Financial Statements*
IAS 28 (*amended*)	*Investments in Associates*
IAS 31 (*amended*)	*Interests in Joint Ventures*
IAS 32 (*amended*)	*Financial Instruments Presentation*
IAS 39 (*amended*)	*Financial Instruments Recognition and Measurement*
IFRIC 17	*Distributions of Non-cash Assets to Owners,*
IFRIC 18	*Transfers of a Foreign Operation,*
IFRIC 19	*Extinguishing Financial Liabilities with Equity Instruments*

Annual Improvements to IFRSs (April 2009)

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, are prepared on a going concern basis and 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

The financial statements have been prepared upon the basis of historical cost except as noted in the following accounting policies and are presented in accordance with applicable United Kingdom law

b. Revenue recognition

Revenue from finance leases receivables is recognised in accordance with the Company's policies on leases (see below)
Revenue arises in the United Kingdom from continuing activities

c Leases

Contracts to lease assets are classified as finance leases if they transfer substantially all the risks and rewards of ownership of the asset to the customer Other contracts to lease assets are classified as operating leases

Finance lease receivables are stated in the balance sheet at the amount of the net investment in the lease being the minimum lease payments and any unguaranteed residual value discounted at the interest rate implicit in the lease

Unguaranteed residual values are subject to regular review to identify potential impairment
If there has been a reduction in the estimated unguaranteed residual value, the income allocation is revised and any reduction in respect of amounts accrued is recognised immediately

Finance lease income is allocated to accounting periods so as to give a constant periodic rate of return before tax on the net investment
Operating lease rentals are recognised on an accruals basis

d. Loans and receivables

Loans and receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired The allowance recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition

3 Accounting policies (continued)

e. Taxation

Provision is made for taxation at current enacted rates on taxable profits, arising in income or in equity

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

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

f. Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and subsequently at amortised cost Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired

g. Amounts owed to group undertakings

Amounts owed to group undertakings are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method

Finance costs incurred on borrowings from group undertakings are recognised in profit or loss on an accruals basis

h. Obligations under finance leases

Assets held under finance leases are recognised as assets at the present value of the minimum lease payments determined at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability Finance charges are charged directly to profit or loss

i. Other operating income

Other operating income is accounted for on an accruals basis

j. Other operating charges/credits

Other operating charges/credits include provisions for bad and doubtful debts and other operating charges/credits Individually assessed provisions are made against advances for which recovery is considered to be doubtful A collectively assessed provision is made in respect of losses which, although not separately identified, are from experience known to be present in any portfolio of financial assets Other operating charges/credits are accounted for on an accruals basis

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2009

3 Accounting policies (continued)

k. Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the Company's accounting policies above, management has made the following judgements that have the most significant effect on the amounts recognised in the financial statements

- Provisions for bad and doubtful debt
- Impairment of unguaranteed residual values

The Company's policy for provisions and impairment of unguaranteed residual values is noted above

4 Revenue

	2009 £'000	2008 £'000
Finance lease income	34	19
Other revenue	7	8
	41	27

5 Other operating income

	2009 £'000	2008 £'000
Other income	-	7

6 Operating (charges)/credit

	2009 £'000	2008 £'000
Commission paid	(4)	-
Bad debt credit	1	22
Management fees	(53)	(8)
	(56)	14

The Company had no employees in the current year (2008 – none)

Employee costs are incurred by the immediate parent company, Lombard North Central plc, and allocated together with other overheads by way of a management charge to the Company

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2009

7 Finance costs

	2009 £'000	2008 £'000
On loans and payables		
To group undertakings	-	85
Finance charges in respect of finance leases payable	70	63
	70	148

8 Tax credit on loss before tax

A) Analysis of credit for the year

	2009 £'000	2008 £'000
Current taxation		
Tax credit for the year	24	30

B) Factors affecting the tax credit for the year

The actual tax credit differs from the expected tax credit computed by applying the standard rate of UK corporation tax of 28% (2008 28 5%) as follows

	2009 £'000	2008 £'000
Expected tax credit	24	29
Non-taxable items	-	1
Actual tax credit	24	30

The applicable rate for the year has changed from 28 5% to 28% following a reduction in the rate of UK corporation tax from 30% to 28% on 1 April 2008

9 Auditors' Remuneration

Fees payable to the Company's auditors for the audit of the Company's annual financial statements are £5,000 (2008 £5,000) There was no charge in either the current or prior year's financial statements for auditors' remuneration as the fees were charged in the financial statements of the immediate parent undertaking, Lombard North Central PLC

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2009

10 Finance lease receivables

	Year in which receipt is expected			
	Within 1 year	Between 1 and 5 years	After 5 years	Total
	£'000	£'000	£'000	£'000
2009				
Net carrying value	-	-	-	-
2008				
Other balances	16	-	-	16
Present value	16	-	-	16
Impairment provisions	(12)	-	-	(12)
Net carrying value	4	-	-	4

The Company has not entered into any new business during the year (2008 none)

The average effective interest rate in relation to finance lease agreements was approximately 11%

The fair value of finance lease receivables is considered not to be materially different to the carrying amounts in the balance sheet

There were no contingent rentals recognised as income in the year (2008 none)

11 Loans and receivables

	2009	2008
	£'000	£'000
Current		
Amounts owed by group undertakings	**106**	110

The directors of the Company have waived the right to charge interest on the amounts owed by group undertakings

The fair value of loans and receivables is considered not to be materially different to the carrying amounts in the balance sheet

LOMBARD VENTURE FINANCE LIMITED

Company Registration No 02354214

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2009

12 Amounts owed to group undertakings

	2009 £'000	2008 £'000
Current liabilities		
Amounts due within 1 year	**68**	15

The fair value of amounts owed to group undertakings is considered not to be materially different to the carrying amounts in the balance sheet

