

Company Registered No: 02718691

R.B. INVESTMENT HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2013

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

FRIDAY



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OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:
S J Caterer
J E Rogers
P D J Sullivan
R F Warren

SECRETARY: RBS Secretarial Services Limited

REGISTERED OFFICE:
The Quadrangle
The Promenade
Cheltenham
Gloucestershire
GL50 1PX

AUDITOR:
Deloitte LLP
3 Rivergate
Temple Quay
Bristol
BS1 6GD

Registered in England and Wales

DIRECTORS' REPORT

The directors of R B Investment Holdings Limited ("the company") present their report and the audited financial statements for the year ended 31 March 2013

ACTIVITIES AND BUSINESS REVIEW**Principal activity**

The company ceased to trade on 30 September 2008 following the cessation of trade of its subsidiaries. Note 1 to the financial statements gives more information on the fact that the financial statements have not been prepared on a going concern basis.

The directors do not anticipate that any further business will be written in the company.

The company is a subsidiary of The Royal Bank of Scotland Group plc ("the group") which provides the company with direction and access to all central resources it needs and determines policies in all key areas such as finance, risk, human resources or environment. For this reason, the directors believe that performance indicators specific to the company are not necessary or appropriate for an understanding of the development, performance or position of the business. The annual reports of the group review these matters on a group basis. Copies can be obtained from RBS Secretariat, RBS Gogarburn, Edinburgh EH12 1HQ, the Registrar of Companies or through the group's website at www.rbs.com.

Business review

The directors are satisfied with the company's performance in the year. The company holds 2 Ordinary shares in each of the three subsidiary companies.

Financial performance

The company's financial performance is presented in the Statement of Comprehensive Income on page 7. The profit for the year before tax was £2,866k (2012: £nil). The total comprehensive income for the year was £ nil (2012: £ nil).

At the end of the year, the Balance Sheet showed total assets of £200k (2012: £4,216k).

Dividends

An interim dividend of £4,016k (2012: nil) was paid on 31 October 2012.

Principal risks and uncertainties

The company's financial risk management objectives and policy regarding the use of financial instruments are set out in note 8 to these financial statements.

Going concern

The company is not currently trading. As required by IAS 1 – 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.

It is the intention of the directors that the company will be wound up in the near future.

DIRECTORS' REPORT (continued)**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 April 2012 to date the following changes have taken place

Secretary	Appointed	Resigned
C J Down	-	31 October 2012
RBS Secretarial Services Limited	31 October 2012	-

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare a directors' report and financial statements for each financial year and the directors have elected to prepare them in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs at the end of the year and the profit or loss for the financial year of the company. In preparing these financial statements, under International Accounting Standard 1, the directors are required to

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the directors' report and financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

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

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

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

DIRECTORS' REPORT (continued)

AUDITOR

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

Approved by the Board of Directors and signed on its behalf

A handwritten signature in black ink, appearing to read 'S J Caterer', written in a cursive style.

S J Caterer

Director

Date 26 September 2013

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

We have audited the financial statements of R B Investment Holdings Limited ("the company") for the year ended 31 March 2013 which have been prepared on a basis other than that of a going concern under the accounting policies set out therein, and 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 12. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRS as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF R.B. INVESTMENT HOLDINGS 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



Mark Taylor, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor,
Bristol, United Kingdom
Date 26 September 2013

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2013

		2013	2012
	Notes	£'000	£'000
Income from discontinued operations			
Investment income	3	2,866	-
Profit before tax		2,866	-
Tax charge	4	-	-
Profit for the financial year		2,866	-
Other comprehensive income:			
Available-for-sale investment		(2,866)	-
Tax (charge)/ credit on Available-for- sale investment		-	-
Other comprehensive income after tax		(2,866)	-
Total comprehensive income for the year		-	

The accompanying notes form an integral part of these financial statements

BALANCE SHEET
As at 31 March 2013

	Notes	2013 £'000	2012 £'000
Assets			
Current assets			
Available-for-sale investments	5	-	2,866
Cash at bank	6	200	1,350
Total assets		200	4,216
Equity			
Share capital	9	200	200
AFS revaluation reserve		-	2,866
Retained earnings		-	1,150
Total equity		200	4,216

The accompanying notes form an integral part of these financial statements

The financial statements were approved by the Board of Directors on 26 September 2013 and signed on its behalf by



