

Company Registration No: 02718691

R. B. INVESTMENT HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

30 September 2008

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

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R. B. Investment Holdings Limited

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R. B. Investment Holdings Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:

**S Caterer
P Sullivan
R Warren
J Rogers**

SECRETARY:

C Whittaker

REGISTERED OFFICE:

**The Quadrangle
The Promenade
Cheltenham
Gloucestershire
GL50 1PX**

AUDITORS:

**Deloitte LLP
Bristol**

Registered in England and Wales.

R. B. Investment Holdings Limited

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 30 September 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 ceased to trade on 30 September 2008 following the cessation of trade of its subsidiaries, as listed in note 9 to the accounts, at that date. Note 1 to the accounts gives more information on the fact that the accounts have not been prepared on a going concern basis. The Directors do not anticipate that any further transactions will be written in this company.

The retained profit for the period was £77,446,000 (2007: Loss £12,772,000) and this was transferred to reserves. The directors do not recommend that a dividend be paid (2007: £nil).

The Company seeks to minimise its exposure to external financial risks other than credit risk, further information is disclosed in Note 2.

Post balance sheet event

On 1 December 2008, the UK Government through HM Treasury acquired a controlling shareholding in The Royal Bank of Scotland Group plc. The UK Government has announced that its shareholdings in banks will be managed by UK Financial Investments Limited a company wholly-owned by the UK Government.

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 October 2007 to date the following changes have taken place:

	Appointed	Resigned
Directors		
A Devine		31 July 2008
A Farnell		31 July 2008
P Tubb		15 August 2008
R Warren	31 July 2008	
P Sullivan	31 July 2008	
I Shephard	1 September 2008	10 February 2009
J Rogers	16 March 2009	

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, 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.

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.

DISCLOSURE OF INFORMATION TO AUDITORS

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

- a) so far as he/she 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/she ought to have taken to make himself/herself 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.

AUDITORS

On 1 December 2008, Deloitte & Touche LLP changed their name to Deloitte LLP.

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



S J Caterer
Director

Date: 28 July 2009

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R. B. INVESTMENT HOLDINGS LIMITED

We have audited the financial statements of R. B. Investment Holding Limited ("the company") for the year ended 30 September 2008 which comprise the income statement, the statement of recognised income and expense, the balance sheet, the cash flow statement and the related Notes 1 to 19. These financial statements have been prepared on a basis other than that of going concern 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 annual 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 Statement of Directors' Responsibilities. 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 are 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 and consider the implications for our report if we become aware of any apparent misstatements within it.

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 company's circumstances, 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.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the company's affairs as at 30 September 2008 and of its profit for the year then ended;
- 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 LLP
Chartered Accountants and Registered Auditors
Bristol, United Kingdom

29 July 2009

R. B. INVESTMENT HOLDINGS LIMITED**INCOME STATEMENT****for the year ended 30 September 2008**

	Note	2008 £'000	2007 £'000
DISCONTINUED OPERATIONS			
Administrative expenses	4	<u>(4)</u>	<u>18</u>
OPERATING (LOSS)/PROFIT	4	<u>(4)</u>	<u>18</u>
Income from shares in group undertakings	7	77,500	-
Finance costs	6	<u>(72)</u>	<u>(18,264)</u>
PROFIT/(LOSS) BEFORE TAXATION		77,424	(18,246)
Tax credit	8	<u>22</u>	<u>5,474</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	17	<u><u>77,446</u></u>	<u><u>(12,772)</u></u>

The notes on pages 9 to 15 form part of these financial statements.

R. B. INVESTMENT HOLDINGS LIMITED

STATEMENT OF RECOGNISED INCOME AND EXPENSE
for the year ended 30 September 2008

	Note	2008 £'000	2007 £'000
Profit for the year		77,446	(12,772)
Revaluation of investments	9	(77,414)	12,954
Total recognised income and expense for the year		<u>32</u>	<u>182</u>

R. B. INVESTMENT HOLDINGS LIMITED

BALANCE SHEET
as at 30 September 2008

	Note	2008 £'000	2007 £'000
NON-CURRENT ASSETS			
Investments	10	-	473,850
		-	473,850
CURRENT ASSETS			
Investments	10	396,436	-
Trade and other receivables	11	-	10,276
Cash and cash equivalents	12	3,910	23
		400,346	10,299
TOTAL ASSETS		<u>400,346</u>	<u>484,149</u>
CURRENT LIABILITIES			
Trade and other payables	13	(149,842)	(149,922)
Bank loans	14	(246,288)	(330,043)
		(396,130)	(479,965)
TOTAL LIABILITIES		<u>(396,130)</u>	<u>(479,965)</u>
NET ASSETS		<u>4,216</u>	<u>4,184</u>
EQUITY			
Share capital	15	200	200
AFS revaluation reserve	16	2,866	80,280
Retained earnings	17	1,150	(76,296)
TOTAL EQUITY		<u>4,216</u>	<u>4,184</u>

The financial statements on pages 5 to 15 were approved by the Board of Directors and authorised for issue on 28 July 2009. They were signed on its behalf by :-



S J Caterer
Director

The notes on pages 9 to 15 form part of these financial statements.

