

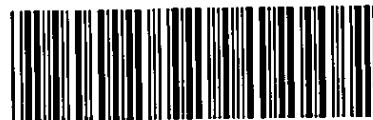
Company Registration No: 02608503

ROYSCOT MOTOR FINANCE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 December 2006

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29/06/2007

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COMPANIES HOUSE

**Group Secretariat
The Royal Bank of Scotland Group plc
3 Princess Way
Redhill
Surrey
RH1 1NP**

ROYSCOT MOTOR FINANCE LIMITED

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ROYSCOT MOTOR FINANCE LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**A S Hart
E Hawthorne
P A Lynam
P M Marston
K J McLean**

SECRETARY:

R E Fletcher

REGISTERED OFFICE:

**3 Princess Way
Redhill
Surrey
RH1 1NP**

AUDITORS:

**Deloitte & Touche LLP
London**

Registered in England and Wales.

ROYSCOT MOTOR FINANCE LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2006

ACTIVITIES AND BUSINESS REVIEW

The directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4)(a) of the Companies Act 1985

The principal activity of the Company is the provision of hire purchase facilities for new and used motor cars as specified in an agreement dated 1 June 1992 between RoyScot Trust plc, Arnold Clark Automobiles Limited and the Company

The profit for the year was £327,865 (2005 profit of £344,034) and this was transferred to reserves. No dividend was paid during the year (2005 £nil)

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 2006 to date the following changes have taken place

Directors	Appointed	Resigned
J D Stuart		9 February 2007
P A Lynam	14 February 2007	
P M Marston	14 February 2007	
J C H Rudge		13 June 2007
A S Hart	13 June 2007	

DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 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, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

ROYSCOT MOTOR FINANCE LIMITED

DIRECTORS' REPORT (Continued)

DIRECTORS' RESPONSIBILITIES (Continued)

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 Act 1985. 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 18 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 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.

ROYSCOT MOTOR FINANCE LIMITED

DIRECTORS' REPORT (Continued)

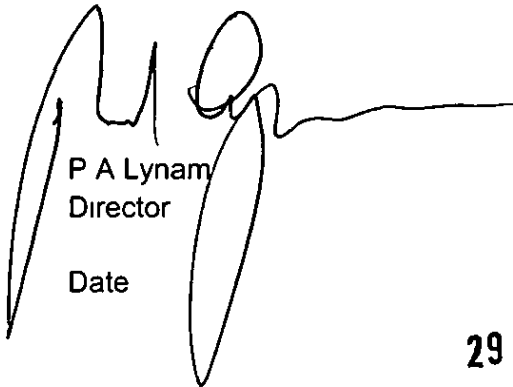
ELECTIVE RESOLUTIONS

The Company has elected to dispense with the requirement to lay accounts before a general meeting and re-appoint auditors annually

AUDITORS

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

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



P A Lynam
Director

Date

29 JUN 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROYSCOT MOTOR FINANCE LIMITED

We have audited the financial statements of RoyScot Motor Finance Limited ("the Company") for the year ended 31 December 2006 which comprise the income statement, the statement of changes in equity, the balance sheet, the cash flow statement, and the related notes 1 to 22. 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

As described in the directors' report, the Company's directors are responsible for the preparation of the directors' report and the financial statements in accordance with applicable law and International Financial Reporting Standards ("IFRS") as adopted by the European Union. 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 ROYSCOT MOTOR FINANCE LIMITED
(Continued)

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 2006 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

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
London, United Kingdom
Date: 29 June 2007

ROYSCOT MOTOR FINANCE LIMITED

INCOME STATEMENT

for the year ended 31 December 2006

	Notes	2006 £	2005 £
Continuing operations			
Revenue	3	2,342,743	2,859,957
Operating charges	4	<u>(841,095)</u>	<u>(1,067,201)</u>
Operating profit		1,501,648	1,792,756
Finance costs	5	<u>(1,033,270)</u>	<u>(1,301,279)</u>
Profit before tax		468,378	491,477
Tax	6	<u>(140,513)</u>	<u>(147,443)</u>
Profit for the year		<u>327,865</u>	<u>344,034</u>