S J Caterer
Director

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2013

	Share capital £'000	AFS revaluation reserve £'000	Retained earnings £'000	Total £'000
At 1 April 2011	200	2,866	1,150	4,216
Profit for the year	-	-	-	-
At 31 March 2012	200	2,866	1,150	4,216
Other comprehensive income (loss) for the year	-	(2,866)	-	(2,866)
Profit for the year	-	-	2,866	2,866
Dividends paid	-	-	(4,016)	(4,016)
At 31 March 2013	200	-	-	200

Total comprehensive profit for the year of £2,866k (2012 £nil) was wholly attributable to the owners of the company

The accompanying notes form an integral part of these financial statements

CASH FLOW STATEMENT

For the year ended 31 March 2013

	Note	2013 £'000	2012 £'000
Operating activities			
Profit for the year before tax		2,866	-
Adjustment for:			
Investment income		(2,866)	-
Operating cash flows before movements in working capital		-	-
Decrease in trade and other payables		-	(5,021)
Decrease in loans and receivable		-	594
Net cash used by operating activities		-	(4,427)
Cash flows from investing activities			
Dividend received		2,866	-
Net cash flows from investing activities		2,866	-
Cash flows from financing activities			
Repayment of borrowings from subsidiaries		-	(3,215)
Dividend paid		(4,016)	-
Net cash used by financing activities		(4,016)	(3,215)
Net decrease in cash and cash equivalents		(1,150)	(7,642)
Cash and cash equivalents at beginning of year		1,350	8,992
Cash and cash equivalents at end of year	6	200	1,350

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS**1. Accounting policies****a) Presentation of financial statements**

The financial statements are prepared on a basis other than going concern (see the Directors' Report) and in accordance with IFRS issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB as adopted by the EU (together IFRS)

The financial statements are prepared on the historical cost basis except available-for-sale financial assets which are stated at their fair value

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

The company is incorporated in the UK and registered in England and Wales. The company's financial statements are presented in accordance with the Companies Act 2006

The company has ceased trading and does not have plans to become active in the future. These events did not require the company to remeasure or reclassify the settlement dates of any assets or liabilities. IAS 1 25 'Presentation of Financial Statements' describes the preparation of financial statements in such circumstances as being other than on the going concern basis.

Adoption of new and revised standards

There are a number of changes to IFRS that were effective from 1 April 2012. They have had no material effect on the company's financial statements for the year ended 31 March 2013.

b) Consolidated financial statements

The financial statements contain information about R B Investment Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under IAS 27 Consolidated and Separate Financial Statements and section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the company and its subsidiaries are included by full consolidation in the IFRS consolidated financial statements of its parent, The Royal Bank of Scotland Group plc, a public company registered in Scotland.

c) Revenue recognition

Interest income on financial assets that are classified as loans and receivables, available-for-sale or held-to-maturity and interest expense on financial liabilities other than those at fair value are determined using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability (or group of financial assets or liabilities) and of allocating the interest income or interest expense over the expected life of the asset or liability.

Dividend income is recognised when the paying company is obliged to make the payment.

d) Investments in group undertakings

Investments in subsidiaries are classified as available-for-sale and carried at fair value. Revaluation gains are recognised in reserves, impairment losses are recognised through the Statement of Comprehensive Income. The net income or loss recognised in the Statement of Comprehensive Income 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)**1. Accounting policies (continued)****e) Financial assets**

On initial recognition, financial assets are classified into loans and receivables or available-for sale financial assets

Loans and receivables

Non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market are classified as loans and receivables, except those that are classified as available-for-sale or as held-for-trading, or designated as at fair value through profit or loss. Loans and receivables are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at amortised cost using the effective interest method less any impairment losses.

Available-for-sale

Financial assets that are not classified as loans and receivables are classified as available-for-sale. Financial assets can be designated as available-for-sale on initial recognition. Available-for-sale financial assets are initially recognised at fair value plus directly related transaction costs. They are subsequently measured at fair value. Impairment losses and exchange differences resulting from retranslating the amortised cost of foreign currency monetary available-for-sale financial assets are recognised in profit or loss together with interest calculated using the effective interest method (see accounting policy 1(d)). Other changes in the fair value of available-for-sale financial assets are reported in a separate component of shareholders' equity until disposal, when the cumulative gain or loss is recognised in profit or loss.

f) Cash and cash equivalents

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

g) Accounting developments

No recent IASB announcement is expected to have a material effect on the company's accounting policies or financial statements.

2. Operating expenses**Staff costs, number of employees and directors' emoluments**

All staff and directors were employed by The Royal Bank of Scotland plc, the accounts for which contain full disclosure of employee benefit expenses incurred in the period including share based payments and pensions. The company has no employees. The directors of the company do not receive remuneration for specific services provided to the company.