R. B. INVESTMENT HOLDINGS LIMITED**CASH FLOW STATEMENT**
for the year ended 30 September 2008

	Note	2008 £'000	2007 £'000
NET CASH FROM OPERATING ACTIVITIES	18	<u>10,142</u>	<u>1,754</u>
FINANCING ACTIVITIES			
Repayments of borrowings		<u>(6,255)</u>	<u>(1,741)</u>
NET CASH USED IN FINANCING ACTIVITIES		<u>(6,255)</u>	<u>(1,741)</u>
NET INCREASE IN CASH & CASH EQUIVALENTS		3,887	13
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		23	10
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u>3,910</u>	<u>23</u>

R. B. INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES

a BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the EU. The Company in addition to complying with its legal obligation to comply with IFRS as adopted for use in the European Union, also complies with IFRS as issued by the International Accounting Standards Board.

The financial statements have been prepared on the historical cost basis. The principal accounting policies are set out below.

IFRS 7 'Financial Instruments: Disclosures' which became effective in this period introduces new disclosures relating to financial instruments but does not have any impact on the classification or valuation of the Company's financial instruments

The directors do not believe the adoption of any Standards or Interpretations that have been issued but are not yet effective will have any material impact on the financial statements of the Company.

The company has ceased to trade on 30 September 2008 following the cessation of trade of its subsidiaries, as listed in note 9 to the accounts, at that date. As required by IAS 2, presentation of financial statements, management has prepared the financial statements on the basis that the entity is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis.

b BORROWING COSTS

All borrowing costs are recognised as an expense in the period in which they are incurred.

c TAXATION

Provision is made for taxation at current enacted rates on taxable profits.

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.

d FINANCIAL INSTRUMENTS

The Company's financial asset categories are finance lease receivables and loans and receivables. Loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

The Company's financial liabilities are all categorised as financial liabilities measured at amortised cost. This comprises 'bank overdraft and loans' and 'trade and other payables' in the balance sheet.

The Company does not account for any financial asset or liabilities at fair value through profit or loss.

e TRADE AND OTHER RECEIVABLES

Trade and other receivables are measured at initial recognition fair value, and subsequently measured at amortised cost using the effective interest rate method. Trade and other receivables do not carry any interest and are stated at their nominal value.

f 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.

g BORROWINGS

Interest-bearing loans and bank overdrafts are initially recorded at fair value and are subsequently measured at amortised cost using the effective interest rate method.

R. B. INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES - continued

h TRADE AND OTHER PAYABLES

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Trade and other payables are not interest bearing and are stated at their nominal value.

i OPERATING PROFIT

Operating profit is stated before charging or crediting investment income and finance costs.

j INVESTMENTS

Investments in subsidiaries are classified as available for sale and carried at fair value. Revaluation gains are recognised in reserves, impairment losses are recognised in profit or loss. The net income or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

In the absence of evidence to the contrary, the investor's share of net assets is considered to be equivalent to the fair value.

2 FINANCIAL RISK MANAGEMENT

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

b Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company minimises currency risk by ensuring its transactions and associated financing is in the same currency.

c Credit risk

Credit risk is the risk arising from the possibility that the Company will incur losses from the failure of counterparties to meet their obligations. Credit risk is managed through The Royal Bank of Scotland plc Group Credit Risk Management Framework to enable the Group to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with approved risk appetite on a Group basis. The Framework encompasses credit risk assessment prior to the approval of any credit exposure, and the control and monitoring of these exposures against approved limits.

d Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Any maturity mis-match within the overall long-term structure of the Company's assets and liabilities is managed to ensure that term asset commitments may be funded on an economic basis over their life. The short-term maturity structure of the Company's liabilities and assets is managed on a daily basis to ensure that all cash flow obligations can be met as they arise.

e Capital management

The Company is a member of a group with regulatory disciplines over the use of its capital. Although the Company itself is not regulated it aims to maintain capital resources commensurate with the nature, scale and risk profile of its business. It regards its capital as the total equity as shown on the balance sheet.