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

ROYSCOT MOTOR FINANCE LIMITED

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2006

	Share capital £	Retained earnings £	Total equity £
At 1 January 2005	1,000	267,466	268,466
Profit for the year	-	344,034	344,034
At 31 December 2005	<u>1,000</u>	<u>611,500</u>	<u>612,500</u>
At 1 January 2006	1,000	611,500	612,500
Profit for the year	-	327,865	327,865
At 31 December 2006	<u>1,000</u>	<u>939,365</u>	<u>940,365</u>

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

ROYSCOT MOTOR FINANCE LIMITED

BALANCE SHEET at 31 December 2006

	Notes	2006 £	2005 £
Non-current assets			
Hire purchase receivables	8	7,524,144	11,640,736
Loans and receivables	9	571,528	677,119
Property, plant and equipment	10	-	-
Deferred tax assets	11	1,047	4,300
		<u>8,096,719</u>	<u>12,322,155</u>
Current assets			
Cash and cash equivalents	12	278,220	31,066
Hire purchase receivables	8	6,883,164	8,902,227
Loans and receivables	9	306,416	117,780
Trade and other receivables	13	226,094	565
		<u>7,693,894</u>	<u>9,051,638</u>
Total assets		<u>15,790,613</u>	<u>21,373,793</u>
Current liabilities			
Amounts owed to group undertakings	14	14,777,017	20,676,279
Trade and other payables	15	73,231	85,014
Total liabilities		<u>14,850,248</u>	<u>20,761,293</u>
Net assets		<u>940,365</u>	<u>612,500</u>
Equity			
Share capital	16	1,000	1,000
Reserves	17	939,365	611,500
Total equity		<u>940,365</u>	<u>612,500</u>

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

P A Lynam
Director

29 JUN 2007

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

ROYSCOT MOTOR FINANCE LIMITED

CASH FLOW STATEMENT

for the year ended 31 December 2006

	Notes	2006 £	2005 £
Operating activities			
Profit before tax		468,378	491,477
<i>Adjustments for</i>			
Finance costs	5	1,033,270	1,301,279
Operating profit before changes in working capital		1,501,648	1,792,756
Decrease in hire purchase receivables		6,135,655	4,000,448
Increase in other instalment credit receivables		(83,045)	(754,128)
(Increase)/decrease in trade and other receivables		(225,529)	8,322
Decrease in amounts owed to group undertakings		(6,036,522)	(3,730,476)
Decrease in trade and other payables		(11,783)	(49,964)
Net cash from the operations		1,280,424	1,266,958
Interest paid		(1,033,270)	(1,301,279)
Net cash from/(used in) operating activities		247,154	(34,321)
Net cash from investing activities		-	-
Net cash from financing activities		-	-
Net increase/(decrease) in cash and cash equivalents		247,154	(34,321)
Cash and cash equivalents at 1 January		31,066	65,387
Cash and cash equivalents at 31 December	12	278,220	31,066

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

ROYSCOT MOTOR FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2006

1 General information

RoyScot Motor Finance 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.

At the date of authorisation of these financial statements, the following relevant Standards and Interpretations, which have not been applied in the financial statements, were in issue but not yet effective:

IFRS 7 *Financial instruments: Disclosures* and the related amendment to IAS 1 on capital disclosures.

The directors anticipate that the adoption of these Standards in future periods will have no material impact on the financial statements of the Company except for additional disclosures on capital and financial instruments when the relevant standards come into effect for periods commencing on or after 1 January 2007.

2 Accounting policies

a. Accounting convention

The financial statements 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.

The financial statements have been prepared upon the basis of historical cost and are presented in accordance with applicable United Kingdom law.

b. Revenue recognition

Revenue from hire purchase business and loans and receivables is recognised in accordance with the Company's policies on hire purchase business and loans and receivables (see below). Revenue arises in the United Kingdom from continuing activities.

c. Hire purchase business

Hire purchase contracts are accounted for under IAS17 *Leases*, which states that the definition of a lease includes contracts for the hire of an asset that contain a provision giving the hirer an option to acquire title to the asset upon the fulfillment of agreed conditions.

Fee income and interest on hire purchase agreements are credited to the income statement in proportion to the balances outstanding.

Hire purchase receivables are stated in the balance sheet at the net investment in the contract and net of provisions for bad and doubtful debt.

ROYSCOT MOTOR FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2006

2 Accounting policies (Continued)

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 the income statement 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.

Fee income and interest on instalment credit agreements are credited to the income statement in proportion to the balances outstanding.

e. Property, plant and equipment

Items of property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses.