The auditor's remuneration of £7,000 for statutory audit work was borne by The Royal Bank of Scotland plc (2012: £6,000 borne by Royal Bank Leasing Limited).

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Investment income

	2013 £'000	2012 £'000
Dividends received from subsidiaries	2,866	-

4. Tax

	2013 £'000	2012 £'000
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 24% (2012 standard tax rate of 26%) as follows

	2013 £'000	2012 £'000
Profit before tax	2,866	-
Expected tax charge	688	-
Non-taxable dividend income	(688)	-
Actual tax charge for the year	-	-

5. Available-for-sale investments

	2013 £'000	2012 £'000
Opening balance for the year	2,866	2,866
Decrease in fair values	(2,866)	-
Closing balance for the year	-	2,866

The subsidiary undertakings of the company are shown below. The fair values of the investments in subsidiaries have reduced due to distributions of dividends by subsidiaries.

Name of subsidiary	Country of incorporation and operation	Proportion of ownership interest	Proportion of voting power held	Principal activity
R B Investment Company	UK	100%	100%	Investment
R B (2) Investment Company	UK	100%	100%	Investment
R B (3) Investment Company	UK	100%	100%	Investment

The subsidiaries passed a resolution on 8 June 2010 to reduce their share capital and subsequently this was repaid to R B Investment Holdings Limited. Upon receipt, the company repaid the intercompany loans to each subsidiary company. Two ordinary shares of £1 each were subsequently purchased in each of the three subsidiaries on 23 March 2011. The three subsidiaries have the same registered office as this company as disclosed in the Officers and Professional Advisers section on page 1.

NOTES TO THE FINANCIAL STATEMENTS (continued)

6. Cash at bank

	2013 £'000	2012 £'000
Cash at bank – non-interest bearing – immediate parent company	200	1,350

7. Financial instruments

Categories of financial instrument

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

2013	Loans and receivables £'000	Available-for- sale £'000	Total £'000
Assets			
Cash at bank	200	-	200
	200	-	200
Equity			200
			200

2012	Loans and receivables £'000	Available-for- sale £'000	Total £'000
Assets			
Available-for-sale investments	-	2,866	2,866
Cash at bank	1,350	-	1,350
	1,350	2,866	4,216
Equity			4,216
			4,216

8. Financial risk management

The company is part of a group which has established a comprehensive framework for managing risks, which is continually evolving as business activities change in response to market, credit, product and other developments.

The company is not exposed to any principal risks or uncertainties. As a result disclosures relating to risk and capital management have not been included.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Share capital

	2013 £'000	2012 £'000
Equity shares		
Authorised		
50,000,000 Ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
200,000 Ordinary Shares of £1 each	200	200

The company has one class of Ordinary Shares which carry no right to fixed income

10. Capital resources

The company's capital consists of equity comprising issued share capital and retained earnings. The company is a member of The Royal Bank of Scotland group of companies which has regulatory disciplines over the use of capital. In the management of capital resources, the company is governed by the group's policy which is to maintain a strong capital base. It is not separately regulated. The group has complied with the Prudential Regulation Authority's capital requirements throughout the year.

11. Related parties

UK Government

The UK Government through HM Treasury is 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 and as a result, the UK Government and UK Government controlled bodies are related parties of the company.

Transactions between the company and the UK Government and UK Government controlled bodies, consisted solely of corporation tax.

Group undertakings

The immediate parent company is The Royal Bank of Scotland plc which is incorporated in UK and registered in Scotland.

The company's ultimate holding company is The Royal Bank of Scotland Group plc which is incorporated in the UK and registered in Scotland.

As at 31 March 2013, The Royal Bank of Scotland Group plc heads the largest 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 RBS Secretariat, The Royal Bank of Scotland Group plc, Gogarburn, PO Box 1000, Edinburgh EH12 1HQ.

NOTES TO THE FINANCIAL STATEMENTS (continued)**Key management**

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

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

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

Capital support deed

The company, together with other members of the group, is party to a capital support deed (CSD). Under the terms of the CSD, the company may be required, if compatible with its legal obligations, to make distributions on, or repurchase or redeem, its Ordinary Shares. The amount of this obligation is limited to the company's immediately accessible funds or assets, rights, facilities or other resources that, using best efforts, are reasonably capable of being converted to cleared, immediate funds (the company's available resources). The CSD also provides that, in certain circumstances, funding received by the company from other parties to the CSD becomes immediately repayable, such repayment being limited to the company's available resources.

12. Post balance sheet events

There have been no significant events between the year end and the date of approval of the financial statements which would require a change or additional disclosure in the financial statements.