3 PARENT COMPANIES

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. Copies of the 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 Company's immediate parent company and 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.

R. B. INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4 OPERATING (LOSS)/PROFIT

Operating profit has been arrived at after charging/(crediting):	2008 £'000	2007 £'000
Management charge	4	(15)
Other	-	(3)
	<u>4</u>	<u>(18)</u>

The audit fee is borne by Royal Bank Leasing Limited a fellow group company. The amount that would have been recharged for the year is £nil (2007: £1,250).

5 STAFF COSTS

All directors and employees are employed and remunerated by The Royal Bank of Scotland plc, which did not make a recharge to the Company in the year.

The average monthly number of employees was nil (2007: nil).

6 FINANCE COSTS

	2008 £'000	2007 £'000
Interest payable to group undertakings	<u>72</u>	<u>18,264</u>

7 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2008 £'000	2007 £'000
Dividends received from group undertakings	<u>77,500</u>	<u>-</u>

8 TAXATION

	2008 £'000	2007 £'000
--	---------------	---------------

A) ANALYSIS OF TAX CREDIT FOR THE YEAR

Current tax credit:		
- Group relief receivable on loss for the year	<u>(22)</u>	<u>(5,474)</u>
Tax credit	<u>(22)</u>	<u>(5,474)</u>

B) FACTORS AFFECTING THE TAX CREDIT FOR THE YEAR

Profit/(loss) before tax	<u>77,424</u>	<u>(18,246)</u>
Tax on profit/(loss) at the blended rate of 29% (2007: 30%)	22,453	(5,474)
Permanent disallowance - Dividends receivable	<u>(22,475)</u>	<u>-</u>
Tax credit	<u>(22)</u>	<u>(5,474)</u>

The standard corporation tax rate changed from 30% to 28% effective 1 April 2008. The implication for the company is that corporation tax has been charged at 30% for 6 months to 31 March 2008 and 6 months at 28% to 30 September 2008. This has given rise to an average (blended) rate of corporation tax for the year of 29%.

R. B. INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

9 FINANCIAL INSTRUMENTS

a) Carrying value and fair value of financial instrument by category:

	Carrying value 2008 £'000	Fair value 2008 £'000	Carrying value 2007 £'000	Fair value 2007 £'000
Investments	396,436	396,436	-	-
Loans and receivables				
Trade and other receivables	-	-	10,276	10,276
Cash and cash equivalents	3,910	3,910	23	23
Financial assets	<u>400,346</u>	<u>400,346</u>	<u>10,299</u>	<u>10,299</u>
Financial liabilities measured at amortised cost				
Trade and other payables	149,842	149,842	149,922	149,922
Bank loans	246,288	246,288	330,043	330,043
Financial liabilities	<u>396,130</u>	<u>396,130</u>	<u>479,965</u>	<u>479,965</u>

b) Financial instrument - carrying amount by market risk exposure:

Interest rate risk:

Financial assets		
- variable rate	3,910	23
- non-interest bearing	396,436	10,276
	<u>400,346</u>	<u>10,299</u>
Financial liabilities		
- variable rate	-	330,043
- non-interest bearing	396,130	149,922
	<u>396,130</u>	<u>479,965</u>

If market interest rates had been 1% higher or lower the profit or loss and equity of the Company would not have been materially affected (2007: £3,300,000 higher or lower).

c) Financial asset - credit quality and concentration of credit risk:

	2008 £'000	2007 £'000
Maximum credit exposure and neither past due nor impaired:		
Group undertakings	<u>3,910</u>	<u>10,299</u>

Based on counterparty payment history the Company considers all the above financial assets to be of good credit quality.

d) Liquidity risk:

Contractual cashflows payable to maturity on financial liabilities on an undiscounted basis:

All amounts due within one year;	2008 £'000	2007 £'000
Trade payables	149,842	149,922
Bank loans	246,288	330,043
	<u>396,130</u>	<u>479,965</u>

R. B. INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

The subsidiary companies, the capital of which consists solely of ordinary shares, are shown below. All the companies operate in the United Kingdom and are 100% owned by the Company.

	Nature of business	Country of incorporation or registration
R.B. Investment Company	Investment	England
R.B. (2) Investment Company	Investment	England
R.B. (3) Investment Company	Investment	England
	2008	2007
Movement on investments held as available for sale;	£'000	£'000
At 1 October	473,850	460,896
(Deficit)/Surplus on cost	(77,414)	12,954
At 30 September 2008	<u>396,436</u>	<u>473,850</u>
Historical cost	<u>393,570</u>	<u>393,570</u>

As the Company ceased trading on 30 September 2008 the investments are included as current assets at the balance sheet date.