Depreciation is charged to the income statement on a straight-line basis so as to write them down to their estimated residual value over their estimated useful lives, as follows:

	<u>Estimated useful life</u>
Equipment	5 years

f. Impairment of tangible assets

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and an impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

g. 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.

ROYSCOT MOTOR FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) **for the year ended 31 December 2006**

2 Accounting policies (Continued)

h 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 and are subject to an insignificant risk of changes in value

i. Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired

j. 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 the income statement in the period in which they are incurred

k. Trade and other payables

Trade and other payables are measured at fair value

l. Operating charges

Operating charges include provisions for bad and doubtful debts and other operating charges. Individually assessed provisions are made against advances for which recovery is considered to be doubtful. 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 are accounted for on an accruals basis

m. 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

The Company's policy for provisions is noted above

ROYSCOT MOTOR FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2006

3 Revenue

	2006 £	2005 £
Hire purchase agreements	2,030,245	2,600,622
Other instalment credit income	114,156	66,955
Other revenue	198,342	192,380
	<u>2,342,743</u>	<u>2,859,957</u>

4 Other operating charges

	2006 £	2005 £
Commission payable	758,747	1,047,645
Bad debt charge	73,736	30,657
Other charges/(income)	8,612	(11,101)
	<u>841,095</u>	<u>1,067,201</u>

The Company had no employees in the current year (2005 – nil)

Employee costs are incurred by the intermediate parent Company, Lombard North Central PLC

5 Finance costs

	2006 £	2005 £
On loans and payables		
To group undertakings	<u>1,033,270</u>	<u>1,301,279</u>

6 Tax charge on profit before tax

A) Analysis of charge for the year

	2006 £	2005 £
Current taxation		
Income tax charge for the year	140,164	73,359
Over provision in respect of prior periods	(2,904)	-
	<u>137,260</u>	<u>73,359</u>
Deferred taxation		
Charge for the year	349	74,084
Under provision in respect of prior periods	2,904	-
	<u>3,253</u>	<u>74,084</u>
Tax charge for the year	<u>140,513</u>	<u>147,443</u>

ROYSCOT MOTOR FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2006

6 Tax charge on profit before tax (continued)

B) Factors affecting the tax charge for the year

The actual tax charge in the current and prior year does not differ from the expected tax charge computed by applying the standard rate of UK corporation tax of 30% (2005 30%)

7 Auditors' Remuneration

	2006 £	2005 £
Audit services	<u>4,000</u>	<u>4,000</u>

8 Hire purchase receivables

2006	Year in which receipt is expected			Total £
	Within 1 year £	Between 1 and 5 years £	After 5 years £	
Future minimum lease payments	8,425,955	8,362,341	-	16,788,296
Unearned finance income	(1,427,075)	(838,197)	-	(2,265,272)
Present value	<u>6,998,880</u>	<u>7,524,144</u>	-	<u>14,523,024</u>
Provisions	(115,716)	-	-	(115,716)
Net carrying value	<u>6,883,164</u>	<u>7,524,144</u>	-	<u>14,407,308</u>

2005	Year in which receipt is expected			Total £
	Within 1 year £	Between 1 and 5 years £	After 5 years £	
Future minimum lease payments	10,805,773	12,908,599	-	23,714,372
Unearned finance income	(1,822,893)	(1,267,863)	-	(3,090,756)
Present value	<u>8,982,880</u>	<u>11,640,736</u>	-	<u>20,623,616</u>
Provisions	(80,653)	-	-	(80,653)
Net carrying value	<u>8,902,227</u>	<u>11,640,736</u>	-	<u>20,542,963</u>

ROYSCOT MOTOR FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2006

8 Hire purchase receivables (continued)

The Company enters into hire purchase agreements in relation to items as described in the directors' report. These are all at fixed rates and the average effective interest rate in relation to these agreements approximates to 11% (2005 11%).

The fair value of hire purchase 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 period.

9 Loans and receivables

	2006 £	2005 £
Non-current		
Net investment in instalment credit	571,528	677,119
Current		
Net investment in instalment credit	306,416	117,780
Total	<u>877,944</u>	<u>794,899</u>

The average effective interest rate in relation to instalment credit agreements approximates to 11% (2005 11%).