The average effective interest rate over this loan approximates 1% (2008 5%)

13 Share capital

	2009 £	2008 £
Authorised:		
1,000 (2008 1,000) ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid:		
100 (2008 100) ordinary shares of £1 each	**100**	100

14 Reserves

	Retained earnings £'000
At 1 January 2008	(4,649)
Total comprehensive loss for the year	(70)
Capital contribution	4,818
At 31 December 2008	99
At 1 January 2009	99
Total comprehensive loss for the year	(61)
At 31 December 2009	**38**

The capital contribution arose from an intercompany loan that was waived

15 Financial instruments and risk management

Capital risk management

The Company considers its capital to consist of equity attributable to the equity holders of the Company, comprising issued share capital and retained earnings as disclosed in notes 13 and 14 The Company is a member of the Royal Bank of Scotland group of companies which has regulatory disciplines over the use of its capital The Company operates controls and policies put in place by the group to ensure that the Company can continue as a going concern and to ensure that the group complies with these regulatory disciplines

Accounting policies

Details of the accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 3

Categories of financial instruments

The carrying value of each category of financial instruments, as defined in IAS 39, is disclosed in the following table

	2009 £'000	2008 £'000
Financial assets		
Loans and receivables	**106**	114
Financial liabilities		
Amortised cost	**68**	15

Risk management

The Company uses a comprehensive framework for managing risks established by the Lombard group of companies and the Royal Bank of Scotland group of companies

The risks associated with the Company's businesses are as follows

Interest rate risk and sensitivity analysis

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

Finance lease receivables may be based on fixed and/or floating interest rates These are funded primarily through balances owed to group undertakings which are due primarily on demand and on a variable interest rate basis The repricing maturity profile of the financial assets of the Company may be different to that of the associated borrowings and hence give potential exposure to interest rate risk

15 Financial instruments and risk management (continued)

Interest rate risk and sensitivity analysis (continued)

The matching of the repricing maturity characteristics of the Company's assets and liabilities is achieved through hedges transacted within another group company This results in the Company having exposure to interest rate risk, though this would be offset elsewhere within the group

The sensitivity analysis below has been determined based on the exposure to interest rates at the balance sheet date The analysis is prepared on the assumption that the balances receivable and/or payable at the balance sheet date were receivable and/or payable for the whole year

If interest rates had been 0 5% higher and all other variables were held constant, the Company's loss before tax for the year would not have been materially impacted (2008 loss before tax for the year would not have been materially impacted) There would be no other impact on equity

Currency risk

The Company has no currency risk as all transactions and 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 Credit risk arises principally from the Company's lending activities

Analysis of credit quality by credit rating

The following tables provide an analysis of the credit quality of the Company's financial assets at the balance sheet date

	Analysis of credit quality by quality grade			Accruing past	Non-	Less Impair-ment	
	AQ1 to 3	AQ4	AQ5	due	accrual	provision	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
2009							
Loans and receivables	**106**	-	-	-	-	-	**106**
2008							
Finance lease receivables	-	-	-	-	16	(12)	4
Loans and receivables	110	-	-	-	-	-	110
	110	-	-	-	16	(12)	114

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended 31 December 2009

15 Financial instruments and risk management (continued)

Credit risk (continued)

The analysis of credit quality by quality grade represents the maximum exposure to credit risk excluding past due and non accrual Assets are graded according to the following

Asset quality grade	probability of default (PD)
AQ1	<=0 2%
AQ2	>0 2% and <=0 6%
AQ3	>0 6% and <=1 5%
AQ4	>1 5% and <=5%
AQ5	>5%

The Company has no significant credit risk as all loans and receivables are with group undertakings

Liquidity risk

Liquidity risk arises where assets and liabilities have different contractual maturities The Company manages liquidity risk through applying the established framework put in place within the group

The maturity analysis of financial liabilities is disclosed in note 12

The Company has no significant liquidity risk as it has access to financing facilities and support provided by fellow group companies

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 RBS 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

16 Contingent liabilities

The Royal Bank of Scotland group has agreed to compensate UK members for any adjustments in respect of UK UK Transfer Pricing that may arise under paragraph 1A of Schedule 28 AA, Income and Corporation Taxes Act 1988

17 Post balance sheet events

There have been no significant events between the year end and the approval of these financial statements which would require a change to the disclosures in the accounts

18 Related parties

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

The Company's ultimate holding company is The Royal Bank of Scotland Group plc, a company incorporated in Great Britain and registered in Scotland Its immediate parent company is Lombard North Central PLC which is incorporated in Great Britain and registered in England and Wales

As at 31 December 2009, The Royal Bank of Scotland Group plc heads the largest group in which the Company is consolidated and The Royal Bank of Scotland plc heads the smallest group in which the Company is consolidated Copies of the consolidated accounts of both companies may be obtained from The Secretary, The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ

Related party transactions with other group undertakings

The table below details balances and transactions with group undertakings

	At 1 January 2009 £'000	Net payments £'000	Management charges paid £'000	At 31 December 2009 £'000
Banking members of the group				
Immediate parent	(15)	-	(53)	(68)
Other members of the group				
Other RBS Group undertakings	110	(4)	-	106
Total	95	(4)	(53)	38

Other related party transactions

Expenses of £53,000 (2008 £8,000) were paid by other members of the group and then recharged to the Company by way of management charges

No emoluments were paid to any director by the Company during the year (2008 - £nil)

None of the directors had any material interest in any contract of significance in relation to the business of the Company (2008 - none)