The subsidiaries are unlimited companies and as such meet the definition of qualifying undertakings. The registered office of the companies is The Quadrangle, The Promenade, Cheltenham, Glos.

11 TRADE AND OTHER RECEIVABLES

	2008	2007
	£'000	£'000
Amounts due from group undertakings	<u>-</u>	<u>10,276</u>

12 CASH AND CASH EQUIVALENTS

	2008	2007
	£'000	£'000
Bank account with group undertakings	-	23
Short term deposits with group undertakings	<u>3,910</u>	<u>-</u>
	<u>3,910</u>	<u>23</u>

13 TRADE AND OTHER PAYABLES

	2008	2007
	£'000	£'000
Amounts due to group undertakings	<u>149,842</u>	<u>149,922</u>

14 BANK LOANS

	2008	2007
	£'000	£'000
Borrowings are repayable within one year;		
Loan amount due to group undertakings	<u>246,288</u>	<u>330,043</u>

A right of set-off exists over the Company's bank account with The Royal Bank of Scotland plc against advances made to the Company's immediate holding company and its subsidiaries.

The loan is non interest bearing (2007: 6.6% p.a.).

R. B. INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

15 SHARE CAPITAL

	2008 Number of shares	2007	2008 £	2007 £
Authorised:	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>	<u>50,000,000</u>
Issued, called up and fully paid:	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>

The Company has one class of ordinary voting shares which carry no right to fixed income.

16 AFS REVALUATION RESERVE

Balance at 1 October 2006	67,326
Revaluation of investments	<u>12,954</u>
Balance at 1 October 2007	80,280
Revaluation of investments	<u>(77,414)</u>
Balance at 30 September 2008	<u>2,866</u>

17 RETAINED EARNINGS

	£'000
Balance at 1 October 2006	(63,524)
Loss for the financial year	<u>(12,772)</u>
Balance at 1 October 2007	(76,296)
Profit for the financial year	<u>77,446</u>
Balance at 30 September 2008	<u>1,150</u>

18 NOTES TO THE CASH FLOW STATEMENT

	2008 £'000	2007 £'000
Profit/(loss) before tax	77,424	(18,246)
Adjustments for:		
Interest expense	72	18,264
Decrease in payables	<u>(77,500)</u>	<u>(26)</u>
Cash generated by operations	(4)	(8)
Income tax received	10,299	2,113
Interest paid	<u>(153)</u>	<u>(351)</u>
Net cash from operating activities	<u>10,142</u>	<u>1,754</u>

R. B. INVESTMENT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

19 RELATED PARTY TRANSACTIONS

During the period, the Company entered into the following related party transactions.

	2008 £'000	2007 £'000
Royal Bank Leasing Limited		
Transactions during the period		
- Management charge paid to related party	4	(15)
- Interest on loan paid to related party	72	18,264
- Group relief received	10,299	2,113
- Repayment of borrowing from related party	<u>(6,255)</u>	<u>(1,741)</u>
Group relief owed (to)/by related party	(1)	10,276
Outstanding balance owed to the related party	<u>-</u>	<u>4,021</u>
R.B. Investment Company		
Transactions during the period		
- Dividend declared	39,250	-
- Interest on loan paid to related party	<u>-</u>	<u>(6,788)</u>
Outstanding balance owed to the related party	<u>(212,876)</u>	<u>(252,175)</u>
R.B. (2) Investment Company		
Transactions during the period		
- Dividend declared	5,250	-
- Interest on loan paid to related party	<u>-</u>	<u>(1,835)</u>
Outstanding balance owed to the related party	<u>(31,290)</u>	<u>(36,538)</u>
R.B. (3) Investment Company		
Transactions during the period		
- Dividend declared	33,000	-
- Interest on loan paid to related party	<u>-</u>	<u>(9,288)</u>
Outstanding balance owed to the related party	<u>(151,822)</u>	<u>(184,996)</u>
The Royal Bank of Scotland plc		
Bank account held with related party	<u>3,910</u>	<u>23</u>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties. Both The Royal Bank of Scotland plc and Royal Bank Leasing Limited are fellow subsidiaries of the ultimate holding company The Royal Bank of Scotland Group plc.

20 POST BALANCE SHEET EVENT

On 1 December 2008, the UK Government through HM Treasury acquired a controlling shareholding in The Royal Bank of Scotland Group plc. The UK Government has announced that its shareholdings in banks will be managed by UK Financial Investments Limited a company wholly-owned by the UK Government.