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

ROYSCOT MOTOR FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2006

10 Property, plant and equipment

	Equipment £
Cost	
At 1 January 2006 and at 31 December 2006	<u>95,029</u>
At 1 January 2005 and at 31 December 2005	<u>95,029</u>
Accumulated depreciation and impairment	
At 1 January 2006 and at 31 December 2006	<u>95,029</u>
At 1 January 2005 and at 31 December 2005	<u>95,029</u>
Net book value	
31 December 2006	<u>-</u>
31 December 2005	<u>-</u>

11 Deferred taxation

Provision for deferred taxation has been made as follows

	Accelerated capital allowances £	Other £	Total £
At 1 January 2005	1,861	76,523	78,384
Credit/(charge) to the income statement	2,439	(76,523)	(74,084)
At 31 December 2005	<u>4,300</u>	<u>-</u>	<u>4,300</u>
At 1 January 2006	4,300	-	4,300
Charge to income statement	(3,253)	-	(3,253)
At 31 December 2006	<u>1,047</u>	<u>-</u>	<u>1,047</u>

12 Cash and cash equivalents

	2006 £	2005 £
Cash and cash equivalents per balance sheet		
Amounts held with group undertakings	<u>278,220</u>	<u>31,066</u>

ROYSCOT MOTOR FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2006

13 Trade and other receivables

	2006 £	2005 £
Other receivables	2,258	565
Prepayments	223,836	-
	<u>226,094</u>	<u>565</u>

14 Amounts owed to group undertakings

	2006 £	2005 £
Current liabilities		
Amounts due on demand	<u>14,777,017</u>	<u>20,676,279</u>

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 is 5.7% (2005: 5.8%)

15 Trade and other payables

	2006 £	2005 £
Other payables	66,283	85,014
Accruals	6,948	-
	<u>73,231</u>	<u>85,014</u>

16 Share capital

	2006 £	2005 £
Authorised.		
1,000 (2005: 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid:		
1,000 (2005: 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

ROYSCOT MOTOR FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2006

17 Reserves

	Retained earnings £
At 1 January 2005	267,466
Profit for the year	344,034
At 31 December 2005	<u>611,500</u>
At 1 January 2006	611,500
Profit for the year	327,865
At 31 December 2006	<u>939,365</u>

18 Financial Instruments

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

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

Hire purchase receivables and other instalment credit receivables are funded primarily through balances owed to group undertakings. This funding is due primarily on demand whereas the repricing maturity profile of the financial assets of the Company will be over a longer period of time

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

Currency risk

The Company has 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 concentration of credit risk, with exposure spread over a large number of counterparties and customers

ROYSCOT MOTOR FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2006

18 Financial Instruments (continued)

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.

19 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.

20 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 financial statements.

21 Related parties

The Company's immediate parent and ultimate controlling party are described in note 22. The table below details balances and transactions with group undertakings.

	Opening balance £	Net (receipts) / payments £	Net interest (paid) / received £	Closing balance £
Amount owed from banking members of the group				
Other RBS Group undertakings	31,066	247,154	-	278,220
Amount owed to non-banking members of the group				
Immediate parent	(20,554,332)	22,413,154	(1,033,270)	825,552
Other RBS Group undertakings	(121,947)	(15,480,622)	-	(15,602,569)
Total	<u>(20,645,213)</u>	<u>7,179,686</u>	<u>(1,033,270)</u>	<u>(14,498,797)</u>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

ROYSCOT MOTOR FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) for the year ended 31 December 2006

21 Related parties (continued)

Other related party transactions

No emoluments were paid to any director by the Company during the year (2005 - £nil)

None of the directors had any material interest in any contract of significance in relation to the business of the Company (2005 - £nil)

22 Parent companies

The Company's immediate parent company is RoyScot Trust plc

The Company's ultimate holding company, ultimate controlling party, and the parent of the largest group into which the Company is consolidated is The Royal Bank of Scotland Group plc which is incorporated in Great Britain and registered in Scotland. Financial statements for The Royal Bank of Scotland Group plc can be obtained from The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ

The smallest subgroup into which the Company is consolidated has as its parent company The Royal Bank of Scotland plc, a company incorporated in Great Britain and registered in Scotland. Copies of the consolidated financial statements for this subgroup can be obtained from The Royal Bank of Scotland Group plc, Gogarburn, Edinburgh, EH12 1HQ